

**FIRST REAL ESTATE INVESTMENT TRUST
2016 SECOND QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between Bowsprit Capital Corporation Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006.

First REIT is Singapore's first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes.

Managed by Bowsprit Capital Corporation Limited, First REIT's portfolio consists of 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			Year-to-date		
	2Q 2016	2Q 2015	Change	30 Jun 2016	30 Jun 2015	Change
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Gross Revenue	26,604	24,992	6.5%	53,100	49,735	6.8%
Net Property Income	26,321	24,612	6.9%	52,528	48,858	7.5%
Distributable Amount	16,240	15,400	5.5%	32,437	30,652	5.8%
Distribution per unit (cts)	2.11	2.07	1.9%	4.22	4.13	2.2%
Annualised Distribution per unit (cts)	8.49	8.30 ¹	2.3%	8.49	8.30 ¹	2.3%

Note:

- 1) Actual distribution paid for FY 2015.

Distribution Details

Distribution	1 April 2016 to 30 June 2016
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total : 2.11 cents per unit (a) Taxable income distribution - 0.07 cents per unit (b) Tax-exempt income distribution - 1.15 cents per unit (c) Capital distribution - 0.89 cents per unit
Book closure date	25 July 2016 at 5.00 pm
Ex-dividend date	21 July 2016 at 9.00 am
Payment date	26 August 2016

Distribution Reinvestment Plan ("DRP")

The DRP will not be applicable for this quarter. All Unitholders will be receiving 2Q 2016 DPU of Singapore 2.11 cents in cash, payable on 26 August 2016. The Manager may consider applying the DRP at a later date and Unitholders will be notified accordingly.

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1(a)(i) Statement of Comprehensive Income

		Group					
		Quarter			Year-to-date		
Note	2Q 2016	2Q 2015	Change	30 Jun 2016	30 Jun 2015	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
	26,604	24,992	6.5%	53,100	49,735	6.8%	
Property operating expenses	(283)	(380)	(25.5%)	(572)	(877)	(34.8%)	
	26,321	24,612	6.9%	52,528	48,858	7.5%	
Interest income	331	59	461.0%	452	103	338.8%	
Manager's management fees	(2,630)	(2,441)	7.7%	(5,245)	(4,844)	8.3%	
Trustee fees	(99)	(91)	8.8%	(197)	(184)	7.1%	
Finance costs	(4,677)	(4,091)	14.3%	(9,298)	(8,065)	15.3%	
Other (expenses)/income	(336)	142	NM	(1,270)	(890)	42.7%	
	18,910	18,190	4.0%	36,970	34,978	5.7%	
Gain on divestment of investment property	-	-	-	512	-	NM	
Net change in fair value of derivative financial instruments	(569)	(261)	118.0%	(3,094)	301	NM	
	18,341	17,929	2.3%	34,388	35,279	(2.5%)	
Income tax expense	(4,260)	(3,856)	10.5%	(8,794)	(7,816)	12.5%	
	14,081	14,073	0.1%	25,594	27,463	(6.8%)	
Exchange differences on translating foreign operations, net of tax	(5)	(195)	(97.4%)	(552)	151	NM	
	14,076	13,878	1.4%	25,042	27,614	(9.3%)	

Note:

NM – Not meaningful

The results for 2Q 2016 includes the full quarter contribution from Siloam Hospitals Kupang & Lippo Plaza Kupang ("Kupang Property") which was acquired in December 2015.

- 1) Property operating expenses for 2Q 2016 decreased to S\$0.3 million compared to 2Q 2015 mainly due to lower expenses incurred for Sarang Hospital.
- 2) Interest income for 2Q 2016 increased to S\$331,000 compared to 2Q 2015 mainly due to the return from the first progress payment made in March 2016 for the development works on new Siloam Hospitals Surabaya.
- 3) Other expenses for 2Q 2016 increased to S\$336,000 compared to other income for 2Q 2015 mainly due to legal fee and the costs related to proposed transaction for Siloam Hospitals Surabaya as well as the absence of unrealised exchange gains on USD loan this quarter.
- 4) Net change in fair value of derivative financial instruments relates to the revaluation losses of the interest rate swap contracts.
- 5) Income tax expenses for 2Q 2016 increased to S\$4.3 million compared to 2Q 2015 mainly due to higher revenue and interest income.

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1(a)(ii) Statement of Distribution

	Group					
	Quarter			Year-to-date		
	2Q 2016	2Q 2015	Change	30 Jun 2016	30 Jun 2015	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after income tax	14,081	14,073	0.1%	25,594	27,463	(6.8%)
Adjustments for tax purposes:						
- Manager's management fees settled in units	1,842	1,587	16.1%	3,675	3,272	12.3%
- Net change in fair value of derivative financial instruments	569	261	118.0%	3,094	(301)	NM
- Gain on divestment of investment property, net of tax	-	-	-	(122)	-	NM
- Costs related to proposed transaction of Siloam Hospitals Surabaya	-	-	-	787	-	NM
- Costs related to MTN consent solicitation exercise	27	-	NM	581	-	NM
- Foreign exchange adjustment (gain)/ loss	-	(426)	NM	(893)	323	NM
- Others	(279)	(95)	193.7%	(279)	(105)	165.7%
Total available for distribution to Unitholders	16,240	15,400	5.5%	32,437	30,652	5.8%
Unitholders' distribution:						
- as distribution from operations	9,428	8,656	8.9%	18,653	18,744	(0.5%)
- as distribution of Unitholders' capital contribution	6,812	6,744	1.0%	13,784	11,908	15.8%
Distributable amount to Unitholders	16,240	15,400	5.5%	32,437	30,652	5.8%

Note:

NM – Not meaningful

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1(b)(i) Statements of Financial Position

Note	Group		Trust	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current Assets				
1	1,260,308	1,268,306	37,956	37,900
	-	-	747,057	748,258
	-	-	51,562	53,330
	754	754	754	754
	12	2,131	11	2,131
	1,261,074	1,271,191	837,340	842,373
Current Assets				
2	31,396	14,512	5,505	2,453
	-	-	4,191	4,823
	2,694	2,632	554	328
	31,949	26,827	25,167	23,606
	66,039	43,971	35,417	31,210
	1,327,113	1,315,162	872,757	873,583
Unitholders' Funds and Liabilities				
Unitholders' Fund				
	433,756	439,045	433,756	439,045
	358,040	350,507	(44,086)	(37,608)
	997	1,549	-	-
	792,793	791,101	389,670	401,437
Non-current Liabilities				
	42,104	42,104	-	-
3	408,019	398,291	408,019	398,291
	974	-	974	-
	451,097	440,395	408,993	398,291
Current Liabilities				
	1,546	778	-	-
	15,629	17,360	27,793	27,716
	44,402	44,274	44,402	44,274
	21,646	21,254	1,899	1,865
	83,223	83,666	74,094	73,855
	534,320	524,061	483,087	472,146
	1,327,113	1,315,162	872,757	873,583

Note:

- Investment properties decreased from S\$1,268.3 million to S\$1,260.3 million mainly due to divestment of Plot B of existing Siloam Hospitals Surabaya in 2016.
- Trade and other receivables increased from S\$14.5 million to S\$31.4 million mainly due to the first progress payment for the development works on new Siloam Hospitals Surabaya.

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- 3) Other financial liabilities, non-current increased from S\$398.3 million to S\$408.0 million mainly due to drawdown of loan to part finance the first progress payment for the development works on new Siloam Hospitals Surabaya.

1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Amount repayable after one year				
Secured	301,683	302,577	301,683	302,577
Unsecured	110,000	100,000	110,000	100,000
Less: Transaction costs	(3,664)	(4,286)	(3,664)	(4,286)
Total Borrowings, Non-current	408,019	398,291	408,019	398,291
Amount repayable within one year				
Secured*	45,000	45,000	45,000	45,000
Unsecured	-	-	-	-
Less: Transaction costs	(598)	(726)	(598)	(726)
Total Borrowings, Current	44,402	44,274	44,402	44,274

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	
	2Q 2016	2Q 2015
Note	S\$'000	S\$'000
Cash flows from operating activities		
Total return before income tax	18,341	17,929
Interest income	(331)	(59)
Interest expense	4,250	3,726
Amortisation of borrowing costs	427	365
Foreign exchange adjustment gain	-	(426)
Net change in fair value on derivative financial instruments	569	261
Manager's management fees settled in units	921	1,587
Operating cash flows before changes in working capital	24,177	23,383
Trade and other receivables, current	74	48
Other assets, current	170	(123)
Trade and other payables, current	313	(373)
Other liabilities, current	184	19
Net cash flows from operating activities before income tax	24,918	22,954
Income taxes paid	(4,748)	(4,255)
Net cash flows from operating activities	20,170	18,699
Cash flows from investing activities		
Interest received	330	76
Increase in investment properties	(12)	(4)
Net cash flows from investing activities	318	72
Cash flows from financing activities		
Interest paid	(4,071)	(3,489)
Distribution to Unitholders	(13,233)	(11,692)
Net cash flows used in financing activities	(17,304)	(15,181)
Net increase in cash and cash equivalents	3,184	3,590
Cash and cash equivalents at beginning of the period	28,765	31,865
Cash and cash equivalents at end of the period	31,949	35,455

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

	Group	
	30 Jun 2016	30 Jun 2015
Note	S\$'000	S\$'000
Cash flows from operating activities		
Total return before income tax	34,388	35,279
Interest income	(452)	(103)
Interest expense	8,475	7,371
Amortisation of borrowing costs	823	694
Foreign exchange adjustment (gain)/loss	(893)	323
Gain on divestment of investment property	(512)	-
Net change in fair value on derivative financial instruments	3,094	(301)
Manager's management fees settled in units	1,837	3,272
Operating cash flows before changes in working capital	46,760	46,535
Trade and other receivables, current	996	(1,843)
Other assets, current	(62)	15
Trade and other payables, current	(772)	(1,590)
Other liabilities, current	392	(343)
Net cash flows from operating activities before income tax	47,314	42,774
Income taxes paid	(8,026)	(6,428)
Net cash flows from operating activities	39,288	36,346
Cash flows from investing activities		
Interest received	460	117
Increase in investment properties	(56)	(52)
Payment of progress payment - other receivables	1 (18,035)	-
Net cash flows (used in)/from investing activities	(17,631)	65
Cash flows from financing activities		
Increase in borrowings	2 9,945	-
Net proceeds from divestment of investment property	3 8,161	-
Interest paid	(8,554)	(6,099)
Distribution to Unitholders	(26,087)	(23,087)
Net cash flows used in financing activities	(16,535)	(29,186)
Net increase in cash and cash equivalents	5,122	7,225
Cash and cash equivalents at beginning of the period	26,827	28,230
Cash and cash equivalents at end of the period	31,949	35,455

Note:

- 1) The payment of progress payment - other receivables relates to the first progress payment made for the development works on the new Siloam Hospitals Surabaya.
- 2) The increase in borrowings is due to the loan drawdown to part finance the first progress payment for the development works on the new Siloam Hospitals Surabaya.
- 3) The net proceeds from divestment of investment property relates to the divestment of Plot B of existing Siloam Hospitals Surabaya.

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

	Group		Trust	
	2Q 2016	2Q 2015	2Q 2016	2Q 2015
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at beginning of the financial period	791,034	755,229	394,856	399,027
<u>Operations</u>				
Total return after tax	14,081	14,073	7,131	7,231
<u>Translation transactions</u>				
Net movement in foreign exchange reserve	(5)	(195)	-	-
<u>Unitholders' transactions</u>				
Manager's management fees paid in units	916	1,685	916	1,685
Issuance of units (DRP)	2,936	3,493	2,936	3,493
Distribution to Unitholders	(16,169)	(15,185)	(16,169)	(15,185)
Balance at end of the financial period	792,793	759,100	389,670	396,251

	Group		Trust	
	30 Jun 2016	30 Jun 2015	30 Jun 2016	30 Jun 2015
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at beginning of the financial period	791,101	744,950	401,437	394,273
<u>Operations</u>				
Total return after tax	25,594	27,463	11,583	15,442
<u>Translation transactions</u>				
Net movement in foreign exchange reserve	(552)	151	-	-
<u>Unitholders' transactions</u>				
Manager's management fees paid in units	2,737	3,623	2,737	3,623
Purchase consideration of investment property paid in units	-	6,000	-	6,000
Issuance of units (DRP)	5,787	7,053	5,787	7,053
Distribution to Unitholders	(31,874)	(30,140)	(31,874)	(30,140)
Balance at end of the financial period	792,793	759,100	389,670	396,251

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

	Trust			
	Quarter		Year-to-date	
	2Q 2016	2Q 2015	30 Jun 2016	30 Jun 2015
Balance at beginning of period	765,607,723	740,878,203	761,567,027	731,702,488
Unitholders transactions:				
- Manager's management fees paid in units	743,803	1,232,838	2,281,211	2,798,135
- Purchase consideration paid in units	-	-	-	4,804,612
- Manager's divestment fee paid in units	31,148	-	31,148	-
- Issuance of units (DRP)	2,411,199	2,529,423	4,914,487	5,335,229
Balance at end of period	768,793,873	744,640,464	768,793,873	744,640,464
New units to be issued				
- Manager's management fees payable in units	742,469	1,126,390	742,469	1,126,390
Total issued and issuable units	769,536,342	745,766,854	769,536,342	745,766,854

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 2016	31 Dec 2015
Issued units at end of period/year	768,793,873	761,567,027

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 2015.

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 2016	2Q 2015	30 Jun 2016	30 Jun 2015
<u>Earnings per unit</u>				
Weighted average number of units in issue	766,212,574	741,934,921	765,740,224	740,759,798
<u>Earnings per unit in cents</u>				
Basic and fully diluted basis	1.84	1.90	3.34	3.71
<u>Distribution per unit</u>				
Number of units in issue	768,793,873	744,640,464	768,793,873	744,640,464
<u>Distribution per unit in cents</u>				
Based on the number of units in issue at the end of the period	2.11	2.07	4.22	4.13

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

	Group		Trust	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net asset value per unit (cents)	103.12	103.88	50.69	52.71

8. Review of the performance

2Q 2016 vs 2Q 2015

The results for this quarter includes the full quarter contribution from First REIT’s latest property, Siloam Hospitals Kupang & Lippo Plaza Kupang (“Kupang Property”) which was acquired in December 2015.

Gross revenue for 2Q 2016 increased by 6.5% to S\$26.6 million compared to 2Q 2015, mainly due to contribution from Kupang Property.

Property operating expenses for 2Q 2016 decreased by 25.5% to S\$283,000 compared to 2Q 2015, mainly due to lower expenses incurred for Sarang Hospital.

Interest income for 2Q 2016 increased to S\$331,000 compared to 2Q 2015, mainly due to the return from the payment of the first progress payment for the development works on new Siloam Hospitals Surabaya.

Manager's management fees for 2Q 2016 increased by 7.7% to S\$2.6 million compared to 2Q 2015, mainly due to higher net property income and total assets.

Trustee fees for 2Q 2016 increased by 8.8% to S\$99,000 compared to 2Q 2015, mainly due to the higher total assets.

Finance costs for 2Q 2016 increased by 14.3% to S\$4.7 million compared to 2Q 2015, mainly due to higher loan amounts to part finance the acquisition of Kupang Property and the first progress payment for the development works of new Siloam Hospitals Surabaya.

Other expenses for 2Q 2016 increased to S\$336,000 as compared to other income for 2Q 2015, mainly due to legal fee and the costs related to proposed transaction for Siloam Hospitals Surabaya as well as the absence of unrealised exchange gain on USD loan.

Net change in fair value of derivative financial instruments relates to the revaluation of interest rate swap contracts.

Income tax for 2Q 2016 increased by 10.5% to S\$4.3 million compared to 2Q 2015, mainly due to the higher rental and interest income.

1H 2016 vs 1H 2015

Gross revenue for 1H 2016 increased by 6.8% to S\$53.1 million compared to 1H 2015, mainly due to contribution from Kupang Property.

Property operating expenses for 1H 2016 decreased by 34.8% to S\$0.6 million compared to 1H 2015, mainly due to the lower expenses incurred for Sarang Hospital partly offset by land title renewal costs for an Indonesia property.

Interest income for 1H 2016 increased to S\$452,000 compared to 1H 2015, mainly due to the return from the payment of the first progress payment for the development works on new Siloam Hospitals Surabaya.

Manager's management fees for 1H 2016 increased by 8.3% to S\$5.2 million compared to 1H 2015, mainly due to the higher net property income and total assets.

Trustee fees for 1H 2016 increased by 7.1% to S\$197,000 compared to 1H 2015, mainly due to the higher total assets.

Finance costs for 1H 2016 increased by 15.3% to S\$9.3 million compared to 1H 2015, mainly due to higher loan amounts to part finance the acquisition of Kupang Property and the first progress payment for the development works of new Siloam Hospitals Surabaya.

Other expenses for 1H 2016 increased to S\$1.3 million compared to 1H 2015, mainly due to expenses incurred for the MTN consent solicitation exercise and the costs related to proposed transaction for Siloam Hospitals Surabaya partly offset by unrealised exchange gain on USD loan.

Net change in fair value of derivative financial instruments relates to the revaluation of interest rate swap contracts.

Income tax for 1H 2016 increased by 12.5% to S\$8.8 million compared to 1H 2015, mainly due to the higher rental income and tax incurred for the divestment of Plot B of existing Siloam Hospitals Surabaya.

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

First REIT will continue to keep a lookout for yield-accretive acquisitions in the region to boost growth, particularly in Indonesia where its Sponsor, PT Lippo Karawaci Tbk, continues to expand its healthcare portfolio to the current strong pipeline of 43 hospitals for potential acquisition. Despite a slowdown in the Indonesia's economy which dipped marginally to 4.92% in the first quarter of the year from 5.04% in the fourth quarter of 2015, the healthcare sector is expected to continue to grow steadily with demand supported by the growing aging population and the national health insurance scheme.

In the meantime, the Trust is working on the proposed joint acquisition with Lippo Malls Indonesia Retail Trust for an integrated development strategically located in Yogyakarta, Indonesia, from its Sponsor. Upon completion, the acquisition will boost the Trust's portfolio to 18 properties and strengthen its asset base by 3.17% to S\$1.30 billion from S\$1.26 billion.

On 30 June 2016, First REIT announced the pricing of S\$60 million subordinated perpetual securities with a fixed distribution rate of 5.68% per annum for the first five years up to 8 July 2021 ("First Call Date"). In the event the perpetual securities are not redeemed on the First Call Date, the distribution rate will reset on the First Call Date and every five years thereafter. This exercise will lower the Trust's current gearing from 34% to 30% as the proceeds raised will be used to reduce the existing loans and thus increase its debt headroom for future acquisition opportunities. With this additional stream of cash, the Trust has decided not to apply the Distribution Reinvestment Plan for this quarter and may consider applying it at a later date.

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 2016 to 30 June 2016

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.07
Tax-Exempt Income	1.15
Capital	0.89
Total	2.11

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 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

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%.

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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 25 July 2016 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 21 July 2016 at 9.00am.

11(d) Date Payable: 26 August 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.

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 2016:

- 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 2016 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 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.

16. 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
14 July 2016