

**FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT**

INTRODUCTION

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's objective is to invest primarily in healthcare and/or healthcare-related assets in Asia. The initial portfolio consists of four properties in Indonesia.

First REIT's current distribution policy is to distribute 100.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts, for the period commencing from Listing Date to 31 December 2007 and thereafter at least 90% of its tax-exempt income (after deduction of applicable expenses) and capital receipts. The tax-exempt income comprises dividends received or receivable from the Singapore SPCs, which are ultimately paid out of income derived from the Indonesian SPCs from the leasing of the Properties under the Master Lease Agreements to the Master Lessee. The capital receipts comprise amounts received by First REIT from the redemption of redeemable preference shares in the Singapore SPCs.

The first interim financial period of First REIT is from 19 October 2006 to 31 March 2007.

COMPARATIVES

There are no comparatives for the corresponding period of the immediately preceding financial year or as at the end of the immediately preceding financial year. As disclosed in the Prospectus, no pro forma consolidated statement of total return, consolidated balance sheet and consolidated statement of cash flows to show the pro forma historical performance of First REIT have been prepared as:

- It will not be meaningful to include the pro forma financial statements because the Properties will be acquired by First REIT by way of sale and leaseback transactions with the Sponsor; and
- If pro forma financial statements are to be provided, they will be calculated based on the same rentals and other terms used to calculate the profit forecast and profit projection of First REIT as set out in the Prospectus. The result will be a set of pro forma financial statements which appears to be similar to such profit forecast and profit projection, and which will not provide to a potential investor reading the pro forma financial statements any additional information which is not already in the Prospectus.

For the reasons stated above, the SGX-ST has granted First REIT a waiver from the requirement to prepare the historical pro forma financial information.

**FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT**

Summary of First REIT Result

| | 1 Jan to 31 Mar 2007 | | | 19 Oct 2006 to 31 Mar 2007* |
|---|----------------------|--------------------|-------------|-----------------------------------|
| | Actual \$'000 | Forecast \$'000 | Change % | Actual \$'000 |
| Gross revenue | 6,003 | 5,951 | 0.9% | 7,393 |
| Net Property Income | 5,966 | 5,882 | 1.4% | 7,348 |
| Distributable Income | 4,366 | 4,126 | 5.8% | 5,325 |
| Distribution per unit (cents) | 1.60 | 1.52 | 5.3% | 1.96 |
| Annualised distribution per unit (cents) | 6.49 | 6.16 | 5.3% | 6.45 |

Footnote:

* Although incorporation date was 19 October 2006, the Listing date and commencement of business was on 11 December 2006.

1(a)(i) Statement of Total Return (For the Group)

| | 1-Jan-07 31-Mar-07 \$'000 | 19-Oct-06 31-Dec-06 \$'000 | YTD 2007 \$'000 |
|--|---------------------------------|----------------------------------|-----------------------|
| Rental income | 5,958 | 1,390 | 7,348 |
| Interest income | 45 | - | 45 |
| Gross revenue | 6,003 | 1,390 | 7,393 |
| Direct operating expenses | (37) | (8) | (45) |
| Net property income | 5,966 | 1,382 | 7,348 |
| Management fees | (551) | (128) | (679) |
| Trust fees | (19) | (29) | (48) |
| Other trust expenses | (101) | (49) | (150) |
| Total return for the period before tax and distribution and revaluation | 5,295 | 1,176 | 6,471 |
| Surplus on revaluation on investment properties | - | 74,128 | 74,128 |
| Total return for the period before tax and distribution | 5,295 | 75,304 | 80,599 |
| Income tax | (596) | (139) | (735) |
| Deferred tax | - | (22,238) | (22,238) |
| Withholding tax | (481) | (113) | (594) |
| Total return for the period after tax before distribution | 4,218 | 52,814 | 57,032 |

FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

Statement of Distribution

| | | | |
|---|--------------|------------|--------------|
| Total return for the period after tax before distribution | 4,218 | 52,814 | 57,032 |
| Add back / (less) non-cash items: | | | |
| - Management fees | 148 | 35 | 183 |
| - Surplus on revaluation on investment properties net of deferred tax | - | (51,890) | (51,890) |
| Total distribution to Unitholders | 4,366 | 959 | 5,325 |
| Unitholders' distribution: | | | |
| - as distributions from operations | 3,856 | 840 | 4,696 |
| - as return of capital | 511 | 119 | 630 |
| Total Unitholders' distribution | 4,366 | 959 | 5,325 |

1(b)(i) Balance Sheet

| | Group | Trust |
|---|------------------|------------------|
| | 31-Mar-07 | 31-Mar-07 |
| | \$'000 | \$'000 |
| Current Assets | | |
| Cash and cash equivalents | 11,022 | 10,916 |
| Trade and other receivables | 1,222 | 5,490 |
| | 12,244 | 16,406 |
| Non-current Assets | | |
| Investment properties | 257,000 | 182,873 |
| Total Assets | 269,244 | 199,279 |
| Current Liabilities | | |
| Trade and other payables | 6,919 | 11,708 |
| Deferred tax liabilities | 22,238 | - |
| Total Liabilities | 29,157 | 11,708 |
| Unitholders' Funds | 240,087 | 187,570 |
| Total liabilities and Unitholders' funds | 269,244 | 199,278 |

1(b)(ii) Borrowings and Debt Securities

The Group has no borrowings and debt securities

FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

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

| | 1-Jan-07 31-Mar-07 \$'000 | 19-Oct-06 31-Mar-07 \$'000 |
|---|--|---|
| Operating activities | | |
| Net income | 4,366 | 5,325 |
| Management fees | (148) | (183) |
| Operating income before working capital changes | 4,218 | 5,142 |
| Changes in working capital | | |
| Trade and other receivables | (756) | 5,424 |
| Trade and other payables | 1,415 | 456 |
| Cash flows from operating activities | 4,877 | 11,022 |
| Investing activities | | |
| Net cash outflow on purchase of investment properties | - | (182,872) |
| Cash flows from investing activities | - | (182,872) |
| Financing activities | | |
| Proceeds from issuance of new units | - | 192,694 |
| Payment of issue and financing expenses | - | (9,822) |
| Cash flows from financing activities | - | 182,872 |
| Net increase in cash and cash equivalents | 4,877 | 11,022 |
| Cash and cash equivalents at beginning of the period | 6,145 | - |
| Cash and cash equivalents at end of the period | 11,022 | 11,022 |

FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

1(d)(i) Statement of changes in Unitholders' funds

| | Group | | Trust | |
|--|---------------------------------|----------------------------------|---------------------------------|----------------------------------|
| | 1-Jan-07 31-Mar-07 \$'000 | 19-Oct-06 31-Mar-07 \$'000 | 1-Jan-07 31-Mar-07 \$'000 | 19-Oct-06 31-Mar-07 \$'000 |
| Balance at beginning of period | 235,573 | - | 183,713 | - |
| Operations | | | | |
| Net Income | 4,366 | 57,032 | 3,710 | 4,515 |
| Net increase in net assets resulting from operations | 239,939 | 57,032 | 187,423 | 4,515 |
| Issue of new units | - | 192,694 | - | 192,694 |
| Units to be issued | | | | |
| - Manager's management fees payable in units | 148 | 183 | 148 | 183 |
| - Issue cost | - | (9,822) | - | (9,822) |
| Net increase in net assets resulting from unitholders' transactions | 148 | 183,055 | 148 | 183,055 |
| Balance as at end of period | 240,087 | 240,087 | 187,570 | 187,570 |

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

| | 1-Jan-07 31-Mar-07 | 19-Oct-06 31-Mar-07 |
|--|-----------------------|------------------------|
| Balance at beginning of period | 271,400,000 | - |
| Issue of new units | - | 271,400,000 |
| Issued units at end of period | 271,400,000 | 271,400,000 |
| New units to be issued | | |
| - Balance as at 1/1/07 | 46,450 | - |
| - Manager's management fees payable in units | 199,518 | 245,968 |
| Total issued and issuable units | 271,645,968 | 271,645,968 |

FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

2. **Whether the figures have been audited or reviewed, and in accordance with which quantity standard practice**

The figures have not been audited nor 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 complied**

The accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those prescribed in the Prospectus

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**

Nil

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

| | 1-Jan-07 31-Mar-07 | 19-Oct-06 31-Dec-06 | YTD 2007 |
|---|-------------------------------|--------------------------------|---------------------|
| Number of units in issue | 271,400,000 | 271,400,000 | 271,400,000 |
| Earnings per unit in cents (EPU) | | | |
| Basic and fully diluted basis | 1.55 | 19.46 | 21.01 |
| Distribution per unit in cents (DPU) | | | |
| Basic and fully diluted basis | 1.60 | 0.36 | 1.96 |

**FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT**

7. Net asset value (“NAV”) backing per unit based on issued and issuable units at the end of the period

| | |
|-------------------------------|------------------|
| NAV per unit (cents) | 31-Mar-07 |
| Basic and fully diluted basis | 0.88 |

8. Review of the performance

Please refer to the paragraph 9 for a review of actual performance against the forecast as shown in the Prospectus.

9. Variance between the forecast or prospectus statement (if disclosed previously) and the actual results

Consolidated Statement of Total Return

| | Actual | Forecast | |
|--|------------------|------------------|---------------|
| | 1-Jan-07 | 1-Jan-07 | |
| | 31-Mar-07 | 31-Mar-07 | % |
| | \$'000 | \$'000 | Change |
| Rental Income | 5,958 | 5,942 | 0.3% |
| Interest Income | 45 | 9 | 400.0% |
| Gross Revenue | 6,003 | 5,951 | 0.9% |
| Direct Operating Expenses | (37) | (69) | -46.4% |
| Net Property Income | 5,966 | 5,881 | 1.4% |
| Management fees | (551) | (546) | 0.9% |
| Trust fees | (19) | (38) | -50.0% |
| Other trust expenses | (101) | (242) | -58.3% |
| Total return for the period before tax and distribution | 5,295 | 5,056 | 4.7% |
| Income tax | (596) | (596) | 0.0% |
| Withholding tax | (481) | (479) | 0.4% |
| Total return for the period after tax before distribution | 4,218 | 3,981 | 6.0% |

Statement of Distribution

| | | | |
|---|--------------|--------------|-------------|
| Total return for the period after tax before distribution | 4,218 | 3,981 | 6.0% |
| Add back / (less) non-cash items: | | | |
| - Management fees | 148 | 147 | 0.7% |
| Total distribution to Unitholders | 4,366 | 4,128 | 5.8% |
| Unitholders' distribution: | | | |
| - as distributions from operations | 3,856 | 3,620 | 6.5% |
| - as return of capital | 510 | 507 | 0.6% |
| Total Unitholders' distribution | 4,366 | 4,127 | 5.8% |

Variance from Forecast / Prospectus

FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

Gross revenue for the quarter is about \$53,000 more than forecast mainly due to the higher interest income earned. Actual direct operating expenses are about \$32,000 less due to savings in salary and administrative expenses.

10. Commentary on the competitive conditions of the industry

The macroeconomic environment in the region remains positive for 2007. The countries that First REIT has properties, Indonesia and Singapore, continue to perform well. Singapore's economy is estimated to have grown by 6.0% in the first quarter of 2007 compared to the same period in 2006. The economy is projected to grow between 4.5% and 6.5% in 2007. Other countries in the region are also performing well.

Outlook for 2007

The Manager completed two acquisitions totalling \$23.3 million in April 2007. It also signed a conditional purchase agreement to acquire a Singapore Hospital valued at \$14.9 million to be completed by June 2007.

The Manager believes that healthcare demand will grow in tandem with the economic growth in the region, which will provide more acquisition opportunities. Given the positive outlook for 2007 in Singapore and the region, the Manager is confident of being able to distribute the projected distribution of 6.51 cents as stated in the Prospectus.

11. Distributions

11(a) Current financial period reported on

Any distributions declared for the current financial period?

Yes

Distribution Type

Tax exempt income 1.96 cents

11(b) Corresponding period of the immediately preceding period

Any distributions declared for the corresponding period of the immediate preceding period?

Not applicable

11(c) Book closure date: The Transfer Books and Register of First Real Estate Investment Trust will be closed from 5.00p.m. on 15 May 2007 for the purposes of determining each Unitholder's entitlement to First REIT's distribution.

11(d) Date Payable : 30 May 2007

FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

12. **If no distribution has been declared/recommended, a statement to that effect**

Not applicable.

13. **Segmental Results**

No segmental results prepared as the investment properties are in the same segment of healthcare purpose.

14. **In the review of performance, the factors leading to any material changes to contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraph 9 for a review.

15. **Breakdown of sales**

| | 1-Jan-07 31-Mar-07 \$ '000 | YTD 2007 \$ '000 |
|----------------------|---|---------------------------------|
| Gross revenue | 6,003 | 7,393 |
| Net income after tax | 4,366 | 5,325 |

16. **Breakdown of total distributions**

Payable

19 October 2006 to 31 March 2007 \$5,324,261

17. **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)

FIRST REAL ESTATE INVESTMENT TRUST
2007 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

Dr Ronnie Tan Keh Poo @ Tan Kay Poo

Chief Executive Officer

27 April 2007

** This announcement has been prepared and released by Bowsprit Capital Corporation Limited as Manager of First Real Estate Investment Trust. Merrill Lynch (Singapore) Pte. Ltd. and Oversea-Chinese Banking Corporation Limited, in their capacity as joint lead managers and underwriters to the IPO ("**IPO Underwriters**"), are not required to and have not been involved in the preparation or release of this announcement and have not verified the accuracy, completeness or adequacy of the information contained herein. The IPO Underwriters do not accept any responsibility for, and disclaim any liability with respect to, the accuracy, completeness or adequacy of the information contained in this announcement or incorporated by reference herein.*