

**NEWS RELEASE**  
**FOR IMMEDIATE RELEASE**

**PLIFE REIT ACHIEVES UNINTERRUPTED  
RECURRING DPU INCREASE IN 4Q AND FY 2020**

- DPU grew 6.7% (4Q Y-O-Y) to 3.57 cents; 4.5% to 13.79 cents for FY 2020
- Strengthened Japan portfolio with recent acquisition of a nursing home at 6.4% of net property yield
- Maintained a strong capital structure with optimal gearing at 38.5% and no long-term debt refinancing need till 2022

Total Portfolio	4Q 2020 S\$'000	4Q 2019 S\$'000	Variance %	FY 2020 S\$'000	FY 2019 S\$'000	Variance %
<b>Gross revenue</b>	<b>30,566</b>	<b>28,039</b>	<b>9.0</b>	<b>120,892</b>	<b>115,222</b>	<b>4.9</b>
<b>Net property income</b>	<b>28,459</b>	<b>27,323</b>	<b>4.2</b>	<b>112,528</b>	<b>108,225</b>	<b>4.0</b>
<b>Amount available for distribution</b> (net of amount retained for capital expenditure)	<b>20,687</b>	<b>20,245</b>	<b>2.2</b>	<b>83,887</b>	<b>79,822</b>	<b>5.1</b>
<b>Distributable income to Unitholders</b> (net of amount retained for capital expenditure and COVID-19 related relief measures)	<b>21,592</b>	<b>20,245</b>	<b>6.7</b>	<b>83,409</b>	<b>79,822</b>	<b>4.5</b>
<b>Distribution per Unit (cents)<sup>1</sup></b>						
- DPU for the period	3.57	3.34	6.7	13.79	13.19	4.5
- Annualised DPU	14.28	13.36	6.7	13.79	13.19	4.5
<b>Annualised distribution yield (%)</b> , based on closing market price of S\$3.87 as at 31 December 2020	<b>3.69</b>	<b>3.45</b>	<b>6.7</b>	<b>3.56</b>	<b>3.41</b>	<b>4.5</b>

**Singapore, 25 January 2021** – 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 a Distribution per Unit (“**DPU**”)

<sup>1</sup> In computing the Distribution per Unit (“DPU”), the number of units in issue as at the end of each period is used.

of 3.57 Singapore cents for the fourth quarter ended 31 December 2020 (“**4Q 2020**”) and 13.79 Singapore cents for the full year ended 31 December 2020 (“**FY 2020**”), representing an increase of 6.7% and 4.5% year-on-year (“**Y-O-Y**”) respectively.

Quarterly gross revenue rose 9% Y-O-Y to S\$30.6 million in 4Q 2020 and FY 2020 gross revenue rose 4.9% to S\$120.9 million compared to the same period last year. The growth is largely comprised of revenue contribution from the Japan property acquisitions in December 2019 and 2020, higher rent from the Singapore properties as well as the appreciation of Japanese Yen (“**JPY**”).

For 4Q 2020, property expenses were significantly lower due to a one-off reclassification of insurance reimbursement received in FY 2019 from gross revenue to property expenses to better reflect the performance of the underlying properties. Notwithstanding the reclassification, there is no impact to the net property income. Consequently, net property income grew to S\$28.5 million for 4Q 2020, which was S\$1.1 million higher than the corresponding period in 2019.

### **Strong Capital Structure to Support Strategy**

The Group’s steadfast management of its capital structure has placed it in a good position to deliver sustainable and stable distributions to Unitholders. To mitigate refinancing risk, the Group had successfully secured loan facilities in 4Q 2020 and extended the maturity of an existing facility to term out all maturing debts due in 2021, with no long-term debt refinancing need till 2022. As at 31 December 2020, the Group continues to enjoy an effective low all-in cost of debt of approximately 0.53%.

With approximately 87% of its interest rate exposure hedged, PLife REIT’s interest coverage ratio stood at 18.1 times. Gearing remained optimal at 38.5%, well within the regulatory gearing limit of 50%. Its debt maturity profile and the weighted average term to maturity are extended to 2027 and 3.5 years (from 2.4 years) respectively, post-refinancing. The Group has also put JPY net income hedges till 2Q 2025, as a shield against JPY currency volatility.

With a portfolio of 54 healthcare properties in Japan, the Group remains proactive in managing its exposure to interest rate risk and foreign exchange risk.

During the quarter, the Group strengthened its Japan portfolio by acquiring a nursing home in the Greater Tokyo Region for JPY1.65 billion (S\$21.2 million<sup>2</sup>). The acquisition was made at

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<sup>2</sup> At an exchange rate of S\$1.00 – JPY78.00 per announcement released on 10 December 2020

approximately 4.6% below valuation with expected net property yield of 6.4%, delivering immediate yield growth to PLife REIT.

Following the acquisition, the Group has an enlarged portfolio of 54 quality healthcare and healthcare-related properties in Singapore, Japan and Malaysia. An annual independent valuation performed for all properties brought about a portfolio valuation gain of S\$7.4 million, an increase of 0.4% in the total portfolio value. As at 31 December 2020, PLife REIT's total portfolio size stands at approximately S\$2.02 billion<sup>3</sup>.

Commenting on the results, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: "The health and safety of our tenants, staff and patients have always been a priority, and even more so during this time. As Singapore is opening its borders while Malaysia and Japan are experiencing a surge in COVID-19 infection, our tenants continue to be in operational with the enforcement of strict precautionary infection control measures to keep their employees and patients including nursing care residents safe."

"Against a backdrop of volatility in the macro economy and tepid performance in the financial markets, PLife REIT will continue to focus on driving resilient returns backed by solid financial management. The healthcare industry continues to remain critically essential in a rapidly aging population and with greater demand for better quality healthcare and global aged care services. PLife REIT's portfolio of 54 high-quality healthcare and healthcare-related assets places it in a good position to benefit from the resilient growth of the healthcare industry in the Asia Pacific region."

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<sup>3</sup> Based on latest appraised values (excludes right-of-use assets)

### **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 54 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.02 billion<sup>3</sup> as at 31 December 2020. 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 50 assets of high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialist Clinics Kuala Lumpur in Malaysia.

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**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.