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**FIRST REAL ESTATE INVESTMENT TRUST**  
**2018 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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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 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 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 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 Lentor Residence is operated by The Lentor 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.

**Summary of First REIT's Results**

	<b>Group</b>		
	<b>1Q 2018</b>	<b>1Q 2017</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Gross Revenue</b>	28,713	27,151	5.8%
<b>Net Property Income</b>	28,423	26,867	5.8%
Distributable Amount	16,893	16,593	1.8%
<b>Distribution per unit (cts)</b>	2.15	2.14	0.5%
Annualised Distribution per unit (cts)	8.72	8.57 <sup>1</sup>	1.8%

Note:

- 1) Actual distribution paid for FY 2017.

**Distribution Details**

<b>Distribution</b>	1 January 2018 to 31 March 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 – 0.07 cents per unit (b) Tax-exempt income distribution – 1.12 cents per unit (c) Capital distribution – 0.96 cents per unit
<b>Book closure date</b>	25 April 2018 at 5.00 pm
<b>Ex-dividend date</b>	23 April 2018 at 9.00 am
<b>Payment date</b>	25 May 2018

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

The DRP will not be applicable for this quarter. All Unitholders will be receiving 1Q 2018 DPU of Singapore 2.15 cents in cash, payable on 25 May 2018. The Manager may consider applying the DRP at a later date and Unitholders will be notified accordingly.

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

	Note	Quarter		
		1Q 2018	1Q 2017	Change
		<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<b>Gross revenue</b>		<b>28,713</b>	<b>27,151</b>	<b>5.8%</b>
Property operating expenses		(290)	(284)	2.1%
<b>Net property income</b>		<b>28,423</b>	<b>26,867</b>	<b>5.8%</b>
Interest income	1	417	310	34.5%
Manager's management fees		(2,823)	(2,658)	6.2%
Trustee fees		(105)	(98)	7.1%
Finance costs	2	(4,755)	(4,295)	10.7%
Other (expenses)/income	3	(332)	165	NM
<b>Net income before the undernoted</b>		<b>20,825</b>	<b>20,291</b>	<b>2.6%</b>
Net change in fair value of derivative financial instruments	4	(63)	(409)	(84.6%)
<b>Total return for the period before income tax</b>		<b>20,762</b>	<b>19,882</b>	<b>4.4%</b>
Income tax expense	5	(4,571)	(4,274)	6.9%
<b>Total return for the period after income tax</b>		<b>16,191</b>	<b>15,608</b>	<b>3.7%</b>
<b>Other comprehensive return:</b>				
Exchange differences on translating foreign operations, net of tax		(207)	(413)	(49.9%)
<b>Total comprehensive return for the period</b>		<b>15,984</b>	<b>15,195</b>	<b>5.2%</b>
<b>Total return for the period after income tax attributable:</b>				
Unitholders		15,351	14,768	3.9%
Perpetual securities holders		840	840	-
		<b>16,191</b>	<b>15,608</b>	<b>3.7%</b>

Note:

NM – Not meaningful

**The results for 1Q 2018 includes the full quarter contribution from Siloam Hospitals Buton & Lippo Plaza Buton ("Buton Property") and Siloam Hospitals Yogyakarta ("SHYG") which were acquired in 4Q 2017.**

- 1) Interest income for 1Q 2018 increased to S\$417,000 compared to 1Q 2017 mainly due to the returns from the progress payments for the development of new Siloam Hospitals Surabaya.
- 2) Finance cost for 1Q 2018 increased to S\$4.8 million compared to 1Q 2017 mainly due to higher loan amounts drawn down to finance the acquisition of Buton Property and SHYG in 4Q 2017 and the second progress payment for development of new Siloam Hospitals Surabaya in 3Q 2017.
- 3) Other expenses for 1Q 2018 of S\$332,000 as compared to other income for 1Q 2017 mainly due to lower unrealised exchange gain on USD loan.
- 4) Net change in fair value of derivative financial instruments for 1Q 2018 relates to the termination and revaluation of interest rate swap contracts.
- 5) Income tax expense for 1Q 2018 increased to S\$4.6 million compared to 1Q 2017 mainly due to higher revenue.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2018 FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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

Note	Quarter		
	1Q 2018	1Q 2017	Change
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Total return for the period after income tax	16,191	15,608	3.7%
Adjustments for tax purposes:			
- Manager's management fees payable in units	2,398	2,446	(2.0%)
- Foreign exchange gains	(348)	(688)	(49.4%)
- Net change in fair value of derivative financial instruments	63	409	(84.6%)
- Amount reserved for distribution to perpetual securities holders	(840)	(840)	-
- Others	(571)	(342)	67.0%
<b>Total available for distribution to Unitholders</b>	<b>16,893</b>	<b>16,593</b>	<b>1.8%</b>
Unitholders' distribution:			
- as distribution from operations	9,332	9,620	(3.0%)
- as distribution of Unitholders' capital contribution	7,561	6,973	8.4%
<b>Distribution amount to Unitholders</b>	<b>16,893</b>	<b>16,593</b>	<b>1.8%</b>

Note:

NM – Not meaningful

- On 8 July 2016, the Trust issued S\$60.0 million of subordinated perpetual securities. The perpetual securities confer a right to receive distribution payments at the rate of 5.68% per annum, with the first distribution rate reset falling on 8 July 2021 and subsequent resets occurring every five years thereafter. Distributions under the perpetual securities will be payable semi-annually in arrears on 8 January and 8 July in each year on a discretionary basis. Any distribution unpaid will be non-cumulative as stated in the terms and conditions of the perpetual securities.

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**1(b)(i) Statements of Financial Position**

	Note	Group		Trust	
		31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Assets</b>					
<b>Non-current Assets</b>					
Investment properties		1,349,303	1,349,303	35,658	35,500
Investments in subsidiaries		-	-	798,102	804,472
Loan receivable, non-current		-	-	43,047	44,239
Deferred tax assets		1,213	1,213	1,213	1,213
Other receivable, non-current		27,035	27,035	-	-
Total non-current assets		1,377,551	1,377,551	878,020	885,424
<b>Current Assets</b>					
Trade and other receivables, current	1	31,382	25,982	17,834	13,287
Loan receivable, current		-	-	4,191	4,191
Other assets, current		4,758	4,573	110	25
Cash and cash equivalents		17,002	15,741	8,161	8,194
Total current assets		53,142	46,296	30,296	25,697
<b>Total Assets</b>		<b>1,430,693</b>	<b>1,423,847</b>	<b>908,316</b>	<b>911,121</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities		51,396	51,396	-	-
Other financial liabilities, non-current		369,378	278,125	369,378	278,125
Derivative financial instruments		324	512	324	512
Total non-current liabilities		421,098	330,033	369,702	278,637
<b>Current Liabilities</b>					
Income tax payable		1,932	2,000	-	-
Trade and other payables, current		20,143	18,216	24,477	23,931
Other financial liabilities, current		109,943	198,324	109,943	198,324
Other liabilities, current		23,312	22,795	1,976	1,926
Derivative financial instruments		-	164	-	164
Total current liabilities		155,330	241,499	136,396	224,345
<b>Total Liabilities</b>		<b>576,428</b>	<b>571,532</b>	<b>506,098</b>	<b>502,982</b>
<b>Net assets</b>		<b>854,265</b>	<b>852,315</b>	<b>402,218</b>	<b>408,139</b>
<b>Represented by:</b>					
Issued equity		403,662	406,603	403,662	406,603
Retained earnings/(Accumulated losses)		389,767	383,791	(61,444)	(59,342)
Foreign exchange reserve		836	1,043	-	-
<b>Net assets attributable to unitholders</b>		<b>794,265</b>	<b>791,437</b>	<b>342,218</b>	<b>347,261</b>
Perpetual Securities holders' fund		60,000	60,878	60,000	60,878
<b>Net assets attributable to perpetual securities holder</b>		<b>60,000</b>	<b>60,878</b>	<b>60,000</b>	<b>60,878</b>
		<b>854,265</b>	<b>852,315</b>	<b>402,218</b>	<b>408,139</b>

Note:

- 1) Trade and other receivables increased from S\$26.0 million to S\$31.3 million mainly due to advance rental receivables from tenants.

**1(b)(ii) Borrowings and Debt Securities**

	<b>Group &amp; Trust</b>	
	<b>31 Mar 2018</b>	<b>31 Dec 2017</b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
<b>Amount repayable after one year</b>		
Secured	378,234	269,550
Unsecured	-	10,000
Less: Transaction costs	(8,856)	(1,425)
<b>Total Borrowings, Non-current</b>	<b>369,378</b>	<b>278,125</b>
<b>Amount repayable within one year</b>		
Secured	-	99,031
Unsecured	110,000	100,000
Less: Transaction costs	(57)	(707)
<b>Total Borrowings, Current (Note 1)</b>	<b>109,943</b>	<b>198,324</b>

**Note:**

- 1) The Trust is in negotiation with the banks to refinance the total current borrowings, which relate to MTN and term loan facility that will due in May 2018 and March 2019 respectively.

**Details of Collaterals**

As security for the borrowings, the following have been granted in favour of the lenders:

- (a) a mortgage over the investment properties except Sarang Hospital, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Purwakarta, Siloam Hospitals Surabaya, Siloam Sriwijaya, Siloam Hospitals Kupang & Lippo Plaza Kupang, Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton & Lippo Plaza Buton and Siloam Hospitals Yogyakarta.
- (b) pledge of shares of all the subsidiaries except (i) Kalmore (Korea) Limited, Kalmore Investments Pte Ltd, Pt Tata Prima Indah, PT Graha Indah Pratama, PT Eka Dasa Parinama, PT Sriwijaya Mega Abadi, PT Nusa Bahana Niaga, PT Prima Labuan Bajo, PT Buton Bangun Cipta, Primerich Investments Pte Ltd, Surabaya Hospitals Investment Pte Ltd, Henley Investments Pte Ltd, Finura Investments Pte Ltd, Glamis Investments Pte Ltd, Sriwijaya Investment I Pte Ltd, Sriwijaya Investment II Pte Ltd, SHKP Investment I Pte Ltd, SHKP Investment II Pte Ltd, Icon1 Holdings Pte Ltd, SHLB Investment I Pte Ltd, SHLB Investment II Pte Ltd, SHButon Investment I Pte Ltd and SHButon Investment II Pte Ltd and (ii) joint operation company PT Yogya Central Terpadu.

**Interest Rate Swaps**

First REIT has interest rate swaps to hedge the floating rate loan facilities with banks. The change in fair value of the interest rate swaps were recognised in the Statement of Comprehensive Income.

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**1(c) Statement of Cash Flows**

	<b>Group</b>	
	<b>1Q 2018</b>	<b>1Q 2017</b>
<b>Note</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Total return before income tax	20,762	19,882
Interest income	(417)	(310)
Interest expense	4,078	3,822
Amortisation of borrowing costs	677	473
Foreign exchange adjustment gains	(348)	(688)
Net change in fair value on derivative financial instruments	63	409
Manager's management fees settled in units	1,190	1,210
<b>Operating cash flows before changes in working capital</b>	<b>26,005</b>	<b>24,798</b>
Trade and other receivables, current	(5,449)	(6,523)
Other assets, current	(185)	(51)
Trade and other payables, current	2,294	(2,113)
Other liabilities, current	517	(309)
<b>Net cash flows from operating activities before income tax</b>	<b>23,182</b>	<b>15,802</b>
Income taxes paid	(4,639)	(3,804)
<b>Net cash flows from operating activities</b>	<b>18,543</b>	<b>11,998</b>
<b>Cash flows from investing activities</b>		
Interest received	417	305
Increase in investment properties	(158)	(77)
<b>Net cash flows from investing activities</b>	<b>259</b>	<b>228</b>
<b>Cash flows from financing activities</b>		
Increase in borrowings	2,128	-
Interest paid	(3,313)	(3,664)
Distribution to perpetual securities holders	(1,718)	(1,718)
Distribution to Unitholders	(14,638)	(13,057)
<b>Net cash flows used in financing activities</b>	<b>(17,541)</b>	<b>(18,439)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,261</b>	<b>(6,213)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>15,741</b>	<b>33,576</b>
<b>Cash and cash equivalents at end of the period</b>	<b>17,002</b>	<b>27,363</b>

**Note:**

- 1) The increase in borrowings relates to the loan drawn down to finance working capital and capital expenditure requirements.

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

Note	Group		Trust	
	1Q 2018	1Q 2017	1Q 2018	1Q 2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at beginning of the financial period</b>	791,437	777,701	347,261	374,236
<b>Operations</b>				
Total return after tax	16,191	15,608	8,113	8,289
<b>Translation transactions</b>				
Net movement in foreign exchange reserve	(207)	(413)	-	-
<b>Unitholders' transactions</b>				
Manager's management fees paid in units	2,052	939	2,052	939
Manager's acquisition fees paid in units	270	200	270	200
Issuance of units (DRP)	2,160	3,390	2,160	3,390
Amount reserved for distribution to perpetual securities holders	(840)	(840)	(840)	(840)
Distribution to Unitholders	(16,798)	(16,447)	(16,798)	(16,447)
<b>Balance at end of the financial period</b>	794,265	780,138	342,218	369,767
<b>Perpetual Securities Holders' Fund</b>				
<b>Balance at beginning of the financial period</b>	60,878	60,878	60,878	60,878
Amount reserved for distribution to perpetual securities holders	840	840	840	840
Distribution to perpetual securities holders	(1,718)	(1,718)	(1,718)	(1,718)
<b>Balance at end of the financial period</b>	60,000	60,000	60,000	60,000
<b>Total</b>	854,265	840,138	402,218	429,767

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

Note	Quarter	
	1Q 2018	1Q 2017
<b>Balance at beginning of period</b>	<b>779,954,506</b>	<b>771,579,482</b>
Unitholders transactions:		
- Manager's management fees paid in units	1,538,145	741,009
- Manager's acquisition fee paid in units	191,788	154,475
- Issuance of units (DRP)	1,581,810	2,699,321
<b>Balance at end of period</b>	<b>783,266,249</b>	<b>775,174,287</b>
New units to be issued		
- Manager's management fees payable in units	1,747,786	923,390
<b>Total issued and issuable units</b>	<b>785,014,035</b>	<b>776,097,677</b>

Note:

- 1) The manager's management fees payable in units comprise 884,616 units for 1Q 2017 performance fee and 863,170 units for 1Q 2018 base fee.

The Trust does not hold any treasury units and there is no subsidiary holding as at end of current financial period and as at end of the corresponding period of the immediately preceding financial year.



- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year

Issued units at end of period

Trust	
31 Mar 2018	31 Dec 2017
783,266,249	779,954,506

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable.

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 methods of computation applied in the financial statements for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 December 2017.

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

Not applicable.

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

	Quarter	
	1Q 2018	1Q 2017
<b><u>Earnings per unit</u></b>		
Weighted average number of units in issue	781,920,138	773,208,963
<b>Earnings per unit in cents attributable to unitholders</b>		
Basic and fully diluted basis	1.96	1.91
<b><u>Distribution per unit</u></b>		
Number of units in issue	783,266,249	775,174,287
<b>Distribution per unit in cents attributable to unitholders</b>		
Based on the number of units in issue at the end of the period	2.15	2.14

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

	Group		Trust	
	31 Mar 2018	31 Dec 2017	31 Mar 2018	31 Dec 2017
<b>Net asset value per unit (cents)</b>	101.40	101.47	43.69	44.52

**8. Review of the performance**

1Q 2018 vs 1Q 2017

The results for this quarter includes the full quarter contribution from Siloam Hospitals Buton & Lippo Plaza Buton (“Buton Property”) and Siloam Hospitals Yogyakarta (“SHYG”) which acquired in 4Q 2017 respectively.

Gross revenue for 1Q 2018 increased by 5.8% to S\$28.7 million compared to 1Q 2017 mainly due to contribution from Buton Property and SHYG as well as existing properties.

Interest income for 1Q 2018 increased to S\$417,000 compared to 1Q 2017 mainly due to the returns from the progress payments for the development of new Siloam Hospitals Surabaya.

Manager’s management fees for 1Q 2018 increased by 6.2% to S\$2.8 million compared to 1Q 2017, mainly due to higher net property income and total assets.

Trustee fees for 1Q 2018 increased by 7.1% to S\$105,000 compared to 1Q 2017 mainly due to higher total assets.

Finance cost for 1Q 2018 increased to S\$4.8 million compared to 1Q 2017 mainly due to higher loan amounts drawn down to finance the acquisition of Buton Property and SHYG in 4Q 2017 and the second progress payment for development of new Siloam Hospitals Surabaya in 3Q 2017.

Other expenses for 1Q 2018 of S\$332,000 as compared to other income for 1Q 2017 mainly due to lower unrealised exchange gain on USD loan.

Net change in fair value of derivative financial instruments for 1Q 2018 relates to the termination and revaluation of interest rate swap contracts.

Income tax expense for 1Q 2018 increased to S\$4.6 million compared to 1Q 2017 mainly due to higher revenue.

**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.

The results for this quarter are in line with the commentary made in paragraph 10 of the previous quarter.

**10. Commentary on the competitive conditions of the industry**

Indonesia achieved a 5.19% year-on-year growth in its gross domestic product for the fourth quarter of 2017, and a growth of 5.07% for the full year, recording the highest growth since 2013<sup>1</sup>. Consumption, the biggest contributor to Indonesia's economy, picked up pace in the last quarter of 2017, driving higher growth in the economy. Overall in 2017, Bank Indonesia also provided sustained support to the economy by cutting interest rates eight times. In a bid to reduce the economy's reliance on consumption as a growth engine, the Indonesian government has rolled out a series of deregulation measures to attract more investment. Bank Indonesia expects the economy to grow 5.10% in the first quarter of 2018<sup>2</sup>.

Demand for private healthcare in Indonesia continues to rise with the growing nationwide adoption of the national health insurance scheme. 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> 6 February 2018, The Straits Times - Indonesia grows at best pace in 4 years, but consumption still weak

<sup>2</sup> 27 March 2018, Business Times - Indonesia Q1 GDP growth seen at 5.1% y-o-y: Center bank deputy governor

**11. Distributions**

11(a) Current financial period reported on

Any distributions declared for the current financial period? Yes

Distribution Type

Name of Distribution (a) Distribution for the period from 1 January 2018 to 31 March 2018

i. Distribution Type

Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.07
Tax-Exempt Income	1.12
Capital	0.96
Total	2.15

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. 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 2017 to 31 March 2017

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.07
Tax-Exempt Income	1.17
Capital	0.90
Total	2.14

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 Unitholders of First Real Estate Investment Trust will be closed at 5.00p.m. on 25 April 2018 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 23 April 2018 at 9.00am.

11(d) Date Payable: 25 May 2018

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

Not applicable.

**13. If no IPT mandate has been obtained, a statement to that effect**

First REIT has not obtained a general mandate from unitholders.

**14. 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 2018:

- 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") and the shareholder loan repayment by the Singapore SPC.
- 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.

The distribution is computed based on the accounts of First REIT for the quarter ended 31 March 2018 and is verified by our external tax consultant.

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.

**15. Confirmation that the Issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Manager do hereby confirms that it has procured undertakings from all the directors and executives.

**16. Confirmation by the Board pursuant to Rule 705(5) 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)

Victor Tan Kok Mian  
Executive Director and Chief Executive Officer  
17 April 2018