

**FOR IMMEDIATE RELEASE**

**First REIT's 2Q DPU edges up to 2.15 cents**

**SINGAPORE – 17 July 2018** – Bowsprit Capital Corporation Limited (“**Bowsprit**”), the Manager of First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”), today reported a 0.5% year-on-year (“**y-o-y**”) rise in distribution per unit (“**DPU**”) to 2.15 Singapore cents for the second quarter ended 30 June 2018 (“**2Q 2018**”), on the back of distributable income increasing 1.6% y-o-y to S\$16.9 million.

Bowsprit’s Chief Executive Officer, Mr Victor Tan, commented “Revenue growth in the second quarter was boosted by contributions from the Trust’s latest assets - Siloam Hospitals Buton & Lippo Plaza Buton and Siloam Hospitals Yogyakarta, acquired in 2017, as well as that of existing properties. We have also successfully refinanced our Fixed Rate Notes which matured in May, with a short-term loan facility to give us more time to consider our financing options. Most importantly, we continue to maintain a healthy capital structure with sufficient borrowing headroom for us to pursue further yield-accretive acquisitions and also explore asset enhancement initiatives to maximise the value of our portfolio and deliver returns to our unitholders.”

For the quarter under review, gross revenue rose 5.3% y-o-y to S\$28.9 million, while net property income (“**NPI**”) increased 5.0% to S\$28.5 million. For the six-month period, gross revenue and NPI grew 5.5% and 5.4% to S\$57.6 million and S\$56.9 million respectively, while distributable income edged up 1.7% to S\$33.8 million.

As at 30 June 2018, First REIT’s gearing stood at 34.2% with interest cover at 4.9 times. The Trust remained prudent with its capital structure and is exploring various financing options for its refinancing needs.

### Key highlights in 2Q 2018

- DPU up 0.5% to 2.15 Singapore cents compared to 2.14 Singapore cents in 2Q 2017
- On an annualised basis and based on closing price of S\$1.33 as at 29 June 2018, the latest distribution translated to a yield of 6.5%
- Secured a S\$100 million term loan facility from CIMB Bank Berhad, Labuan Offshore Branch, with a tenure of six months and an option to extend for another six months. The loan was fully drawn down to refinance First REIT's S\$100 million Fixed Rate Notes due on 22 May 2018

### Outlook

Indonesia's gross domestic product grew 5.06%<sup>1</sup> year-on-year in the first quarter of 2018, at a slower pace compared to the previous quarter, due mainly to sluggish consumption. To reduce reliance on domestic consumption, the Indonesian government has implemented several deregulation measures to attract more investment. Last year, Indonesia recorded 8.5% more foreign direct investment in Rupiah terms than in 2016.<sup>2</sup> Meanwhile, rising interest rates in the US have weakened the Rupiah in recent weeks, causing Bank Indonesia to raise interest rates to support the Rupiah. However, this has no impact on the Trust's borrowings as its loans are originated in Singapore and denominated in Singapore dollars.

BMI Research reported that healthcare spending in Indonesia amounted to Rp403.9 trillion in 2017 and projects it to rise to Rp1,224 trillion by 2027, and that healthcare spending per capita will more than double between 2017 and 2027<sup>3</sup>. Against this trend, together with the growing nationwide adoption of the national health insurance scheme, private healthcare demand will continue to rise. As such, First REIT remains well-positioned for further growth, with a strong acquisition pipeline of around 40 hospitals in Indonesia from its Sponsor, PT Lippo Karawaci Tbk.

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<sup>1</sup> 8 May 2018, The Straits Times - Indonesia's economy grows 5.06% in Q1, slower than forecast

<sup>2</sup> 13 April 2018, Business Times - Indonesia to ensure stability during elections

<sup>3</sup> 20 April 2018, Healthcare Asia Magazine - Indonesia's healthcare spending to balloon to \$47.1b by 2022

**Summary of Financial Results for period ended 30 June 2018**

<i>(S\$'000)</i>	<b>2Q 2018</b>	<b>2Q 2017</b>	<b>Change (%)</b>	<b>1H 2018</b>	<b>1H 2017</b>	<b>Change (%)</b>
Gross Revenue	<b>28,924</b>	27,477	5.3	<b>57,637</b>	54,628	5.5
Net Property Income	<b>28,499</b>	27,154	5.0	<b>56,922</b>	54,021	5.4
Distributable Amount	<b>16,908</b>	16,642	1.6	<b>33,801</b>	33,235	1.7
Distribution per unit (cts)	<b>2.15</b>	2.14	0.5	<b>4.30</b>	4.28	0.5
Annualised Distribution per unit (cts)	<b>8.67</b>	8.57 <sup>1</sup>	1.2	<b>8.67</b>	8.57 <sup>1</sup>	1.2

<sup>1</sup> Actual distribution paid for FY 2017.

**Distribution Details**

<b>Distribution</b>	1 April 2018 to 30 June 2018
<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: 0.09 cents per unit (b) Tax-exempt income distribution: 1.10 cents per unit (c) Capital distribution: 0.96 cents per unit
<b>Book closure date</b>	25 July 2018 at 5.00 pm
<b>Ex-dividend date</b>	23 July 2018 at 9.00 am
<b>Payment date</b>	24 August 2018

**Distribution Reinvestment Plan ("DRP")**

The DRP will not be applicable for this quarter. All Unitholders will be receiving 2Q 2018 DPU of Singapore 2.15 cents in cash, payable on 24 August 2018. The Manager may consider applying the DRP at a later date and Unitholders will be notified accordingly.

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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 (subsequently amended by First Supplemental Deed dated 6 September 2007, Second Supplemental Deed dated 19 April 2010, Third Supplemental Deed dated 26 April 2011, Fourth Supplemental Deed dated 1 April 2013, First Amending and Restating Deed dated 23 March 2016 and Supplement Deed of Retirement and Appointment of Trustee dated 1 November 2017) between Bowsprit Capital Corporation Limited as the Manager and Perpetual (Asia) 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.