NEWS RELEASE
FOR IMMEDIATE RELEASE

PLIFE REIT REPORTS 1.9% DPU GROWTH AND ENHANCED CAPITAL STRUCTURE FOR 3Q 2019

- DPU grew 1.9% and 2.6% for 3Q 2019 and YTD 3Q 2019 respectively
- Lowered all-in cost of debt to 0.81% following the extension of interest rate hedges in October 2019

Singapore, 31 October 2019 – Parkway Trust Management Limited (the “Manager”), as manager of Parkway Life Real Estate Investment Trust (“PLife REIT” or the “Group”), one of Asia’s largest listed healthcare REITs, is pleased to announce Distribution per Unit (“DPU”) of 3.30 Singapore cents for the third quarter ended 30 September 2019 (“3Q 2019”) and 9.85 Singapore cents for the nine months ended 30 September 2019 (“YTD 3Q 2019”), representing an increase of 1.9% and 2.6% year-on-year (“y-o-y”) respectively.

Gross revenue for the Group rose by 5.4% or $1.5 million y-o-y in 3Q 2019 to $29.9 million, mainly due to higher rent from the Singapore properties, as well as appreciation of the Japanese Yen (“JPY”) and a one-off receipt of insurance proceeds for the reimbursement of property repair expenses incurred by certain Japanese assets in the same period.

<table>
<thead>
<tr>
<th>TOTAL PORTFOLIO</th>
<th>3Q 2019 S$’000</th>
<th>3Q 2018 S$’000</th>
<th>Increase</th>
<th>YTD 3Q 2019 S$’000</th>
<th>YTD 3Q 2018 S$’000</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>29,929</td>
<td>28,395</td>
<td>5.4</td>
<td>87,183</td>
<td>84,269</td>
<td>3.5</td>
</tr>
<tr>
<td>Net property income</td>
<td>27,553</td>
<td>26,521</td>
<td>3.9</td>
<td>80,902</td>
<td>78,683</td>
<td>2.8</td>
</tr>
<tr>
<td>Total distributable income to Unitholders(^1)</td>
<td>19,916</td>
<td>19,551</td>
<td>1.9</td>
<td>59,577</td>
<td>58,048</td>
<td>2.6</td>
</tr>
<tr>
<td>Distribution per Unit (cents)(^2) for the period</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- DPU for the period</td>
<td>3.30</td>
<td>3.23</td>
<td>1.9</td>
<td>9.85</td>
<td>9.59</td>
<td>2.6</td>
</tr>
<tr>
<td>- annualised DPU</td>
<td>13.20</td>
<td>12.92</td>
<td>1.9</td>
<td>13.13</td>
<td>12.79</td>
<td>2.6</td>
</tr>
<tr>
<td>Annualised distribution yield (%), based on the share price of $3.13 as at 30 September 2019</td>
<td>4.22</td>
<td>4.13</td>
<td>1.9</td>
<td>4.19</td>
<td>4.09</td>
<td>2.6</td>
</tr>
</tbody>
</table>

\(^1\) From recurring operations, net of amount retained for capital expenditure.

\(^2\) In computing the Distribution per Unit (“DPU”), the number of units in issue as at the end of each period is used.
quarter. In addition, Parkway East Hospital’s adjusted hospital revenue from the 12th year lease (23 August 2018 to 22 August 2019) has outperformed its minimum guaranteed rent, contributing to an increase in revenue.

After deducting property expenses, net property income rose by 3.9% y-o-y in 3Q 2019 to S$27.6 million. For the YTD 3Q 2019 period, gross revenue and net property income increased by 3.5% and 2.8% y-o-y respectively, supported by rent contribution from PLife REIT’s Japan property acquisition in February 2018, upward minimum guaranteed rent revision of its Singapore hospitals by 1.61% as well as appreciation of the JPY.

Enhanced Capital Structure in 3Q 2019

The Group’s ongoing management of its capital structure has placed it in good stead to deliver stable and sustainable distributions to Unitholders. PLife REIT lowered its all-in cost of debt from 0.91% to 0.81% following the extension of interest rate hedges in October 2019. As at 30 September 2019, there was no long-term debt refinancing need for the Group till 2020. Approximately 88% of PLife REIT’s interest rate exposure is hedged and its interest coverage ratio stood at 14.3 times, with optimal gearing at 37.2%, which is well within the regulatory gearing limit of 45%. The Group has also put JPY net income hedges in place till 1Q 2024, as a shield against JPY currency volatility.

Mr. Yong Yean Chau, Chief Executive Officer of the Manager, commented on the results: “We are pleased to report stable results in the third quarter of 2019 even as the global economic slowdown has continued to weigh on markets and investor sentiment. While the long-term outlook of the industry continues to be driven by solid fundamentals, we remain cautious and vigilant in our approach and are committed to safeguarding the stability of distribution to Unitholders. We have enjoyed uninterrupted recurring DPU growth since listing and remain on track to deliver another year of growth.”

− End −

3 In 13th year of lease commencing 23 August 2019 to 22 August 2020.
4 Which refers to the S$75.2 million loan (approximately 10% of PLife REIT’s total debts) due in 2020.
About Parkway Life REIT

Parkway Life Real Estate Investment Trust ("PLife REIT") is one of Asia’s largest listed healthcare REITs by asset size. It invests in income-producing real estate and real estate related assets that are used primarily for healthcare and healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices).

PLife REIT owns a well-diversified portfolio of 50 properties with a total portfolio size of approximately S$1.88 billion as at 30 September 2019. It owns the largest portfolio of strategically-located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 46 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 45 high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialists Clinics, Kuala Lumpur in Malaysia.

For media queries, please contact:
Klareco Communications
Tel: (65) 6333 3449 Fax: (65) 6438 3442
Derrick Tee, CFA – dtee@klarecocomms.com / (65) 9851 3403
Nicole Heng – nheng@klarecocomms.com / (65) 8690 8408

---

5 Based on latest appraised values.
Important Notice
This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Parkway Life Real Estate Investment Trust (“PLife REIT” and the units in PLife REIT, the “Units”).

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