
**FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD 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 nineteen 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) Pacific Healthcare Nursing Home @ Bukit Merah, 17) Pacific Healthcare Nursing Home II @ Bukit Panjang, 18) The Lentor Residence and 19) 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.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

Summary of First REIT's Results

	Group					
	Quarter			Year-to-date		
	3Q 2017	3Q 2016	Change	30 Sep 2017	30 Sep 2016	Change
	<u>S\$'000</u>	<u>S\$'000</u>	%	<u>S\$'000</u>	<u>S\$'000</u>	%
Gross Revenue	27,814	26,929	3.3%	82,442	80,029	3.0%
Net Property Income	27,465	26,621	3.2%	81,486	79,149	3.0%
Distributable Amount	16,700	16,341	2.2%	49,935	48,778	2.4%
Distribution per unit (cts)	2.14	2.12	0.9%	6.42	6.34	1.3%
Annualised Distribution per unit (cts)	8.58	8.47 ¹	1.3%	8.58	8.47 ¹	1.3%

Note:

- 1) Actual distribution paid for FY 2016.

Distribution Details

Distribution	1 July 2017 to 30 September 2017
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 2.14 cents per unit (a) Taxable income distribution - 0.06 cents per unit (b) Tax-exempt income distribution - 1.19 cents per unit (c) Capital distribution - 0.89 cents per unit
Book closure date	31 October 2017 at 5.00 pm
Ex-dividend date	27 October 2017 at 9.00 am
Payment date	29 November 2017

Distribution Reinvestment Plan ("DRP")

The DRP will not be applicable for this quarter. All Unitholders will be receiving 3Q 2017 DPU of Singapore 2.14 cents in cash, payable on 29 November 2017. The Manager may consider applying the DRP at a later date and Unitholders will be notified accordingly.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(a)(i) Statement of Total Return

		Group					
		Quarter			Year-to-date		
Note	3Q 2017	3Q 2016	Change	30 Sep 2017	30 Sep 2016	Change	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
	27,814	26,929	3.3%	82,442	80,029	3.0%	
1	(349)	(308)	13.3%	(956)	(880)	8.6%	
	27,465	26,621	3.2%	81,486	79,149	3.0%	
2	368	346	6.4%	992	798	24.3%	
	(2,740)	(2,654)	3.2%	(8,083)	(7,899)	2.3%	
	(103)	(100)	3.0%	(301)	(297)	1.3%	
3	(4,389)	(4,266)	2.9%	(12,943)	(13,564)	(4.6%)	
4	(371)	(274)	35.4%	(44)	(1,544)	(97.2%)	
	20,230	19,673	2.8%	61,107	56,643	7.9%	
	-	-	-	-	512	NM	
5	443	(89)	NM	(638)	(3,183)	(80.0%)	
	20,673	19,584	5.6%	60,469	53,972	12.0%	
6	(4,447)	(4,288)	3.7%	(13,246)	(13,082)	1.3%	
	16,226	15,296	6.1%	47,223	40,890	15.5%	
	(155)	110	NM	(733)	(442)	65.8%	
	16,071	15,406	4.3%	46,490	40,448	14.9%	
	15,367	14,502	6.0%	44,674	40,096	11.4%	
	859	794	8.2%	2,549	794	221.0%	
	16,226	15,296	6.1%	47,223	40,890	15.5%	

Note:

NM – Not meaningful

The results for 3Q 2017 includes the full quarter contribution from Siloam Hospitals Labuan Bajo ("SHLB") which was acquired in December 2016.

- 1) Property operating expenses for 3Q 2017 increased by 13.3% to S\$349,000 compared to 3Q 2016 mainly due to higher property expenses incurred for SHLB and other Indonesia properties.
- 2) Interest income for 3Q 2017 increased to S\$368,000 compared to 3Q 2016 mainly due to the returns from the progress payments for the development of new Siloam Hospitals Surabaya.
- 3) Finance cost for 3Q 2017 increased to S\$4.4 million compared to 3Q 2016 mainly due to higher loan amounts to finance the acquisition of SHLB in 4Q 2016 and the second progress payment for development of new Siloam Hospitals Surabaya in 3Q 2017.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

- 4) Other expenses for 3Q 2017 increased to S\$371,000 compared to 3Q 2016 mainly due to higher professional fees and project expenses.
- 5) Net change in fair value of derivative financial instruments for 3Q 2017 relates to the revaluation of interest rate swap contracts.
- 6) Income tax expense for 3Q 2017 increased to S\$4.4 million compared to 3Q 2016 mainly due to higher revenue.

1(a)(ii) Statement of Distribution

Note	Group					
	Quarter			Year-to-date		
	3Q 2017	3Q 2016	Change	30 Sep 2017	30 Sep 2016	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period after income tax	16,226	15,296	6.1%	47,223	40,890	15.5%
Adjustments for tax purposes:						
- Manager's management fees payable in units	2,325	1,600	45.3%	6,653	5,275	26.1%
- Foreign exchange (gains)/ losses	(269)	218	NM	(1,240)	(675)	83.7%
- Net change in fair value of derivative financial instruments	(443)	89	NM	638	3,183	(80.0%)
- Gains on divestment of investment property, net of tax	-	-	-	-	(122)	-
- Costs related to Siloam Hospitals Surabaya transaction	-	-	-	-	787	-
- Costs related to MTN exercise	-	-	-	-	581	-
- Amount reserved for distribution to perpetual securities holders	(859)	(794)	8.2%	(2,549)	(794)	221.0%
- Others	(280)	(68)	311.8%	(790)	(347)	127.7%
Total available for distribution to Unitholders	16,700	16,341	2.2%	49,935	48,778	2.4%
Unitholders' distribution:						
- as distribution from operations	9,722	9,467	2.7%	29,069	28,120	3.4%
- as distribution of Unitholders' capital contribution	6,978	6,874	1.5%	20,866	20,658	1.0%
Distribution amount to Unitholders	16,700	16,341	2.2%	49,935	48,778	2.4%

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.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(b)(i) Statements of Financial Position

Note	Group		Trust	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Non-current Assets				
	1,272,685	1,273,159	36,896	36,800
	-	-	748,214	756,461
	-	-	45,529	49,138
	971	971	971	971
1	27,035	18,035	-	-
	1,300,691	1,292,165	831,610	843,370
Current Assets				
2	24,039	11,754	9,842	7,270
	-	-	4,191	4,191
	4,241	3,680	393	51
	47,722	33,576	42,200	22,719
	76,002	49,010	56,626	34,231
	1,376,693	1,341,175	888,236	877,601
Non-current Liabilities				
	48,849	48,849	-	-
3	327,370	271,642	327,370	271,642
	756	118	756	118
	376,975	320,609	328,126	271,760
Current Liabilities				
	1,835	1,194	-	-
	16,239	16,879	23,206	26,872
3	119,814	141,967	119,814	141,967
	22,301	21,947	1,916	1,888
	160,189	181,987	144,936	170,727
	537,164	502,596	473,062	442,487
	839,529	838,579	415,174	435,114
Represented by:				
	410,370	423,654	410,370	423,654
	368,181	352,355	(55,215)	(49,418)
	959	1,692	-	-
	779,510	777,701	355,155	374,236
4	60,019	60,878	60,019	60,878
	60,019	60,878	60,019	60,878
	839,529	838,579	415,174	435,114

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

Note:

- 1) Other receivable, non-current increased from S\$18.0 million to S\$27.0 million mainly due to the second progress payment made for development of new Siloam Hospitals Surabaya in August 2017.
- 2) Trade and other receivables increased from S\$11.8 million to S\$24.0 million mainly due to advance rental receivables from tenants.
- 3) Other financial liabilities, current and non-current increased from S\$413.6 million to S\$447.2 million mainly due to higher loan amounts to finance the second progress payment for development of new Siloam Hospitals Surabaya and drawdown for the acquisition of Buton Property.
- 4) In 2016, the Trust issued S\$60.0 million of fixed rate perpetual securities. The perpetual securities may be redeemed at the option of the Trust in whole, but not in part, on 8 July 2021 or each successive date falling every five years thereafter and otherwise upon the occurrence of certain redemption events specified in the terms and conditions. The perpetual securities, net of issuance costs and include amount reserved for distribution to the perpetual securities holders, are classified as equity in the Statements of Changes in Unitholders' Funds.

1(b)(ii) Borrowings and Debt Securities

	Group & Trust	
	30 Sep 2017	31 Dec 2016
	<u>S\$'000</u>	<u>S\$'000</u>
Amount repayable after one year		
Secured	319,297	164,474
Unsecured	10,000	110,000
Less: Transaction costs	(1,927)	(2,832)
Total Borrowings, Non-current	327,370	271,642
Amount repayable within one year		
Secured (Note 1)	20,000	142,563
Unsecured	100,000	-
Less: Transaction costs	(186)	(596)
Total Borrowings, Current	119,814	141,967

Note:

- 1) The total borrowings, current relates to term loan facility and MTN due in December 2017 and May 2018 respectively. The Trust is in negotiation with banks to refinance these term loans facilities that are due this year.

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, Siloam Sriwijaya and Siloam Hospitals Labuan Bajo.
- (b) pledge of shares of all the subsidiaries except Kalmore (Korea) Limited, Kalmore Investments Pte Ltd, Sriwijaya Investment I Pte Ltd, Sriwijaya Investment II Pte Ltd, Surabaya Hospitals Investment Pte Ltd, PT Prima Labuan Bajo, Icon1 Holdings Pte Ltd, SHLB Investment I Pte Ltd, SHLB Investment II Pte Ltd, PT Buton Bangun Cipta, SHButon Investment I Pte Ltd and SHButon Investment II Pte Ltd.

Interest Rate Swaps

First REIT has interest rate swaps to hedge loans with banks. The change in fair value of the interest rate swaps were recognised in the Statement of Total Return.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(c) Statement of Cash Flows

	Group	
	3Q 2017	3Q 2016
	S\$'000	S\$'000
Cash flows from operating activities		
Total return before income tax	20,673	19,584
Other income	(368)	(346)
Interest expense	3,947	3,806
Amortisation of borrowing costs	442	460
Foreign exchange adjustment (gains)/ losses	(269)	218
Net change in fair value on derivative financial instruments	(443)	89
Manager's management fees settled in units	1,157	802
Operating cash flows before changes in working capital	25,139	24,613
Trade and other receivables, current	(5,249)	1,651
Other assets, current	(325)	44
Trade and other payables, current	2,177	1,305
Other liabilities, current	(278)	(144)
Net cash flows from operating activities before income tax	21,464	27,469
Income taxes paid	(3,945)	(3,783)
Net cash flows from operating activities	17,519	23,686
Cash flows from investing activities		
Interest received	404	332
Increase in investment properties	(3)	(41)
Progress payment for Siloam Hospitals Surabaya	(9,000)	-
Net cash flows (used in)/from investing activities	(8,599)	291
Cash flows from financing activities		
Increase in borrowings	33,500	-
Proceeds from issuance of perpetual securities	-	60,000
Issue costs for perpetual securities	-	(775)
Repayment of borrowings	-	(57,000)
Interest paid	(4,002)	(4,053)
Distribution to perpetual securities holders	(1,690)	-
Distribution to Unitholders	(16,655)	(16,237)
Net cash flows from/(used in) financing activities	11,153	(18,065)
Net increase in cash and cash equivalents	20,073	5,912
Cash and cash equivalents at beginning of the period	27,649	31,949
Cash and cash equivalents at end of the period	47,722	37,861

Note:

- 1) The progress payment for Siloam Hospitals Surabaya relates to the second progress payment made for the development of new Siloam Hospitals Surabaya in August 2017.
- 2) The increase in borrowings is due to higher loan amounts to finance the second progress payment for development of new Siloam Hospitals Surabaya and drawdown for the acquisition of Buton Property.
- 3) This relates to the second distribution made to perpetual securities holders in 3Q 2017.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

1(c) Statement of Cash Flows (Cont'd)

	Group	
	30 Sep 2017	30 Sep 2016
Note	S\$'000	S\$'000
Cash flows from operating activities		
Total return before income tax	60,469	53,972
Other income	(992)	(798)
Interest expense	11,585	12,281
Amortisation of borrowing costs	1,358	1,283
Foreign exchange adjustment gains	(1,240)	(675)
Gain on divestment of investment property	-	(512)
Net change in fair value on derivative financial instruments	638	3,183
Manager's management fees settled in units	3,299	2,639
Operating cash flows before changes in working capital	75,117	71,373
Trade and other receivables, current	(12,454)	2,647
Other assets, current	(561)	(18)
Trade and other payables, current	(867)	533
Other liabilities, current	1,530	248
Net cash flows from operating activities before income tax	62,765	74,783
Income taxes paid	(12,605)	(11,809)
Net cash flows from operating activities	50,160	62,974
Cash flows from investing activities		
Interest received	999	792
Increase in investment properties	(96)	(97)
Net proceeds from divestment of investment property	1	8,161
Progress payment for Siloam Hospitals Surabaya	2	(18,035)
Net cash flows used in investing activities	(8,097)	(9,179)
Cash flows from financing activities		
Increase in borrowings	3	9,945
Proceeds from issuance of perpetual securities	-	60,000
Issue costs for perpetual securities	-	(775)
Repayment of borrowings	-	(57,000)
Interest paid	(11,690)	(12,607)
Distribution to perpetual securities holders	4	-
Distribution to Unitholders	(46,319)	(42,324)
Net cash flows used in financing activities	(27,917)	(42,761)
Net increase in cash and cash equivalents	14,146	11,034
Cash and cash equivalents at beginning of the year	33,576	26,827
Cash and cash equivalents at end of the period	47,722	37,861

Note:

- 1) The net proceeds from divestment of investment property relates to the divestment of Plot B of existing Siloam Hospitals Surabaya in 1Q 2016.
- 2) The progress payment for Siloam Hospitals Surabaya relates to the first and second progress payments made for the development of new Siloam Hospitals Surabaya in 1Q 2016 and 3Q 2017 respectively.
- 3) The increase in borrowings is due to higher loan amounts to finance the second progress payment for development of new Siloam Hospitals Surabaya and drawdown for the acquisition of Buton Property.
- 4) This relates to the first and second distributions made to perpetual securities holders in 1Q and 3Q 2017.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

Note	Group		Trust	
	3Q 2017	3Q 2016	3Q 2017	3Q 2016
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Balance at beginning of the financial period	780,032	792,793	362,734	389,670
<u>Operations</u>				
Total return after tax	16,226	15,296	9,014	8,260
<u>Translation transactions</u>				
Net movement in foreign exchange reserve	(155)	110	-	-
<u>Unitholders' transactions</u>				
Manager's management fees paid in units	921	921	921	921
Amount reserved for distribution to perpetual securities holders	(859)	(794)	(859)	(794)
Distribution to Unitholders	(16,655)	(16,237)	(16,655)	(16,237)
Balance at end of the financial period	779,510	792,089	355,155	381,820
<u>Perpetual Securities Holders' Fund</u>				
Balance at beginning of the financial period	60,850	-	60,850	-
Issue of perpetual securities	-	60,000	-	60,000
Issue costs	-	(775)	-	(775)
Amount reserved for distribution to perpetual securities holders	859	794	859	794
Distribution to perpetual securities holders	(1,690)	-	(1,690)	-
Balance at end of the financial period	60,019	60,019	60,019	60,019
Total	839,529	852,108	415,174	441,839

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.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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

Note	Group		Trust	
	30 Sep 2017	30 Sep 2016	30 Sep 2017	30 Sep 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at beginning of the financial year	777,701	791,101	374,236	401,437
<u>Operations</u>				
Total return after tax	47,223	40,890	25,600	19,843
<u>Translation transactions</u>				
Net movement in foreign exchange reserve	(733)	(442)	-	-
<u>Unitholders' transactions</u>				
Manager's management fees paid in units	3,987	3,658	3,987	3,658
Manager's acquisition fees paid in units	200	-	200	-
Issuance of units (DRP)	3,390	5,787	3,390	5,787
Amount reserved for distribution to perpetual securities holders	(2,549)	(794)	(2,549)	(794)
Distribution to Unitholders	(49,709)	(48,111)	(49,709)	(48,111)
Balance at end of the financial period	779,510	792,089	355,155	381,820
<u>Perpetual Securities Holders' Fund</u>				
Balance at beginning of the financial year	60,878	-	60,878	-
Issue of perpetual securities	-	60,000	-	60,000
Issue costs	-	(775)	-	(775)
Amount reserved for distribution to perpetual securities holders	2,549	794	2,549	794
Distribution to perpetual securities holders	(3,408)	-	(3,408)	-
Balance at end of the financial period	60,019	60,019	60,019	60,019
Total	839,529	852,108	415,174	441,839

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.

**FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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

	Trust				
	Quarter		Year-to-date		
	Note	3Q 2017	3Q 2016	30 Sep 2017	30 Sep 2016
Balance at beginning of period/year		776,821,859	768,793,873	771,579,482	761,567,027
Unitholders transactions:					
- Manager's management fees paid in units		1,430,189	742,469	3,818,770	3,023,680
- Manager's acquisition fee paid in units		-	-	154,475	-
- Manager's divestment fee paid in units		-	-	-	31,148
- Issuance of units (DRP)		-	-	2,699,321	4,914,487
Balance at end of period/year		778,252,048	769,536,342	778,252,048	769,536,342
New units to be issued					
- Manager's management fees payable in units	1	1,495,095	587,134	1,495,095	587,134
Total issued and issuable units		779,747,143	770,123,476	779,747,143	770,123,476

Note:

- 1) The manager's management fees payable in units comprise 630,538 units for 3Q 2016 performance fee and 864,557 units for 3Q 2017 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 2017	31 Dec 2016
Issued units at end of period/year	778,252,048	771,579,482

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.

**FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT**

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 2016.

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

	Group			
	Quarter		Year-to-date	
	3Q 2017	3Q 2016	30 Sep 2017	30 Sep 2016
<u>Earnings per unit</u>				
Weighted average number of units in issue	777,116,783	769,431,428	775,797,094	766,982,316
<u>Earnings per unit in cents attributable to unitholders</u>				
Basic and fully diluted basis	1.98	1.99	5.76	5.33
<u>Distribution per unit</u>				
Number of units in issue	778,252,048	768,536,342	778,252,048	768,536,342
<u>Distribution per unit in cents attributable to unitholders</u>				
Based on the number of units in issue at the end of the period	2.14	2.12	6.42	6.34

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

	Group		Trust	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Net asset value per unit (cents)	100.61	100.79	45.64	48.50

8. Review of the performance

3Q 2017 vs 3Q 2016

The results for this quarter includes the full quarter contribution from Siloam Hospitals Labuan Bajo ("SHLB") which was acquired in December 2016.

Gross revenue for 3Q 2017 increased by 3.3% to S\$27.8 million compared to 3Q 2016 mainly due to contribution from SHLB.

Property operating expenses for 3Q 2017 increased by 13.3% to S\$349,000 compared to 3Q 2016 mainly due to higher property expenses incurred for SHLB and other Indonesia properties.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

Interest income for 3Q 2017 increased to S\$368,000 compared to 3Q 2016 mainly due to the returns from the progress payments for the development of new Siloam Hospitals Surabaya.

Finance costs for 3Q 2017 increased to S\$4.4 million compared to 3Q 2016 mainly due to higher loan amounts to finance the acquisition of SHLB in 4Q 2016 and the second progress payment for development of new Siloam Hospitals Surabaya in 3Q 2017.

Other expenses for 3Q 2017 increased to S\$371,000 compared to 3Q 2016 mainly due to higher professional fees and project expenses.

Net change in fair value of derivative financial instruments for 3Q 2017 relates to the revaluation of interest rate swap contracts.

Income tax expense for 3Q 2017 increased to S\$4.4 million compared to 3Q 2016 mainly due to higher revenue.

9M 2017 vs 9M 2016

Gross revenue for 9M 2017 increased by 3.0% to S\$82.4 million compared to 9M 2016 mainly due to contribution from SHLB.

Property operating expenses for 9M 2017 increased by 8.6% to S\$956,000 compared to 9M 2016 mainly due to the higher property expenses incurred for SHLB and other Indonesia properties.

Interest income for 9M 2017 increased to S\$992,000 compared to 9M 2016 mainly due to the returns from the progress payments for the development of new Siloam Hospitals Surabaya.

Finance costs for 9M 2017 decreased by 4.6% to S\$12.9 million compared to 9M 2016 mainly due to the lower loan amounts as a result of the issuance of perpetual securities to pare down the loan amounts in 3Q 2016.

Other expenses for 9M 2017 decreased by 97.2% to S\$44,000 compared to 9M 2016 mainly due to absence of the expenses for MTN exercise and costs related to Siloam Hospitals Surabaya transaction incurred in 1Q 2016 and higher unrealised exchange gain from the USD loan.

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

Income tax expense for 9M 2017 increased by 1.3% to S\$13.2 million compared to 9M 2016 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's gross domestic product grew at 5.01% in the second quarter, at the same pace as in the first quarter. President Joko Widodo has expressed in Parliament that he expects Indonesia's economy to grow by 5.4% next year¹, supported by an increase in consumption, investments and better trade performance. In addition, for the first time in almost 20 years, Indonesia has been rated investment grade by the three major rating agencies and this is expected to attract more investment flows into Indonesia.

Along with stronger economic growth prospects, the national health insurance scheme will continue to drive demand for better quality private healthcare among the rising middle-income class in Indonesia. With a strong acquisition pipeline of around 40 hospitals in Indonesia from its Sponsor, PT Lippo Karawaci Tbk, First REIT remains well-positioned for further growth.

¹ 17 August 2017, Straits Times, 'Indonesia's economy to grow by 5.4%'

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 July 2017 to 30 September 2017

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.06
Tax-Exempt Income	1.19
Capital	0.89
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.

FIRST REAL ESTATE INVESTMENT TRUST
2017 THIRD QUARTER UNAUDITED FINANCIAL STATEMENTS & DISTRIBUTION ANNOUNCEMENT

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 2016 to 30 September 2016

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.14
Capital	0.90
Total	2.12

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 31 October 2017 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 27 October 2017 at 9.00am.

11(d) Date Payable: 29 November 2017

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 2017:

- 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 2017 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
23 October 2017