

FOR IMMEDIATE RELEASE

First REIT's 3Q 2018 DPU rises 0.5% to 2.15 cents

SINGAPORE – 16 October 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 third quarter ended 30 September 2018 (“**3Q 2018**”), while distributable income registered a 1.4% y-o-y increase to S\$16.9 million.

3Q 2018 gross revenue increased 5.1% y-o-y to S\$29.2 million and net property income (“**NPI**”) rose 5.4% y-o-y to S\$28.9 million on the back of contributions from its latest acquisitions, Siloam Hospitals Buton & Lippo Plaza Buton and Siloam Hospitals Yogyakarta, as well as from existing properties.

Over a nine-month period, gross revenue increased 5.4% y-o-y to S\$86.9 million, while NPI grew 5.4% y-o-y to S\$85.9 million. Distributable income rose 1.6% y-o-y to S\$50.7 million.

Bowsprit’s Chief Executive Officer, Mr Victor Tan, commented “Contributions from our latest acquisitions and existing properties continued to bolster the Trust’s revenue and NPI in the third quarter. The proposed acquisition of Bowsprit by OUE Lippo Healthcare Limited will be one of our growth drivers. First REIT will then be able to access a more diversified pool of assets via the right of first refusal agreements granted by both OUE Lippo Healthcare Limited and PT Lippo Karawaci Tbk for their portfolios. This will effectively expand First REIT’s geographical catchment within Asia, allowing the Trust to potentially pursue more yield-accretive acquisitions to deliver stable returns to our Unitholders.”

Key highlights in 3Q 2018

- DPU up 0.5% to 2.15 Singapore cents compared to 2.14 Singapore cents in 3Q 2017
- On an annualised basis and based on closing price of S\$1.26 as at 28 September 2018, the latest distribution translated to a yield of 6.8%
- On 18 September, OUE Limited (“OUE”) and OUE Lippo Healthcare Limited (“OUELH”) announced the proposed acquisition of Lippo Karawaci Tbk’s (“Lippo Karawaci”) 100.00% shareholding in Bowsprit, and OUELH will also be acquiring 83,593,683 First REIT’s units from Lippo Karawaci, representing 10.63% of the total unitholdings of First REIT

As at 30 September 2018, the Trust’s gearing stood at 34.9% with interest cover at 4.8 times. The Trust remained prudent with its capital structure.

Outlook

The Indonesian economy registered its fastest quarterly growth in four and a half years with its gross domestic product increasing 5.27%¹ y-o-y in the second quarter of 2018, beating its first quarter’s growth and consensus estimates. This was mainly driven by robust consumption during the Muslim fasting month. The Indonesian Rupiah has continued to face selling pressures amidst rising US interest rates and fears of market contagion from Turkey and Argentina. To counter the Rupiah depreciation, Bank Indonesia has intervened in the foreign exchange markets, raised import taxes and also increased interest rates several times during the year, with the latest on 27 September 2018, bringing interest rate to 5.75%². President Joko Widodo has announced Indonesia’s growth forecast for 2019 to be 5.3%³, driven by stronger domestic consumption, investment and exports, and supported by a stronger spending push planned for 2019.

Private healthcare demand will continue to see support from the growing nationwide adoption of the national health insurance scheme and healthcare spending in Indonesia has been projected to rise to Rp1,224 trillion by 2027⁴. First REIT continues to be well-positioned to benefit from this trend with its right of first refusal to Lippo Karawaci’s healthy pipeline of hospitals in Indonesia.

¹ 7 August 2018, The Business Times - Indonesia Q2 growth fastest in 4.5 years; beats expectations

² 28 September 2018, CNBC - Indonesia hikes rates again to defend its currency, but analysts see further weakness

³ 17 August 2018, The Business Times - Jokowi plans record spending next year

⁴ 20 April 2018, Healthcare Asia Magazine - Indonesia’s healthcare spending to balloon to \$47.1b by 2022

Subject to the completion of the proposed acquisition of Bowsprit by OUE LH from Lippo Karawaci, First REIT will also have access to OUE LH's growing portfolio of healthcare and/or healthcare-related assets across Pan-Asia.

Summary of Financial Results for period ended 30 September 2018

<i>(S\$'000)</i>	3Q 2018	3Q 2017	Change (%)	9M 2018	9M 2017	Change (%)
Gross Revenue	29,240	27,814	5.1	86,877	82,442	5.4
Net Property Income	28,939	27,465	5.4	85,861	81,486	5.4
Distributable Amount	16,942	16,700	1.4	50,743	49,935	1.6
Distribution per unit (cts)	2.15	2.14	0.5	6.45	6.42	0.5
Annualised Distribution per unit (cts)	8.62	8.57 ¹	0.6	8.62	8.57 ¹	0.6

¹ Actual distribution paid for FY 2017.

Distribution Details

Distribution	1 July 2018 to 30 September 2018
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 2.15 cents per unit (a) Taxable income distribution: 0.08 cents per unit (b) Tax-exempt income distribution: 1.10 cents per unit (c) Capital distribution: 0.97 cents per unit
Book closure date	1 November 2018 at 5.00 pm
Ex-dividend date	30 October 2018 at 9.00 am
Payment date	29 November 2018

Distribution Reinvestment Plan ("DRP")

The DRP will not be applicable for this quarter. All Unitholders will be receiving 3Q 2018 DPU of Singapore 2.15 cents in cash, payable on 29 November 2018. 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. On 1 March 2018, HSBC Institutional Trust Services (Singapore) Limited retired as the Trustee of First REIT in favour of Perpetual (Asia) Limited.

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.