

FOR IMMEDIATE RELEASE

First REIT achieves stable DPU of 2.15 cents for 3Q 2019

SINGAPORE – 6 November 2019 – Bowsprit Capital Corporation Limited (“**Bowsprit**”), the Manager of First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”), today reported a stable distribution per unit (“**DPU**”) of 2.15 Singapore cents for the third quarter ended 30 September 2019 (“**3Q 2019**”), on the back of a 1.3% year-on-year (“**y-o-y**”) increase in distributable income to S\$17.2 million. Based on the annualised DPU of 8.60 Singapore cents and the closing price of S\$1.01 as of 30 September 2019, the latest distribution represents a yield of 8.5%.

Rental and other income for the quarter dipped 1.5% y-o-y to S\$28.8 million as a result of lower variable rental component for its Indonesia properties, while its corresponding net property income (“**NPI**”) dipped 2.5% y-o-y to S\$28.2 million due to higher property expenses for its South Korea and Indonesia properties.

Over a nine-month period, rental and other income as well as NPI slid 0.5% and 1.5% to S\$86.4 million and S\$84.6 million respectively, while distributable income grew 1.2% to S\$51.3 million.

Bowsprit’s Chief Executive Officer, Mr Victor Tan, said, “The Trust is currently in discussions with our stakeholders on the lease renewals for five of our properties, four being First REIT’s initial portfolio in Indonesia, which include three hospitals – Siloam Hospitals Lippo Village, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Surabaya and a hotel and country club - Imperial Aryaduta Hotel & Country Club, as well as Sarang Hospital in South Korea. The three hospitals in Indonesia are strategically located and well-established private hospitals with excellent medical facilities.

“At the same time, with our low gearing of 34.5% as at 30 September 2019, we are also reviewing options to make further yield-accretive acquisitions to boost our portfolio.”

Outlook

Indonesia cut its key interest rate to 5.25% in September¹, at the same time as the US Federal Reserve² cut interest rates in response to global economic uncertainties. As a further boost to the economy, President Jokowi revealed during his annual budget speech that the Indonesian government plans to raise spending by 8.5% to Rp2,540 trillion in 2020 and the economic growth target has been set at 5.3% next year³. Meanwhile, the healthcare market remains resilient in Indonesia and the Asia Pacific region, with the demand for healthcare being supported by positive demographic and socio-economic factors.

First REIT continues to be presented with opportunities for yield-accretive acquisitions from a strong pipeline of quality healthcare assets in Indonesia and across the Asia Pacific region. It enjoys a right-of-first-refusal for acquisitions from both its sponsors PT Lippo Karawaci Tbk and OUE Lippo Healthcare Limited, as well as acquisition opportunities from third parties.

Summary of Financial Results for period ended 30 September 2019

<i>(\$'000)</i>	3Q 2019	3Q 2018	Change (%)	9M 2019	9M 2018	Change (%)
Rental and Other Income	28,801	29,240	(1.5%)	86,437	86,877	(0.5%)
Net Property and Other Income	28,224	28,939	(2.5%)	84,590	85,861	(1.5%)
Distributable Amount	17,169	16,942	1.3%	51,336	50,743	1.2%
Distribution per unit (cts)	2.15	2.15	-	6.45	6.45	-
Annualised Distribution per unit (cts)	8.60	8.60 ¹	-	8.60	8.60 ¹	-

¹ Actual distribution paid for FY 2018.

Distribution Details

Distribution	1 July 2019 to 30 September 2019
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 2.15 cents per unit (a) Taxable income distribution: 0.09 cents per unit (b) Tax-exempt income distribution: 1.15 cents per unit (c) Capital distribution: 0.91 cents per unit

¹ 19 September 2019, Business Times - Indonesia cuts key interest rate for 3rd month in row

² 19 September 2019, The Straits Times - A divided Fed reduces rates but may not cut again this year

³ 24 September 2019, Business Times - Indonesia to raise spending by 8.5% to 2,540t rupiah in 2020

Book closure date	14 November 2019 at 5.00 pm
Ex-dividend date	13 November 2019 at 9.00 am
Payment date	17 December 2019

###

CONTACT INFORMATION

August Consulting

Tel: (65) 6733 8873 Fax: (65) 6733 9913

Janice ONG, janiceong@august.com.sg

Jeremy SING, jeremysing@august.com.sg

Emelda THEN: emeldathen@august.com.sg

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 twenty 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 Lantor 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 and Resort Group. The 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 Lantor Residence is operated by The Lantor Residence Pte. Ltd. In South Korea, the Sarang Hospital is operated 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.