

FOR IMMEDIATE RELEASE

## First REIT tops off FY 2016 with record DPU of 8.47 cents

SINGAPORE – 17 January 2017 – Bowsprit Capital Corporation Limited (“Bowsprit”), the Manager of First Real Estate Investment Trust (“First REIT” or the “Trust”), today posted a gain of 2.0% in annual distribution per unit (“DPU”) to 8.47 Singapore cents for the financial year ended 31 December 2016 (“FY 2016”), buoyed by a full-year contribution from the Kupang Property (comprising Siloam Hospitals Kupang and Lippo Plaza Kupang) acquired in December 2015.

This was the Trust highest annual distribution since listing and based on closing price as at 30 December 2016 of S\$1.265, the latest distribution represented a healthy yield of 6.7%.

Distributable income to Unitholders for FY 2016 also rose 5.4% year-on-year (“y-o-y”) to S\$65.3 million on the back of gross revenue and net property income (“NPI”) increasing 6.3% and 6.6% to S\$107.0 million and S\$105.8 million respectively.

For the three months ended 31 December 2016 (“4Q 2016”), DPU edged up 1.9% y-o-y to 2.13 Singapore cents, while distributable income rose 5.1% to S\$16.5 million. Gross revenue and NPI for the quarter registered a 5.1% and 5.2% y-o-y growth to S\$27.0 million and S\$26.7 million respectively.

Bowsprit’s Chief Executive Officer, Dr Ronnie Tan said, “I am proud that the Trust has delivered another new high in annual DPU, which was achieved through our focused efforts in yield-accretive acquisitions. To this end, the Trust has recently completed the acquisition of Siloam Hospitals Labuan Bajo in Indonesia, capping off the year with an enlarged portfolio of 18 properties and an increased asset base of S\$1.27 billion. With this latest acquisition, Unitholders can look forward to continued earnings growth in FY 2017.”

With prudent capital management, First REIT has managed to maintain a healthy gearing of 31.1% as at 31 December 2016, while 92.3% of its borrowings were on fixed rate basis to mitigate rising interest rates.

**Key highlights and significant achievements in 4Q 2016**

- DPU up 1.9% to 2.13 Singapore cents compared to 2.09 Singapore cents in 4Q 2015
- Distribution to Unitholders rose 5.1% to S\$16.5 million compared to S\$15.7 million in 4Q 2015
- Completed the acquisition of Siloam Hospitals Labuan Bajo at a purchase consideration of S\$20.0 million, representing a discount of 2.6% to the average of two independent valuations
- Issued 1,456,006 new units at an issue price of S\$ 1.3165 per new Unit to eligible Unitholders who have elected to participate in the distribution reinvestment plan (“DRP”) for 3Q 2016

**Outlook**

Largely in line with market expectations, Indonesia’s 3Q 2016 gross domestic product (“GDP”) grew 5.02% y-o-y, slightly lower than the 5.18% growth achieved in 2Q 2016. The growth in 3Q 2016 was driven mainly by government spending cuts to reduce the budget deficit, offset by an increase in household spending and continued investments in infrastructure. Meanwhile, its robust healthcare sector is expected to be worth more than US\$50 billion by 2020<sup>1</sup>. With the influx of foreign players, the race by local players to shift gear in preparation for faster growth and continuous investments from its government, especially with the full implementation of the national health insurance scheme covering 260 million Indonesians by 2019.

For First REIT, opportunities for further yield-accretive acquisitions in the healthcare sector remain strong with its right-of-first-refusal to the growing pipeline of 43 hospitals from its Sponsor, PT Lippo Karawaci Tbk.

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<sup>1</sup> The Jakarta Post - Indonesia's health care industry is on the rise, 27 September 2016

**Summary of Financial Results for period ended 31 December 2016**

<i>(\$'000)</i>	<b>4Q 2016</b>	<b>4Q 2015</b>	<b>Change (%)</b>	<b>FY 2016</b>	<b>FY 2015</b>	<b>Change (%)</b>
Gross Revenue	<b>26,988</b>	25,675	5.1	107,017	100,698	6.3
Net Property Income	<b>26,686</b>	25,374	5.2	105,835	99,276	6.6
Distributable Amount	<b>16,514</b>	15,711	5.1	65,248	61,923	5.4
Distribution per unit (cts)	<b>2.13</b>	2.09	1.9	8.47	8.3	2.0
Annualised Distribution per unit (cts)	<b>8.47</b>	8.30 <sup>1</sup>	2.0	8.47	8.30 <sup>1</sup>	2.0

<sup>1</sup> Actual distribution paid for FY 2015.

**Distribution Details**

<b>Distribution</b>	1 October 2016 to 31 December 2016
<b>Distribution type</b>	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
<b>Distribution rate</b>	Total: 2.13 cents per unit (a) Taxable income distribution: 0.07 cents per unit (b) Tax-exempt income distribution: 1.16 cents per unit (c) Capital distribution: 0.90 cents per unit
<b>Book closure date</b>	26 January 2017 at 5.00 pm
<b>Ex-dividend date</b>	24 January 2017 at 9.00 am
<b>Payment date</b>	28 February 2017

**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 26 January 2017.

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 18 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) Pacific Healthcare Nursing Home @ Bukit Merah, 16) Pacific Healthcare Nursing Home II @ Bukit Panjang, 17) The Lentor Residence and 18) 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 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, 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.