



(Constituted in the Republic of Singapore pursuant to
A trust deed dated 19 October 2006)

PROFIT GUIDANCE FOR THE UNAUDITED HALF YEAR FINANCIAL RESULTS OF FIRST REIT ENDED 30 JUNE 2020

First REIT Management Limited, as manager (the “**Manager**”) of First Real Estate Investment Trust (“**First REIT**”), refers to the following announcements issued by the Manager which contains information relating to First REIT’s performance amidst the COVID-19 pandemic:

- Response to Substantial and Relevant Questions Received from Unitholders issued on 19 May 2020;
- Quarterly Business Update: First REIT Posts 1Q2020 DPU of 1.86 Cents issued on 6 May 2020; and
- First REIT extends two months rental relief to all tenants: two months of rental relief for May 2020 and June 2020 to all tenants issued on 20 July 2020.

With the extension of two months rental relief for May 2020 to June 2020 to all tenants to alleviate the economic distress caused by COVID-19 pandemic, the Manager wishes to announce that following a preliminary review of First REIT’s unaudited half year financial results ended 30 June 2020 (“**First REIT Half-Year Results**”), First REIT is expected to report:

- (i) First REIT’s available distribution income to unitholders for the six months ending 30 June 2020 (“**1H 2020**”) is expected to decline by 40% to 50% from S\$34.2 million as recorded for the corresponding period in the previous year (“**1H 2019**”);
- (ii) First REIT’s distribution per unit for 1H 2020 is expected to decline by 40% to 50% from 4.30 cents recorded in 1H 2019;
- (iii) First REIT’s total return after tax for 1H 2020 is expected to decline by 50% to 60% from S\$30.9 million recorded in 1H 2019;

- (iv) In line with the requirements of Appendix 6 of the Code on Collective Investment Schemes, First REIT conducts property valuations on an annual basis. The Managers will continue with the practice of valuing First REIT's assets once a year at the end of the financial year and any fair value gains or losses on properties will only be recorded in the full year results. In this regard, the Managers would like to highlight that there may be uncertainty relating to the carrying amounts of First REIT's investment properties as at 30 June 2020 as the carrying amounts are based on the independent valuations as at 31 December 2019, and have not taken into account the impact of the COVID-19 pandemic, which may be significant.

First REIT continues to be in a secure financial position and has adequate liquidity to meet its operational needs and financial commitments to navigate through the crisis. The Manager will continue to exercise caution and prudence in its capital and cashflow management.

The Manager will closely monitor the situation and consider any further rental relief(s), as may be appropriate. In this regard, it is possible that a further relief similar to that announced for the first half of the year may be considered and announced during the second half of the year. The Manager will keep unitholders of First REIT apprised of any such further rental reliefs or further updates as and when there are material developments in accordance with the listing manual of Singapore Exchange Securities Trading Limited.

Further details of First REIT's financial performance will be disclosed when the Manager announces First REIT Half-Year Results on or before 22 July 2020.

In the meantime, unitholders and investors are advised to exercise caution when dealing or trading in the units of First REIT.

By Order of the Board

Tan Kok Mian Victor
Executive Director and Chief Executive Officer
First REIT Management Limited
(Company registration no. 200607070D)
As Manager of First Real Estate Investment Trust

20 July 2020

Important Notice

The value of units in First REIT ("**Units**") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.