

**FIRST REAL ESTATE INVESTMENT TRUST  
2019 THIRD 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 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 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.

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**Summary of First REIT's Results**

	Group					
	Quarter			Year-to-date		
	3Q 2019	3Q 2018	Change	30 Sep 2019	30 Sep 2018	Change
<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	
<b>Rental and Other Income</b>	28,801	29,240	(1.5%)	86,437	86,877	(0.5%)
<b>Net Property and Other Income</b>	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%
<b>Distribution per unit (cts)</b>	2.15	2.15	-	6.45	6.45	-
Annualised Distribution per unit (cts)	8.60	8.60 <sup>1</sup>	-	8.60	8.60 <sup>1</sup>	-

Note:

- 1) Actual distribution paid for FY 2018.

**Distribution Details**

<b>Distribution</b>	1 July 2019 to 30 September 2019
<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 – 1.15 cents per unit (c) Capital distribution – 0.91 cents per unit
<b>Book closure date</b>	14 November 2019 at 5.00 pm
<b>Ex-dividend date</b>	13 November 2019 at 9.00 am
<b>Payment date</b>	17 December 2019

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**1(a)(i) Statements of Total Return**

		Group					
		Quarter			Year-to-date		
Note		3Q 2019	3Q 2018	Change	30 Sep 2019	30 Sep 2018	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
	<b>Rental and other income</b>	<b>28,801</b>	<b>29,240</b>	<b>(1.5%)</b>	<b>86,437</b>	<b>86,877</b>	<b>(0.5%)</b>
	Property operating expenses	(577)	(301)	91.7%	(1,847)	(1,016)	81.8%
	<b>Net property and other income</b>	<b>28,224</b>	<b>28,939</b>	<b>(2.5%)</b>	<b>84,590</b>	<b>85,861</b>	<b>(1.5%)</b>
	Interest income	762	420	81.4%	1,618	1,257	28.7%
	Manager's management fees	(2,897)	(2,894)	0.1%	(8,564)	(8,560)	0.1%
	Trustee fees	(109)	(109)	-	(322)	(319)	0.9%
	Finance costs	(5,076)	(5,498)	(7.7%)	(15,153)	(15,708)	(3.5%)
	Other expenses	(616)	(470)	31.1%	(1,143)	(2,143)	(46.7%)
	<b>Net income before the undernoted</b>	<b>20,288</b>	<b>20,388</b>	<b>(0.5%)</b>	<b>61,026</b>	<b>60,388</b>	<b>1.1%</b>
	Net fair value (losses)/gains of derivative financial instruments	(212)	50	NM	(753)	263	NM
	<b>Total return for the period before income tax</b>	<b>20,076</b>	<b>20,438</b>	<b>(1.8%)</b>	<b>60,273</b>	<b>60,651</b>	<b>(0.6%)</b>
	Income tax expense	(4,701)	(4,681)	0.4%	(14,024)	(13,910)	0.8%
	<b>Total return for the period after income tax</b>	<b>15,375</b>	<b>15,757</b>	<b>(2.4%)</b>	<b>46,249</b>	<b>46,741</b>	<b>(1.1%)</b>
	<b>Other comprehensive return: Items that may be reclassified subsequently to profit or loss:</b>						
	Exchange differences on translating foreign operations, net of tax	218	36	NM	109	69	58.0%
	<b>Total comprehensive return for the period</b>	<b>15,593</b>	<b>15,793</b>	<b>(1.3%)</b>	<b>46,358</b>	<b>46,810</b>	<b>(1.0%)</b>
	<b>Total return for the period after income tax attributable:</b>						
	Unitholders of Trust	14,516	14,898	(2.6%)	43,700	44,192	(1.1%)
	Perpetual securities holders	859	859	-	2,549	2,549	-
		<b>15,375</b>	<b>15,757</b>	<b>(2.4%)</b>	<b>46,249</b>	<b>46,741</b>	<b>(1.1%)</b>

Note:

NM – Not meaningful

- Rental and other income for 3Q 2019 decreased by 1.5% to S\$28.8 million compared to 3Q 2018 mainly due to lower variable rental component for Indonesia properties.
- Property operating expenses for 3Q 2019 increased by 91.7% to S\$0.6 million compared to 3Q 2018 mainly due to higher property expenses incurred for South Korea and Indonesia properties.
- Interest income for 3Q 2019 increased to S\$0.8 million compared to 3Q 2018 mainly due to the returns from the progress payments for the development of new Siloam Hospitals Surabaya.
- Finance costs for 3Q 2019 decreased to S\$5.1 million compared to 3Q 2018 mainly due to absence of write off of unamortised loan related costs in 2018 as a result of refinancing of bank loans.
- Other expenses for 3Q 2019 increased to S\$0.6 million compared to 3Q 2018 mainly due to higher unrealised exchange loss on USD loan.

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- 6) Net change in fair value of derivative financial instruments for 3Q 2019 relates to the revaluation of interest rate swap contracts.
- 7) Income tax expenses for 3Q 2019 increased to S\$4.7 million compared to 3Q 2018 mainly due to withholding taxes on higher dividend income received from foreign subsidiaries.

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

Note	Group					
	Quarter			Year-to-date		
	3Q 2019	3Q 2018	Change	30 Sep 2019	30 Sep 2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after income tax	15,375	15,757	(2.4%)	46,249	46,741	(1.1%)
Adjustments for tax purposes:						
- Manager's management fees payable in units	2,356	2,369	(0.5%)	7,216	7,441	(3.0%)
- Foreign exchange losses	410	46	NM	246	420	(41.4%)
- Net fair value losses/(gains) of derivative financial instruments	212	(50)	NM	753	(263)	NM
- Amount reserved for distribution to perpetual securities holders	(859)	(859)	-	(2,549)	(2,549)	-
- Others	(325)	(321)	1.2%	(579)	(1,047)	(44.7%)
<b>Total available for distribution to Unitholders</b>	<b>17,169</b>	<b>16,942</b>	<b>1.3%</b>	<b>51,336</b>	<b>50,743</b>	<b>1.2%</b>
Unitholders' distribution:						
- as distribution from operations	9,892	9,277	6.6%	29,698	27,921	6.4%
- as distribution of Unitholders' capital contribution	7,277	7,665	(5.1%)	21,638	22,822	(5.2%)
<b>Distribution amount to Unitholders</b>	<b>17,169</b>	<b>16,942</b>	<b>1.3%</b>	<b>51,336</b>	<b>50,743</b>	<b>1.2%</b>

Note:

NM – Not meaningful

- 1) In 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	
		30 Sep 2019 S\$'000	31 Dec 2018 S\$'000	30 Sep 2019 S\$'000	31 Dec 2018 S\$'000
<b>Assets</b>					
<b>Non-current Assets</b>					
Plant and equipment		58	68	-	-
Investment properties		1,345,617	1,345,295	34,900	34,900
Investments in subsidiaries		-	-	760,671	778,734
Loan receivable, non-current		-	-	35,839	39,415
Deferred tax assets		1,368	1,368	1,368	1,368
Other receivable, non-current		27,035	27,035	-	-
Total non-current assets		1,374,078	1,373,766	832,778	854,417
<b>Current Assets</b>					
Trade and other receivables, current	1	23,441	32,391	8,931	17,548
Loan receivable, current		-	-	4,191	4,191
Other assets, current		3,093	4,833	925	251
Other financial assets, current		80	26	-	-
Cash and cash equivalents		28,503	27,758	20,609	18,314
Total current assets		55,117	65,008	34,656	40,304
<b>Total Assets</b>		<b>1,429,195</b>	<b>1,438,774</b>	<b>867,434</b>	<b>894,721</b>
<b>Non-current Liabilities</b>					
Deferred tax liabilities		31,850	31,850	-	-
Other financial liabilities, non-current	2	486,128	386,761	486,128	386,761
Derivative financial instruments		919	250	919	250
Total non-current liabilities		518,897	418,861	487,047	387,011
<b>Current Liabilities</b>					
Income tax payable		1,906	1,989	-	-
Trade and other payables, current		16,517	16,135	22,522	17,176
Other financial liabilities, current	2	-	109,658	-	109,658
Other liabilities, current		23,538	22,793	2,012	1,965
Derivative financial instruments		269	185	269	185
Total current liabilities		42,230	150,760	24,803	128,984
<b>Total Liabilities</b>		<b>561,127</b>	<b>569,621</b>	<b>511,850</b>	<b>515,995</b>
<b>Net Assets</b>		<b>868,068</b>	<b>869,153</b>	<b>355,584</b>	<b>378,726</b>
<b>Represented by:</b>					
<b>Net assets attributable to unitholders</b>		<b>808,049</b>	<b>808,275</b>	<b>295,565</b>	<b>317,848</b>
Perpetual securities holders' fund		60,019	60,878	60,019	60,878
<b>Net assets attributable to perpetual securities holders</b>		<b>60,019</b>	<b>60,878</b>	<b>60,019</b>	<b>60,878</b>
		<b>868,068</b>	<b>869,153</b>	<b>355,584</b>	<b>378,726</b>

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**1(b)(i) Statements of Financial Position (Cont'd)**

Note:

- 1) Trade and other receivables decreased from S\$32.4 million to S\$23.4 million mainly due to rental received from tenants and VAT refunds received from Indonesian tax authority for acquisition of Siloam Hospitals Buton and Lippo Plaza Buton and Siloam Hospitals Yogyakarta.
- 2) Other financial liabilities, current and non-current decreased from S\$496.4 million to S\$486.1 million mainly due to repayment of loan in March 2019.

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

	<b>Group &amp; Trust</b>	
	<b>30 Sep 2019</b>	<b>31 Dec 2018</b>
	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
<b>Amount repayable after one year</b>		
Secured	493,208	392,962
Less: Transaction costs	(7,080)	(6,201)
<b>Total Borrowings, Non-current</b>	<b>486,128</b>	<b>386,761</b>
<b>Amount repayable within one year</b>		
Unsecured	-	110,000
Less: Transaction costs	-	(342)
<b>Total Borrowings, Current</b>	<b>-</b>	<b>109,658</b>

**Details of Collaterals**

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

- (a) a mortgage over all the investment properties except Sarang Hospital, Siloam Hospitals Surabaya and Siloam Hospitals Yogyakarta.
- (b) pledge of shares of all the subsidiaries except Kalmore (Korea) Limited, Kalmore Investments Pte Ltd, Surabaya Hospitals Investment Pte Ltd, Icon1 Holdings Pte Ltd, PT Tata Prima Indah and PT Yoga Central Terpadu.

**Interest Rate Swaps**

First REIT has interest rate swaps to hedge the floating rate loan facilities with banks. The changes in fair value of the interest rate swaps was recognised in the Statements of Total Return.

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

	<b>Group</b>	
	<b>3Q 2019</b>	<b>3Q 2018</b>
<b>Note</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Total return before income tax	20,076	20,438
Interest income	(762)	(420)
Interest expense	4,432	4,115
Amortisation of borrowing costs	644	1,383
Depreciation expense	3	-
Foreign exchange losses	410	46
Net fair value losses/(gains) of derivative financial instruments	212	(50)
Gains on disposal of quoted shares	(4)	-
Manager's management fees settled in units	1,185	1,183
<b>Operating cash flows before changes in working capital</b>	<b>26,196</b>	<b>26,695</b>
Trade and other receivables, current	(1,870)	(20,163)
Other assets, current	(162)	(175)
Trade and other payables, current	1,185	1,706
Other liabilities, current	137	(194)
<b>Net cash flows from operating activities before income tax</b>	<b>25,486</b>	<b>7,869</b>
Income taxes paid	(4,642)	(4,610)
<b>Net cash flows from operating activities</b>	<b>20,844</b>	<b>3,259</b>
<b>Cash flows from investing activities</b>		
Increase in investment properties	(41)	(5)
Interest received	759	420
Investment in quoted shares	(149)	-
Disposal of quoted shares	119	-
<b>Net cash flows from investing activities</b>	<b>688</b>	<b>415</b>
<b>Cash flows from financing activities</b>		
Distribution to Unitholders	(17,099)	(16,912)
Increase in borrowings	-	12,535
Interest paid	(3,065)	(3,458)
Distribution to perpetual securities holders	(1,690)	(1,690)
<b>Net cash flows used in financing activities</b>	<b>(21,854)</b>	<b>(9,525)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(322)</b>	<b>(5,851)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>28,825</b>	<b>16,320</b>
<b>Cash and cash equivalents at end of the period</b>	<b>28,503</b>	<b>10,469</b>

Note:

- 1) The increase in borrowings for 3Q 2018 was due to loan drawdown for working capital and capital expenditure requirements.

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**1(c) Statements of Cash Flows (Cont'd)**

	Group	
	30 Sep 2019	30 Sep 2018
	<u>Note</u>	<u>S\$'000</u>
<b>Cash flows from operating activities</b>		
Total return before income tax	60,273	60,651
Interest income	(1,618)	(1,257)
Interest expense	13,060	12,270
Amortisation of borrowing costs	2,093	3,438
Depreciation expense	9	-
Foreign exchange losses	246	420
Net fair value losses/(gains) of derivative financial instruments	753	(263)
Gains on disposal of quoted shares	(1)	-
Manager's management fees settled in units	3,607	3,707
<b>Operating cash flows before changes in working capital</b>	<b>78,422</b>	<b>78,966</b>
Trade and other receivables, current	8,951	(23,425)
Other assets, current	1,740	(326)
Trade and other payables, current	(187)	2,223
Other liabilities, current	745	356
<b>Net cash flows from operating activities before income tax</b>	<b>89,671</b>	<b>57,794</b>
Income taxes paid	(14,107)	(13,975)
<b>Net cash flows from operating activities</b>	<b>75,564</b>	<b>43,819</b>
<b>Cash flows from investing activities</b>		
Increase in investment properties	(210)	(306)
Interest received	1,615	1,257
Investment in quoted shares	(531)	-
Disposal of quoted shares	479	-
<b>Net cash flows from investing activities</b>	<b>1,353</b>	<b>951</b>
<b>Cash flows from financing activities</b>		
Distribution to Unitholders	(51,135)	(48,428)
Increase in borrowings	1	100,000
Repayment of borrowings	2	(110,000)
Interest paid	(11,629)	(12,869)
Distribution to perpetual securities holders	(3,408)	(3,408)
<b>Net cash flows used in financing activities</b>	<b>(76,172)</b>	<b>(50,042)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>745</b>	<b>(5,272)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>27,758</b>	<b>15,741</b>
<b>Cash and cash equivalents at end of the period</b>	<b>28,503</b>	<b>10,469</b>

Note:

- 1) The increase in borrowings for 2019 is due to loan drawdown to repay loan matured in May 2019. For 2018, the increase in borrowings was due to loan drawdown for working capital and capital expenditure requirements.
- 2) This relates to repayment of loans upon maturity.



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

	Note	Group		Trust	
		3Q 2019	3Q 2018	3Q 2019	3Q 2018
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
<b>Balance at beginning of the financial period</b>		807,879	793,995	303,114	333,955
<b><u>Operations</u></b>					
Total return after tax attributable to unitholders of Trust		15,375	15,757	7,874	7,673
<b><u>Translation transactions</u></b>					
Net movement in foreign exchange reserve		218	36	-	-
<b><u>Unitholders' transactions</u></b>					
Manager's management fees paid in units		2,535	2,284	2,535	2,284
Amount reserved for distribution to perpetual securities holders		(859)	(859)	(859)	(859)
Distribution to Unitholders		(17,099)	(16,912)	(17,099)	(16,912)
<b>Balance at end of the financial period</b>		808,049	794,301	295,565	326,141
<b><u>Perpetual Securities Holders' Fund</u></b>					
<b>Balance at beginning of the financial period</b>		60,850	60,850	60,850	60,850
Amount reserved for distribution to perpetual securities holders		859	859	859	859
Distribution to perpetual securities holders		(1,690)	(1,690)	(1,690)	(1,690)
<b>Balance at end of the financial period</b>	1	60,019	60,019	60,019	60,019
<b>Total</b>		868,068	854,320	355,584	386,160

**Note:**

- 1) In 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 in accordance with the terms and conditions of the perpetual securities.

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

Note	Group		Trust	
	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at beginning of the financial year</b>	808,275	791,437	317,848	347,261
<b>Operations</b>				
Total return after tax attributable to unitholders of Trust	46,249	46,741	24,301	22,826
<b>Translation transactions</b>				
Net movement in foreign exchange reserve	109	69	-	-
<b>Unitholders' transactions</b>				
Manager's management fees paid in units	7,100	6,761	7,100	6,761
Manager's acquisition fees paid in units	-	270	-	270
Issuance of units (DRP)	-	2,160	-	2,160
Amount reserved for distribution to perpetual securities holders	(2,549)	(2,549)	(2,549)	(2,549)
Distribution to Unitholders	(51,135)	(50,588)	(51,135)	(50,588)
<b>Balance at end of the financial period</b>	<b>808,049</b>	<b>794,301</b>	<b>295,565</b>	<b>326,141</b>
<b>Perpetual Securities Holders' Fund</b>				
<b>Balance at beginning of the financial year</b>	60,878	60,878	60,878	60,878
Amount reserved for distribution to perpetual securities holders	2,549	2,549	2,549	2,549
Distribution to perpetual securities holders	(3,408)	(3,408)	(3,408)	(3,408)
<b>Balance at end of the financial period</b>	<b>60,019</b>	<b>60,019</b>	<b>60,019</b>	<b>60,019</b>
<b>Total</b>	<b>868,068</b>	<b>854,320</b>	<b>355,584</b>	<b>386,160</b>

Note:

- 1) In 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 in accordance with the terms and conditions of the perpetual securities.

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

	Trust			
	Quarter		Year-to-date	
	3Q 2019	3Q 2018	30 Sep 2019	30 Sep 2018
<b>Balance at beginning of period</b>	<b>792,782,115</b>	<b>785,014,035</b>	<b>788,479,925</b>	<b>779,954,506</b>
Unitholders transactions:				
- Manager's management fees paid in units	2,540,793	1,670,591	6,842,983	4,956,522
- Manager's acquisition fee paid in units	-	-	-	191,788
- Issuance of units (DRP)	-	-	-	1,581,810
<b>Balance at end of period/year</b>	<b>795,322,908</b>	<b>786,684,626</b>	<b>795,322,908</b>	<b>786,684,626</b>
New units to be issued				
- Manager's management fees payable in units	2,351,607	1,795,299	2,351,607	1,795,299
<b>Total issued and issuable units</b>	<b>797,674,515</b>	<b>788,479,925</b>	<b>797,674,515</b>	<b>788,479,925</b>

Note:

- 1) The manager's management fees payable in units comprise 1,211,601 units for 3Q 2018 performance fee and 1,140,006 units for 3Q 2019 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**

	Trust	
	30 Sep 2019	31 Dec 2018
<b>Issued units at end of period/year</b>	<b>795,322,908</b>	<b>788,479,925</b>

**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.

**FIRST REAL ESTATE INVESTMENT TRUST**  
**2019 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

**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 2018.

**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**

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2019. The adoption of new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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

	Group			
	Quarter		Year-to-date	
	3Q 2019	3Q 2018	30 Sep 2019	30 Sep 2018
<b><u>Earnings per unit</u></b>				
Weighted average number of units in issue	793,541,937	784,740,674	792,228,755	784,356,708
<b><u>Earnings per unit in cents attributable to unitholders</u></b>				
Basic and fully diluted basis	1.83	1.90	5.52	5.63
<b><u>Distribution per unit</u></b>				
Number of units in issue	795,322,908	786,684,626	795,322,908	786,684,626
<b><u>Distribution per unit in cents attributable to unitholders</u></b>				
Based on the number of units in issue at the end of the period	2.15	2.15	6.45	6.45

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

	Group		Trust	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
<b>Net asset value per unit (cents)</b>	101.60	102.51	37.16	40.31

**8. Review of the performance**

**3Q 2019 vs 3Q 2018**

Rental and other income for 3Q 2019 decreased by 1.5% to S\$28.8 million compared to 3Q 2018 mainly due to lower variable rental component for Indonesia properties.

Property operating expenses for 3Q 2019 increased by 91.7% to S\$0.6 million compared to 3Q 2018 mainly due to higher property expenses incurred for South Korea and Indonesia properties.

Interest income for 3Q 2019 increased to S\$0.8 million compared to 3Q 2018 mainly due to the returns from the progress payments for the development of new Siloam Hospitals Surabaya.

Finance cost for 3Q 2019 decreased to S\$5.1 million compared to 3Q 2018 mainly due to absence of write off of unamortised loan related costs in 2018 as a result of refinancing of bank loans.

Other expenses for 3Q 2019 increased to S\$0.6 million compared to 3Q 2018 mainly due to higher unrealised exchange loss on USD loan.

Net change in fair value of derivative financial instruments for 3Q 2019 relates to the revaluation of interest rate swap contracts.

Income tax expense for 3Q 2019 increased to S\$4.7 million compared to 3Q 2018 mainly due to withholding taxes on higher dividend income received from foreign subsidiaries.

#### 9M 2019 vs 9M 2018

Rental and other income for 9M 2019 decreased by 0.5% to S\$86.4 million compared to 9M 2018 mainly due to lower variable rental component for Indonesia properties.

Property operating expenses for 9M 2019 increased by 81.8% to S\$1.8 million compared to 9M 2018, mainly due to the higher professional expenses incurred for South Korea and Indonesia properties.

Interest income for 9M 2019 increased to S\$1.6 million compared to 9M 2018, mainly due to the returns from the progress payments for the development of new Siloam Hospitals Surabaya.

Finance costs for 9M 2019 decreased to S\$15.2 million compared to 9M 2018 mainly due to absence of write off of unamortised loan related costs in 2018 as a result of refinancing of bank loans.

Other expenses for 9M 2019 decreased to S\$1.1 million compared to 9M 2018 mainly due to the lower unrealised exchange loss on USD loan.

Net change in fair value of derivative financial instruments for 9M 2019 relates to the revaluation of interest rate swap contracts.

Income tax expense for 9M 2019 increased to S\$14.0 million compared to 9M 2018 mainly due to withholding taxes on higher dividend income received from foreign subsidiaries.

#### **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 cut its key interest rate to 5.25% in September<sup>1</sup>, at the same time as the US Federal Reserve<sup>2</sup> 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<sup>3</sup> and the economic growth target has been set at 5.3% next year. Meanwhile, the healthcare market has been 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.

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

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

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

**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 July 2019 to 30 September 2019

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.09
Tax-Exempt Income	1.15
Capital	0.91
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 July 2018 to 30 September 2018

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.10
Capital	0.97
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(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 14 November 2019 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 13 November 2019 at 9.00am.

11(d) Date Payable: 17 December 2019

**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 30 September 2019:

- 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 30 September 2019 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)

Tan Kok Mian Victor  
Executive Director and Chief Executive Officer  
6 November 2019