

**FOR IMMEDIATE RELEASE**

**First REIT wraps up the year with record DPU of 8.57 cents**

**SINGAPORE – 17 January 2018 – Bowsprit Capital Corporation Limited (“Bowsprit”), the Manager of First Real Estate Investment Trust (“First REIT” or the “Trust”), closed financial year ended 31 December 2017 (“FY 2017”) with a record annualised distribution per unit (“DPU”) of 8.57 cents, a gain of 1.2% compared to a year ago (“FY 2016”). This translated to an attractive yield of 6.2% based on closing price of S\$1.39 as at 29 December 2017.**

The Trust’s distributable income for the year edged up 2.3% to S\$66.7 million on the back of gross revenue and net property income (“NPI”) growing 3.7% and 3.4% to S\$111.0 million and S\$109.5 million respectively.

For the fourth quarter ended 31 December 2017 (“4Q 2017”), DPU gained 0.9% to 2.15 Singapore cents compared to 2.13 Singapore cents of the preceding period (“4Q 2016”), with distributable income to unitholders rising 1.6% year-on-year (“y-o-y”) to S\$16.8 million.

Gross revenue and NPI for the quarter grew 5.8% and 4.9% to S\$28.6 million and S\$28.0 million respectively. The growth was underpinned by full quarter’s contribution from Siloam Hospitals Labuan Bajo (“SHLB”), acquired in December 2016, and maiden contributions from Siloam Hospitals Buton and Lippo Plaza Buton (“Buton property”) and Siloam Hospitals Yogyakarta (“SHYG”), which were acquired in October 2017 and December 2017 respectively.

Bowsprit’s Chief Executive Officer, Mr Victor Tan said, “Our growing yield-accretive acquisitions have made a positive impact to First REIT’s performance, delivering consecutive years of record DPU to our unitholders. With the two new properties acquired in FY 2017, our asset size has expanded by 6.3% to S\$1.35 billion compared to S\$1.27 billion in FY 2016. Our enlarged portfolio will not only raise the profile of the Trust, it will also enhance our overall capital management flexibility to pursue future yield-accretive acquisitions to deliver increasing returns to our unitholders.

With our growing asset size, the Trust continues to be prudent with our capital management. Our financial position remains strong with a stable gearing of 33.6% and an interest cover of 5.5 times as at 31 December 2017. We have also recently secured up to S\$400 million in syndicated secured financing facilities, which will be used to partially refinance outstanding bank loans and fund future acquisitions. Going into the new financial year, we remain steadfast in our commitment to strengthen our portfolio with income-producing assets while keeping our gearing below the regulatory limit of 45%.”

### **Key highlights in 4Q 2017**

- DPU up 0.9% to 2.15 Singapore cents compared to 2.13 Singapore cents in 4Q 2016
- Based on DPU of 8.57 Singapore cents and closing price of S\$1.39 as at 29 December 2017, the latest distribution translated to a yield of 6.2%
- On 10 October 2017, completed the acquisition of the Buton Property for a purchase consideration of S\$28.5 million
- On 22 December 2017, completed the acquisition of SHYG for a purchase consideration of S\$27.0 million

### **Outlook**

The Indonesian gross domestic product grew 5.06%<sup>1</sup> year-on-year in the third quarter of 2017, compared with 5.01% in the first and second quarters. This was led mainly by a 3.46% rise in government spending and a 7.11% rise in investment in the third quarter. Over the course of 2017, Bank Indonesia has been very supportive of economic growth and lending, having cut interest rates eight times in 2017. Looking into 2018, the government expects Indonesia's economy to grow by 5.4%<sup>2</sup>, supported by an export recovery and rising investment, especially with its investment grade rating received from all three major rating agencies.

Against the stronger economic outlook and the on-going national health insurance scheme, demand for better quality private healthcare will continue to grow steadily. First REIT remains well-positioned for further growth, with a strong acquisition pipeline of 39 hospitals in Indonesia from its Sponsor, PT Lippo Karawaci Tbk.

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<sup>1</sup> 7 November 2017, Business Times - Indonesian economy still sluggish despite interest rate cuts

<sup>2</sup> 17 August 2017, Straits Times - Indonesia's economy to grow by 5.4%

**Summary of Financial Results for period ended 31 December 2017**

<i>(S\$'000)</i>	<i>4Q 2017</i>	<i>4Q 2016</i>	<i>Change (%)</i>	<i>FY 2017</i>	<i>FY 2016</i>	<i>Change (%)</i>
Gross Revenue	<b>28,551</b>	26,988	5.8	<b>110,993</b>	107,017	3.7
Net Property Income	<b>27,990</b>	26,686	4.9	<b>109,476</b>	105,835	3.4
Distributable Amount	<b>16,777</b>	16,514	1.6	<b>66,727</b>	65,248	2.3
Distribution per unit (cts)	<b>2.15</b>	2.13	0.9	<b>8.57</b>	8.47 <sup>1</sup>	1.2
Annualised Distribution per unit (cts)	<b>8.57</b>	8.47 <sup>1</sup>	1.2	<b>8.57</b>	8.47 <sup>1</sup>	1.2

<sup>1</sup> Actual distribution paid for FY 2016.

**Distribution Details**

<b>Distribution</b>	1 October 2017 to 31 December 2017
<b>Distribution type</b>	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
<b>Distribution rate</b>	Total: 2.15 cents per unit (a) Taxable income distribution: 0.08 cents per unit (b) Tax-exempt income distribution: 1.12 cents per unit (c) Capital distribution: 0.95 cents per unit
<b>Book closure date</b>	25 January 2018 at 5.00 pm
<b>Ex-dividend date</b>	23 January 2018 at 9.00 am
<b>Payment date</b>	28 February 2018

**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 25 January 2018.

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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**CONTACT INFORMATION**

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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 20 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) Siloam Hospitals Yogyakarta 17) Pacific Healthcare Nursing Home @ Bukit Merah, 18) Pacific Healthcare Nursing Home II @ Bukit Panjang, 19) The Lentor Residence and 20) 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.