

**FIRST REAL ESTATE INVESTMENT TRUST
2010 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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 eight properties located in Singapore and Indonesia, namely 1) Siloam Hospitals Lippo Village, 2) Siloam Hospitals Kebon Jeruk, 3) Siloam Hospitals Surabaya, 4) Imperial Aryaduta Hotel & Country Club, 5) Pacific Healthcare Nursing Home @ Bukit Merah, 6) Pacific Healthcare Nursing Home II @ Bukit Panjang, 7) The Lentor Residence and 8) Pacific Cancer Centre @ Adam Road.

Its Indonesian assets are operated by PT Siloam International Hospitals, a wholly-owned subsidiary of PT Lippo Karawaci Tbk, a strong brand name in Indonesian healthcare industry supported by a team of international healthcare professionals. 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. Both operators are companies in which Pacific Healthcare Holdings Ltd have substantial interest. The Lentor Residence is operated by First Lentor Residence Pte. Ltd. while Pacific Cancer Centre @ Adam Road is operated by Health Promise Pte. Ltd..

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.

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Summary of First REIT's results

	Group		
	1Q 2010	1Q 2009	Change
	S\$'000	S\$'000	%
Gross Revenue	7,451	7,406	0.6%
Net Property Income	7,340	7,320	0.3%
Distributable Amount	5,248	5,183	1.3%
Distribution per unit (cts)	1.90	1.88	1.1%
Annualised distribution per unit (cts)	7.71	7.62*	1.2%

*Actual paid for FY 2009

1(a)(i) Consolidated Statement of Comprehensive Income

	Group		
	1Q 2010	1Q 2009	Change
	S\$'000	S\$'000	%
Gross revenue	7,451	7,406	0.6%
Property operating expenses	(111)	(86)	29.1%
Net property income	7,340	7,320	0.3%
Interest income	8	19	(57.9%)
Manager's management fees	(720)	(707)	1.8%
Trustee fees	(30)	(31)	(3.2%)
Finance costs	(535)	(381)	40.4%
Other expenses	(115)	(159)	(27.7%)
Total return for the period before income tax	5,948	6,061	(1.9%)
Income tax for the period	(1,225)	(1,162)	5.4%
Total return for the period after income tax	4,723	4,899	(3.6%)
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period	4,723	4,899	(3.6%)

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1(a)(ii) **Statement of Distribution**

	Group		
	1Q 2010	1Q 2009	Change
	S\$'000	S\$'000	%
Total comprehensive income for the period	4,723	4,899	(3.6%)
Add back non-cash items and other adjustments:			
- Management fees payable in units	220	278	(20.9%)
- Deferred rental income of property under asset enhancement	298	-	-
- Other adjustments	7	6	16.7%
Total Distribution to Unitholders	5,248	5,183	1.3%
Unitholders' distribution:			
- as distributions from operations	4,738	4,673	1.4%
- as distribution of Unitholders' capital contribution	510	510	-
Total Unitholders' Distribution	5,248	5,183	1.3%

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1(b)(i) Statement of Financial Position

	Note	Group		Trust	
		31 Mar 2010	31 Dec 2009	31 Mar 2010	31 Dec 2009
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Assets					
Non-current Assets					
Investment properties		341,837	340,910	55,502	54,600
Investment in subsidiaries		-	-	176,033	176,543
Total non-current assets		341,837	340,910	231,535	231,143
Current Assets					
Trade and other receivables, current		1,275	1,109	2,263	2,091
Other assets, current		928	1,136	372	595
Cash and cash equivalents		11,558	11,497	10,786	10,699
Total current assets		13,761	13,742	13,421	13,385
Total Assets		355,598	354,652	244,956	244,528
Unitholders' Funds and Liabilities					
Unitholders' Fund					
Issued equity		179,299	179,633	179,299	179,633
Retained earnings		91,347	91,394	2,132	2,690
Total Unitholders' Funds		270,646	271,027	181,431	182,323
Non-current Liabilities					
Deferred tax liabilities		21,079	21,079	135	135
Other financial liabilities, non-current	1	53,243	52,301	53,243	52,301
Other liabilities, non-current	2	298	-	298	-
Total non-current liabilities		74,620	73,380	53,676	52,436
Current Liabilities					
Income tax payable, current		552	538	-	-
Trade and other payable, current		1,645	1,711	7,059	7,025
Other financial liabilities, current		-	-	-	-
Other liabilities, current		8,135	7,996	2,790	2,744
Total current liabilities		10,332	10,245	9,849	9,769
Total Liabilities		84,952	83,625	63,525	62,205
Total Unitholders' Funds and Liabilities		355,598	354,652	244,956	244,528

Note:

1. Other financial liabilities, non-current comprise the bank borrowings of S\$53.2 million (net of transaction costs) which are secured by all assets relating to First REIT's investment properties.
2. Other liabilities, non-current relates to the deferred rental income from Pacific Cancer Centre @ Adam Road as the property is currently under redevelopment.

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1(b)(ii) Borrowings and Debt Securities

	Group		Trust	
	31 Mar 2010	31 Dec 2009	31 Mar 2010	31 Dec 2009
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Secured Borrowings				
Amount repayable after one year	53,771	52,815	53,771	52,815
Less: Transaction costs in relation to Term Loan Facility	(528)	(514)	(528)	(514)
Total Borrowings	53,243	52,301	53,243	52,301
Amount repayable within one year	-	-	-	-
Less: Transaction costs in relation to Term Loan Facility	-	-	-	-
Total Borrowings	-	-	-	-

Note: The Borrowings is secured against all assets relating to First REIT's investment properties.

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1(c) Consolidated Statement of Cash Flow

		Group	
		1Q 2010	1Q 2009
Note		S\$'000	S\$'000
Cash flows from operating activities			
	Total return before income tax	5,948	6,061
	Adjustments for:		
	Interest income	(8)	(19)
	Interest expense	511	355
	Amortisation of borrowing costs	24	26
	Manager's management fees settled in units	189	187
	Operating cash flows before changes in working capital	6,664	6,610
	Trade and other receivables, current	(163)	(69)
	Other assets, current	218	(115)
	Trade and other payables, current	(85)	36
	Other liabilities	437	133
	Net cash flows from operating activities before income tax	7,071	6,595
	Income tax paid	(1,221)	(1,187)
	Net cash flows from operating activities	5,850	5,408
Cash flows from investing activities			
	Interest received	4	29
1	Increase in investment properties	(927)	-
	Net cash flows from investing activities	(923)	29
Cash flows from financing activities			
2	Increase in borrowings	942	-
	Interest paid	(515)	(412)
	Distribution to the Unitholders	(5,293)	(5,318)
	Net cash flows used in financing activities	(4,866)	(5,730)
	Net increase/(decrease) in cash and cash equivalents	61	(293)
	Cash and cash equivalents at beginning of the period	7,497	12,417
	Cash and cash equivalents at end of the period	7,558	12,124

Cash and cash equivalents in cash flow statement:

Cash and cash equivalents per balance sheet	11,558	12,124
Cash restricted in use for bank facilities	(4,000)	-
Cash and cash equivalents in cash flow statement	7,558	12,124

Note:

- 1) The increase in investment properties relates to the redevelopment of Pacific Cancer Centre @ Adam Road.
- 2) The increase in borrowings relates to the drawdown of loan for progress payments for the redevelopment of Pacific Cancer Centre @ Adam Road.

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1(d)(i) Statements of Changes in Unitholders' Funds

	<u>Issued Equity</u>	<u>Retained Earnings</u>	<u>Total</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<u>Group</u>			
Opening balance as at 1 Jan 2010	179,633	91,394	271,027
Total comprehensive income for the year	-	4,723	4,723
Other movements in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	189	-	189
Distribution to Unitholders	(523)	(4,770)	(5,293)
Closing balance as at 31 Mar 2010	179,299	91,347	270,646
Opening balance as at 1 Jan 2009	180,756	74,342	255,098
Total comprehensive income for the year	-	4,899	4,899
Other movements in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	187	-	187
Distribution to Unitholders	(521)	(4,797)	(5,318)
Closing balance as at 31 Mar 2009	180,422	74,444	254,866
<u>Trust</u>			
Opening balance as at 1 Jan 2010	179,633	2,690	182,323
Total comprehensive income for the year	-	4,212	4,212
Other movements in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	189	-	189
Distribution to Unitholders	(523)	(4,770)	(5,293)
Closing balance as at 31 Mar 2010	179,299	2,132	181,431
Opening balance as at 1 Jan 2009	180,756	4,784	185,540
Total comprehensive income for the year	-	4,389	4,389
Other movements in equity:			
Transactions with unitholders:			
Manager's management fees settled in units	187	-	187
Distribution to Unitholders	(521)	(4,797)	(5,318)
Closing balance as at 31 Mar 2009	180,422	4,376	184,798

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

	Trust	
	1Q 2010	1Q 2009
Balance at beginning of period	275,474,366	273,671,344
Unitholders transactions:		
Issuance of new units	235,644	467,222
Issued units at end of period	275,710,010	274,138,566
New units to be issued		
- Manager's management fees payable in units	262,020	556,224
Total issued and issuable units	275,972,030	274,694,790

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

The figures have not been audited or 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 applied

Except as disclosed in paragraph 5 below, the accounting policies and method of computation applied in the financial statement for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2009.

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

Other than the adoption of various new/revised FRS and related Interpretations as issued by the Singapore Accounting Standards Council, which took effect from 1 January 2010, there has been no change in the accounting policies and methods of computation adopted by the Group.

The adoption of the new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group.

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

	Group	
	1Q 2010	1Q 2009
Weighted average number of units in issue	275,655,026	274,024,356
Earnings per unit in cents (EPU)		
Basic and fully diluted basis	1.71	1.79
Number of units in issue	275,710,010	274,138,566
Distribution per unit in cents (DPU)		
Based on the number of units in issue at the end of the period	1.90	1.88

7. Net asset value (“NAV”) per unit at the end of the period

	Group		Trust	
	31 Mar 2010	31 Dec 2009	31 Mar 2010	31 Dec 2009
Net asset value per unit (cents)	98.16	98.39	65.81	66.19

8. Review of the performance

Gross Revenue for 1Q 2010 increased slightly by 0.6% to S\$7.5 million compared to 1Q 2009. Higher rental income from the Indonesia properties was partly offset by the deferment of rental income from Pacific Cancer Centre @ Adam Road as the property is currently under redevelopment. Including the deferred rental income from Pacific Cancer Centre @ Adam Road, would have increased the Group’s Gross Revenue by 4.6% to S\$7.7 million compared to 1Q 2009.

Property operating expenses for 1Q 2010 increased by 29.1% to S\$111,000 compared to 1Q 2009 mainly due to higher property tax for The Lantor Residence.

Interest income for 1Q 2010 decreased by 57.9% to S\$8,000 compared to 1Q 2009 mainly due to lower market interest rates for fixed deposits.

Management fee for 1Q 2010 increased by 1.8% to S\$720,000 compared to 1Q 2009 mainly due to higher total assets value.

Finance costs for 1Q 2010 increased by 40.4% to S\$535,000 compared to 1Q 2009 mainly due to the higher interest cost for the loan facility refinanced in June 2009.

Income tax for 1Q 2010 increased by 5.4% to \$1.2 million compared to 1Q 2009 mainly due to higher rental income from Indonesia properties.

Total return for 1Q 2010 decreased by 3.6% to S\$4.7 million compared to 1Q 2009 mainly due to the deferment of the rental income from Pacific Cancer Centre @ Adam Road. Including the deferred rental income, Total return for 1Q 2010 would have increased by 2.5% to S\$5.0 million compared to 1Q 2009.

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

First REIT has not disclosed any forecast to the market.

10. Commentary on the competitive conditions of the industry

Demand for quality private healthcare services continues to be picking up strongly as the global economy emerges from the recent year's financial crisis. Major driving factors include rising affluence, ageing populations and greater appreciation of quality healthcare services. This trend has also produced greater interest in the supply of and demand for premium healthcare assets.

With the financial market recovering strongly, particularly in the Asia Pacific region, First REIT is ready to continue with its acquisition plans, and hopes to be able to add to its existing portfolio of properties from 2H FY2010.

The Manager is continually seeking new opportunities to further increase rental income and in turn, generate higher returns for Unitholders. On 25 March 2010, it issued a letter to Unitholders, advising that First REIT's investment policy would be expanded to include, but not limited to, hospitals, nursing homes, medical clinics, pharmacies, laboratories, diagnostic/imaging facilities and real estate and/or real estate-related assets used in connection with healthcare research, education, lifestyle and wellness management, manufacture, distribution or storage of pharmaceuticals, drugs, medicine and other healthcare goods and devices. This expansion of First REIT's investment policy provides for a broader mandate to invest in a wide range of income-producing assets within the healthcare sector which will, help to improve the stability of returns to Unitholders.

The Manager will continue to enhance and value-add to our existing assets so as to drive revenue and growth. First REIT's sponsor, Lippo Karawaci, has a pipeline of healthcare assets in Indonesia which may be potential yield-accretive acquisitions. In addition, the Manager also sees much potential in China. However, any healthcare asset acquisition there will require more evaluation and restructuring work for it to be able to meet First REIT's criteria.

Outlook for 2010

Barring unforeseen circumstances, the Manager expects that First REIT will continue to perform well for the rest of 2010.

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11. Distributions

11(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

Distribution Type

Name of Distribution Distribution for the period from 1 January 2010 to 31 March 2010

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.13
Tax-Exempt Income	1.58
Capital	0.19
Total	1.90

Tax Rate

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of Capital Distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

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11. Distributions(Cont'd)

11(b) Corresponding period of the immediately preceding period

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

Distribution Type

Name of Distribution Distribution for the period from 1 January 2009 to 31 March 2009

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.19
Tax-Exempt Income	1.50
Capital	0.19
Total	1.88

Tax Rate

Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from Singapore income tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from Singapore income tax in the hands of all unitholders.

Capital Distribution

Capital Distribution represents a return of capital to unitholders for Singapore income tax purposes and is therefore not subject to Singapore income tax. For unitholders who are liable to Singapore income tax on profits from the sale of First REIT Units, the amount of Capital Distribution will be applied to reduce the cost base of their First REIT Units for Singapore income tax purposes.

11(c) Book closure date: The Transfer Books and Register of First Real Estate Investment Trust will be closed from 5.00p.m. on 3 May 2010 for the purposes of determining each Unitholder's entitlement to First REIT's distribution.

11(d) Date Payable: 27 May 2010

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

Not applicable.

13. Certificate pursuant to Paragraph 7.3 of the Property Funds Guidelines

The Manager hereby certifies that in relation to the distribution to the unitholders of First REIT for the quarter ended 31 March 2010:

1. First REIT will declare a distribution ("Distribution") in excess of its profits (defined as the total return for the period before distribution for the purpose of this certification). The excess is attributed to capital receipts comprising amounts received by First REIT from the redemption of redeemable preference shares in the Singapore special purpose companies ("SPCs").
2. The Manager is satisfied on reasonable grounds that, immediately after making the Distribution, First REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

First REIT's current distribution policy is to distribute at least 90.0% of its tax-exempt income (after deduction of applicable expenses) and capital receipts.

14. 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)

Dr Ronnie Tan Keh Poo @ Tan Kay Poo
Chief Executive Officer
23 April 2010