

FOR IMMEDIATE RELEASE

First REIT posts 0.9% rise in 3Q 2017 DPU

SINGAPORE – 23 October 2017 – Bowsprit Capital Corporation Limited (“Bowsprit”), the Manager of First Real Estate Investment Trust (“First REIT” or the “Trust”), today reported a 0.9% increase in distribution per unit (“DPU”) to 2.14 Singapore cents for the third quarter ended 30 September 2017 (“3Q 2017”), compared to 2.12 Singapore cents in the same period a year ago (“3Q 2016”).

Distributable income for the quarter rose 2.2% to S\$16.7 million, while net property income (“NPI”) gained 3.2% to S\$27.5 million. Contribution from Siloam Hospitals Labuan Bajo, as well as higher rental income from existing properties in Indonesia, Singapore and South Korea, helped lift gross revenue for 3Q 2017 by 3.3% to S\$27.8 million.

Commented Mr Victor Tan, Bowsprit’s Chief Executive Officer, “The Trust has recently completed the acquisition of an integrated property comprising a hospital and retail mall in Bau Bau city on Buton Island, Indonesia. Continuing on the tracks of yield-accretive acquisitions, we have also announced our proposed joint venture with Lippo Malls Indonesia Retail Trust to jointly acquire another integrated development in Yogyakarta. With the Buton Property, and potentially another new-quality asset, Unitholders can look forward to a steady income stream that will continue to deliver consistently growing DPU.

“With prudent capital management, First REIT has managed to maintain a low gearing of 32.6% as at 30 September 2017, below the regulatory limit of 45%. This gives us ample debt headroom to carry out more acquisitions to further strengthen our portfolio, to which, the Trust has the right-of-first-refusal to a healthy pipeline of around 40 hospitals from our sponsor, PT Lippo Karawaci Tbk.”

For the nine-month period, the Trust’s gross revenue and NPI grew at the same 3.0% to S\$82.4 million, and S\$81.5 million respectively, while distributable income edged up 2.4% to S\$49.9 million.

Key highlights and corporate developments in 3Q 2017

- DPU up 0.9% to 2.14 Singapore cents compared to 2.12 Singapore cents in 3Q 2016
- Based on annualised DPU of 8.58 Singapore cents and closing price of S\$1.335 as at 29 September 2017, the latest distribution translated to a yield of 6.4%
- On 4 August 2017, secured a new S\$50 million revolving credit facility and extended the maturity dates of two existing term loan facilities, totalling S\$122 million, from Oversea-Chinese Banking Corporation Limited
- On 21 September 2017, received Unitholders' approval for the acquisition of the Buton Property comprising Siloam Hospitals Buton and Lippo Plaza Buton for a purchase consideration of S\$28.5 million. The acquisition was subsequently completed on 10 October 2017

Outlook

Indonesia's Gross Domestic Product grew at 5.01% in the second quarter, at the same pace as in the first quarter. President Joko Widodo has expressed in Parliament that he expects Indonesia's economy to grow by 5.4% next year¹, supported by an increase in consumption, investments and better trade performance. In addition, for the first time in almost 20 years, Indonesia has been rated investment grade by the three major rating agencies and this is expected to attract more investment flows into Indonesia.

Along with stronger economic growth prospects, the national health insurance scheme will continue to drive demand for better quality private healthcare among the rising middle-income class in Indonesia. The Trust, with its strong portfolio of 15 properties in Indonesia, is well-positioned to cater to this growing demand.

¹ 17 August 2017, Straits Times, 'Indonesia's economy to grow by 5.4%'

Summary of Financial Results for period ended 30 September 2017

<i>(S\$'000)</i>	3Q 2017	3Q 2016	Change (%)	9M 2017	9M 2016	Change (%)
Gross Revenue	27,814	26,929	3.3	82,442	80,029	3.0
Net Property Income	27,465	26,621	3.2	81,486	79,149	3.0
Distributable Amount	16,700	16,341	2.2	49,935	48,778	2.4
Distribution per unit (cts)	2.14	2.12	0.9	6.42	6.34	1.3
Annualised Distribution per unit (cts)	8.58	8.47 ¹	1.3	8.58	8.47 ¹	1.3

¹ Actual distribution paid for FY 2016.

Distribution Details

Distribution	1 July 2017 to 30 September 2017
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 2.14 cents per unit (a) Taxable income distribution: 0.06 cents per unit (b) Tax-exempt income distribution: 1.19 cents per unit (c) Capital distribution: 0.89 cents per unit
Book closure date	31 October 2017 at 5.00 pm
Ex-dividend date	27 October 2017 at 9.00 am
Payment date	29 November 2017

Distribution Reinvestment Plan ("DRP")

The DRP will not be applicable for this quarter. All Unitholders will be receiving 3Q 2017 DPU of Singapore 2.14 cents in cash, payable on 29 November 2017. The Manager may consider applying the DRP at a later date and Unitholders will be notified accordingly.

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About First REIT

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 19 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) Siloam Hospitals Labuan Bajo, 15) Siloam Hospitals Buton & Lippo Plaza Buton 16) Pacific Healthcare Nursing Home @ Bukit Merah, 17) Pacific Healthcare Nursing Home II @ Bukit Panjang, 18) The Lentor Residence and 19) 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 & Resort Group. Lippo Plaza Kupang and Lippo Plaza Buton are 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, while Sarang Hospital in South Korea is managed 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.

IMPORTANT NOTICE

The value of units in First REIT (“Units”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of First REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT. This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.