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

First Real Estate Investment Trust ("First REIT") is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between Bowsprit Capital Corporation Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006. 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 and 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

	Group		
	1Q 2019	**1Q 2018**	**Change**
	S$'000	**S$'000**	**%**
Rental and Other Income	28,649	28,713	(0.2%)
Net Property and Other Income	28,026	28,423	(1.4%)
Distributable Amount	17,053	16,893	0.9%
Distribution per unit (cts)	2.15	2.15	-
Annualised Distribution per unit (cts)	8.60	8.60[1]	-

Note:

1) Actual distribution paid for FY 2018.

Distribution Details

Distribution	1 January 2019 to 31 March 2019
Distribution type	(a) Taxable income (b) Tax-exempt income (c) Capital distribution
Distribution rate	Total: 2.15 cents per unit (a) Taxable income distribution – 0.08 cents per unit (b) Tax-exempt income distribution – 1.17 cents per unit (c) Capital distribution – 0.90 cents per unit
Book closure date	18 April 2019 at 5.00 pm
Ex-dividend date	17 April 2019 at 9.00 am
Payment date	30 May 2019

1(a)(i) Statement of Comprehensive Income

		Quarter		
	Note	**1Q 2019**	**1Q 2018**	**Change**
		S$'000	**S$'000**	**%**
Rental and other income	1	**28,649**	**28,713**	**(0.2%)**
Property operating expenses	2	(623)	(290)	114.8%
Net property and other income		**28,026**	**28,423**	**(1.4%)**
Interest income		415	417	(0.5%)
Manager's management fees		(2,813)	(2,823)	(0.4%)
Trustee fees		(106)	(105)	1.0%
Finance costs	3	(5,088)	(4,755)	7.0%
Other expenses	4	(287)	(332)	(13.6%)
Net income before the undernoted		**20,147**	**20,825**	**(3.3%)**
Net fair value gains/(losses) of derivative financial instruments	5	201	(63)	NM
Total return for the period before income tax		**20,348**	**20,762**	**(2.0%)**
Income tax expense	6	(4,609)	(4,571)	0.8%
Total return for the period after income tax		**15,739**	**16,191**	**(2.8%)**
Other comprehensive income: Exchange differences on translating foreign operations, net of tax		(94)	(207)	(54.6%)
Total comprehensive income for the period		**15,645**	**15,984**	**(2.1%)**
Total return for the period after income tax attributable to:				
Unitholders of Trust		14,899	15,351	(2.9%)
Perpetual securities holders		840	840	-
		15,739	**16,191**	**(2.8%)**

Note:
NM – Not meaningful

1) Gross revenue for 1Q 2019 decreased by 0.2% to S$28.6 million compared to 1Q 2018 mainly due to lower variable rental component for Indonesia properties.

2) Property operating expenses for 1Q 2019 increased by 114.8% to S$623,000 compared to 1Q 2018 mainly due to higher property expenses incurred for Sarang Hospital and Indonesia properties.

3) Finance costs for 1Q 2019 increased to S$5.1 million compared to 1Q 2018 mainly due to higher interest costs on loans.

4) Other expenses for 1Q 2019 decreased to S$287,000 compared to 1Q 2018 mainly due to absence of project expenses incurred in 1Q 2018.

5) Net change in fair value of derivative financial instruments for 1Q 2019 relates to the revaluation of interest rate swap contracts.

6) Income tax expense for 1Q 2019 increased to S$4.6 million compared to 1Q 2018 mainly due to withholding taxes on higher dividend income received from foreign subsidiaries.

1(a)(ii) Statement of Distribution

		Quarter		
	Note	**1Q 2019**	**1Q 2018**	**Change**
		S$'000	**S$'000**	**%**
Total return for the period after income tax		15,739	16,191	(2.8%)
Adjustments for tax purposes:				
- Manager's management fees payable in units		2,460	2,398	2.6%
- Foreign exchange adjustment gains		(178)	(348)	(48.9%)
- Net fair value (gains)/losses of derivative financial instruments		(201)	63	NM
- Amount reserved for distribution to perpetual securities holders	1	(840)	(840)	-
- Others		73	(571)	NM
Total available for distribution to Unitholders		**17,053**	**16,893**	**0.9%**
Unitholders' distribution:				
- as distribution from operations		9,884	9,332	5.9%
- as distribution of Unitholders' capital contribution		7,169	7,561	(5.2%)
Distribution amount to Unitholders		**17,053**	**16,893**	**0.9%**

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.

1(b)(i) Statements of Financial Position

	Note	Group		Trust	
		31 Mar 2019	31 Dec 2018	31 Mar 2019	31 Dec 2018
		S$'000	S$'000	S$'000	S$'000
Assets					
Non-current Assets					
Plant and equipment		65	68	-	-
Investment properties		1,345,215	1,345,295	34,900	34,900
Investments in subsidiaries		-	-	772,755	778,734
Loan receivable, non-current		-	-	38,224	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		1,373,683	1,373,766	847,247	854,417
Current Assets					
Trade and other receivables, current	1	34,483	32,391	19,077	17,548
Loan receivable, current		-	-	4,191	4,191
Other assets, current		2,615	4,833	473	251
Other financial assets, current		-	26	-	-
Cash and cash equivalents	2	17,069	27,758	6,248	18,314
Derivative financial instruments		125	-	125	-
Total current assets		54,292	65,008	30,114	40,304
Total Assets		**1,427,975**	**1,438,774**	**877,361**	**894,721**
Non-current Liabilities					
Deferred tax liabilities		31,850	31,850	-	-
Other financial liabilities, non-current	3	387,125	386,761	387,125	386,761
Derivative financial instruments		360	250	360	250
Total non-current liabilities		419,335	418,861	387,485	387,011
Current Liabilities					
Income tax payable		2,012	1,989	-	-
Trade and other payables, current		15,210	16,135	17,216	17,176
Other financial liabilities, current	3	99,917	109,658	99,917	109,658
Other liabilities, current		23,282	22,793	1,978	1,965
Derivative financial instruments		-	185	-	185
Total current liabilities		140,421	150,760	119,111	128,984
Total Liabilities		**559,756**	**569,621**	**506,596**	**515,995**
Net Assets		**868,219**	**869,153**	**370,765**	**378,726**
Represented by:					
Net assets attributable to unitholders		**808,219**	**808,275**	**310,765**	**317,848**
Perpetual Securities holders' fund		60,000	60,878	60,000	60,878
Net assets attributable to perpetual securities holders		**60,000**	**60,878**	**60,000**	**60,878**
		868,219	**869,153**	**370,765**	**378,726**

Note:

1) Trade and other receivables increased from S$32.4 million to S$34.5 million mainly due to advance rental receivables from tenants. On 9 April 2019, the Trust has received rental payments amounting to S$7.7 million from tenants.

2) Cash and cash equivalents decreased from S$27.8 million to S$17.1 million mainly due to repayment of loan.

3) Other financial liabilities, non-current and current decreased from S$496.4 million to S$487.0 million mainly due to repayment of loan.

1(b)(ii) Borrowings and Debt Securities

	Group & Trust	
	31 Mar 2019	**31 Dec 2018**
	S$'000	**S$'000**
Amount repayable after one year		
Secured	392,784	392,962
Less: Transaction costs	(5,659)	(6,201)
Total Borrowings, Non-current	**387,125**	**386,761**
Amount repayable within one year		
Unsecured	100,000	110,000
Less: Transaction costs	(83)	(342)
Total Borrowings, Current (Note 1)	**99,917**	**109,658**

Note:

1) The Trust has finalized the refinancing of the total borrowings, current and is awaiting approval from the relevant banks. The necessary announcement will be made accordingly when the banks provide us the mandate and commitment letter.

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 Hospitals Kebon Jeruk, Siloam Hospitals Purwakarta, Siloam Sriwijaya, Siloam Hospitals Kupang and Lippo Plaza Kupang, Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton and Lippo Plaza Buton and Siloam Hospitals Yogyarkarta.

(b) pledge of shares of all the subsidiaries except Kalmore (Korea) Limited, Kalmore Investments Pte Ltd, Surabaya Hospitals Investment Pte Ltd, Primerich Investments Pte Ltd, Henley Investments Pte Ltd, Glamis Investments Pte Ltd, Finura 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, SHButon Investment II 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 Bagun Cipta, PT Yogya 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 were recognised in the Statement of Comprehensive Income.

1(c) Statement of Cash Flows

		Group	
		1Q 2019	1Q 2018
	Note	S$'000	S$'000
Cash flows from operating activities			
Total return before income tax		20,348	20,762
Interest income		(415)	(417)
Interest expense		4,262	4,078
Amortisation of borrowing costs		826	677
Depreciation expense		3	-
Foreign exchange adjustment gains		(178)	(348)
Net fair value (gains)/losses of derivative financial instruments		(201)	63
Manager's management fees settled in units		1,235	1,190
Operating cash flows before changes in working capital		**25,880**	**26,005**
Trade and other receivables, current		(2,104)	(5,449)
Other assets, current		2,218	(185)
Trade and other payables, current		(185)	2,294
Other liabilities, current		489	517
Net cash flows from operating activities before income tax		**26,298**	**23,182**
Income taxes paid		(4,586)	(4,639)
Net cash flows from operating activities		**21,712**	**18,543**
Cash flows from investing activities			
Increase in investment properties		-	(158)
Interest received		415	417
Sales of quoted shares		26	-
Net cash flows from investing activities		**441**	**259**
Cash flows from financing activities			
Distribution to unitholders		(16,991)	(14,638)
Increase in borrowings		-	2,128
Repayment of borrowings	1	(10,000)	-
Interest paid		(4,133)	(3,313)
Distribution to perpetual securities holders		(1,718)	(1,718)
Net cash flows used in financing activities		**(32,842)**	**(17,541)**
Net (decrease)/ increase in cash and cash equivalents		**(10,689)**	**1,261**
Cash and cash equivalents at beginning of the period		**27,758**	**15,741**
Cash and cash equivalents at end of the period		**17,069**	**17,002**

Note:

1) This relates to repayment of loan upon maturity.

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

	Note	Group		Trust	
		1Q 2019	1Q 2018	1Q 2019	1Q 2018
		S$'000	S$'000	S$'000	S$'000
Balance at beginning of the financial period		808,275	791,437	317,848	347,261
Operations					
Total return after tax		15,739	16,191	8,618	8,113
Translation transactions					
Net movement in foreign exchange reserve		(94)	(207)	-	-
Unitholders' transactions					
Manager's management fees paid in units		2,130	2,052	2,130	2,052
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		(840)	(840)	(840)	(840)
Distribution to Unitholders		(16,991)	(16,798)	(16,991)	(16,798)
Balance at end of the financial period		808,219	794,265	310,765	342,218
Perpetual Securities Holders' Fund					
Balance at beginning of the financial period		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)
Balance at end of the financial period	1	60,000	60,000	60,000	60,000
Total		868,219	854,265	370,765	402,218

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.

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

	Note	Quarter	
		1Q 2019	1Q 2018
Balance at beginning of period		**788,479,925**	**779,954,506**
Unitholders transactions:			
- Manager's management fees paid in units		1,833,382	1,538,145
- Manager's acquisition fee paid in units		-	191,788
- Issuance of units (DRP)		-	1,581,810
Balance at end of period		**790,313,307**	**783,266,249**
New units to be issued			
- Manager's management fees payable in units	1	2,468,808	1,747,786
Total issued and issuable units		**792,782,115**	**785,014,035**

Note:

1) The manager's management fees payable in units comprise 1,233,489 units for 1Q 2018 performance fee and 1,235,319 units for 1Q 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	
	31 Mar 2019	31 Dec 2018
Issued units at end of period/ year	**790,313,307**	**788,479,925**

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 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

Not applicable.

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

	Quarter	
	1Q 2019	**1Q 2018**
Earnings per unit		
Weighted average number of units in issue	789,905,889	781,920,138
Earnings per unit in cents attributable to unitholders		
Basic and fully diluted basis	1.89	1.96
Distribution per unit		
Number of units in issue	790,313,307	783,266,249
Distribution per unit in cents attributable to unitholders		
Based on the number of units in issue at the end of the period	2.15	2.15

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

	Group		Trust	
	31 Mar 2019	**31 Dec 2018**	**31 Mar 2019**	**31 Dec 2018**
Net asset value per unit (cents)	102.27	102.51	39.32	40.31

8. Review of the performance

1Q 2019 vs 1Q 2018

Gross revenue for 1Q 2019 decreased by 0.2% to S$28.6 million compared to 1Q 2018 mainly due to lower variable rental component for Indonesia properties.

Property operating expenses for 1Q 2019 increased by 114.8% to S$623,000 compared to 1Q 2018 mainly due to higher property expenses incurred for Sarang Hospital and Indonesia properties.

Finance costs for 1Q 2019 increased to S$5.1 million compared to 1Q 2018 mainly due to higher interest costs on loans.

Other expenses for 1Q 2019 decreased to S$287,000 compared to 1Q 2018 mainly due to absence of project expenses incurred in 1Q 2018.

Net change in fair value of derivative financial instruments for 1Q 2019 relates to the revaluation of interest rate swap contracts.

Income tax expense for 1Q 2019 increased to S$4.6 million compared to 1Q 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

The Asia Pacific healthcare market is on track to achieve unprecedented growth with total healthcare spending projected to surge to US$2.3 trillion by 2026 from US$1.7 trillion in 2017, outpacing growth in the United States and Europe.[1] The growth will largely be driven by higher healthcare costs, rising incidence of chronic diseases and an ageing population.

Following the acquisition of Bowsprit by OUE Limited and OUE Lippo Healthcare Limited ("OUELH"), and with OUELH's stake in First REIT, the Trust is well-positioned to tap on the growing healthcare opportunities in the Asia Pacific region.

In Indonesia, demand for private healthcare continues to rise with the growing nationwide adoption of the national health insurance scheme and healthcare spending in Indonesia has been projected to rise to Rp1,224 trillion by 2027[2]. Meanwhile, Indonesia's economy has shown signs of strengthening with a 5.17% year-on-year growth in its gross domestic product for 2018, compared to a growth of 5.07% for 2017[3]. Bank Indonesia also predicted stronger economic growth for 2019.

First REIT continues to have a strong acquisition pipeline of quality healthcare assets from both sponsors, OUELH and PT Lippo Karawaci Tbk.

[1] 31 October 2018, Singapore Business Review – Asia hailed as world's fastest-growing healthcare market

[2] 20 April 2018, Healthcare Asia Magazine - Indonesia's healthcare spending to balloon to $47.1b by 2022

[3] Statistics Indonesia, https://www.bps.go.id/pressrelease/2019/02/06/1619/ekonomi-indonesia-2018-tumbuh-5-17- persen.html

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 2019 to 31 March 2019

i. Distribution Type Income / Capital

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	0.08
Tax-Exempt Income	1.17
Capital	0.90
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 2018 to 31 March 2018

i. Distribution Type: Income / Capital

Distribution Type	
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(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 18 April 2019 for the purposes of determining each Unitholder's entitlement to First REIT's distribution. The ex-distribution date will be on 17 April 2019 at 9.00am.

11(d) Date Payable: 30 May 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 31 March 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 31 March 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 does 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
10 April 2019