

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**PARKWAY LIFE REIT REPORTS DPU OF 3.28 CENTS FOR 1Q 2017**

- Overall DPU growth of 9.6% for 1Q 2017
- DPU growth of 2.2% from recurring operations notwithstanding the divestment in December 2016
- Divestment gain of S\$5.39 million to be equally distributed over four quarters in FY2017
- Successful completion of 2<sup>nd</sup> asset recycling initiative enhances the value of PLife REIT

Total Portfolio	1Q 2017 S\$'000	1Q 2016 S\$'000	Increase %
Gross revenue	26,947	26,901	0.2
Net property income	25,141	25,135	0.0
<b>Total distributable income to Unitholders</b>			
- from recurring operations <sup>1</sup>	19,840	18,097	9.6
- from distribution of divestment gains <sup>2</sup>	18,493 1,347	18,097 -	2.2 n.m. <sup>3</sup>
<b>Available Distribution Per Unit (cents)</b>			
- DPU for the period	3.28	2.99	9.6
- Annualised DPU	13.12	11.96	9.6
<b>Annualised distribution yield (%), based on closing market price of S\$2.52 as at 31 March 2017</b>	5.21	4.75	9.6

**Singapore, 25 April 2017** – 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, announced today its results for the first quarter ended 31 March 2017 (“1Q 2017”).

<sup>1</sup> Net of amount retained for capital expenditure of S\$0.75 million per quarter.

<sup>2</sup> In relation to the divestment of four Japan properties as announced on 22 December 2016. Divestment gains (after tax) of S\$5.39 million will be equally distributed to Unitholders over four quarters in FY2017.

<sup>3</sup> The term “n.m.” denotes not meaningful.

Notwithstanding the divestment of four Japan nursing homes in December 2016, the Distribution Per Unit (“DPU”) from its recurring operations continued to grow by 2.2% to 3.06 Singapore cents in 1Q 2017. The gain from the divestment will be equally distributed over the four quarters of the financial year ending 31 December 2017 (“FY2017”), with a payout of 0.22 Singapore cents for 1Q 2017. On an overall basis, the DPU for 1Q 2017 has increased by 9.6% to 3.28 Singapore cents, from 2.99 Singapore cents in the corresponding period a year ago (“1Q 2016”).

Despite the divestment in December 2016, PLife REIT’s 1Q 2017 gross revenue at S\$26.9 million, was comparable to the gross revenue for 1Q 2016. For this quarter, the gross revenue was underpinned by the contribution from a nursing home acquisition in March 2016, higher rent from the Singapore properties and the appreciation of the Japanese Yen. Following the completed acquisition of the five Japan properties on 24 February 2017, the new properties had started contributing to the Group’s revenue in 1Q 2017.

Correspondingly, net property income for 1Q 2017 at S\$25.1 million was also consistent with the net property income for 1Q 2016.

### **Reinforced Capital Structure Preserves Resiliency of the REIT**

As part of the Group’s ongoing efforts to strengthen its balance sheet, all its long-term loans which were due in FY2018 had been successfully termed out in 1Q 2017. There will be no long-term refinancing need till FY2019.

As at 31 March 2017, gearing remains healthy at 37.6% with a low effective all-in cost of debt of 1.3%. With its interest rate exposure being largely hedged and JPY net income hedge put in place till 1Q 2020, PLife REIT remains resilient in the face of rising interest rates.

### **2<sup>nd</sup> Asset Recycling Initiative Enhances Value of PLife REIT**

As at 1Q 2017, PLife REIT successfully completed its 2<sup>nd</sup> asset recycling initiative as it re-deployed the freed up capital from the divestment of its four Japan properties in December 2016 to acquire five Japan properties at JPY4,759 million (approximately S\$59.5 million<sup>4</sup>). The acquisition marks PLife REIT’s foray into Yamaguchi Prefecture and deepened the

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<sup>4</sup> Based on exchange rate of S\$1.00 to JPY80.00 in the announcement dated 17 February 2017.

Group's presence in the Chiba prefecture. The addition of another established operator also added diversity to the Group's tenant base.

By divesting its less strategic assets and acquiring better assets at more accretive yield level, this 2<sup>nd</sup> asset recycling initiative unlocked value for PLife REIT as it strengthen the quality of its Japan portfolio.

Mr. Yong Yean Chau, Chief Executive Officer of the Manager, commented: "As we continue to build on our proven strategies, we are pleased to deliver another quarter of steady DPU growth since IPO. Our rejuvenated portfolio of assets following the 2<sup>nd</sup> asset recycling and reinforced capital structure has strengthened our foundation as we look forward to delivering further growth in the year ahead."

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## 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 49 properties with a total portfolio size of approximately S\$1.7 billion<sup>5</sup> as at 31 March 2017. 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 45 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 44 high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots at Gleneagles Intan Medical Centre Kuala Lumpur in Malaysia.

### For media queries, please contact:

#### **Bell Pottinger**

*Tel: (65) 6333 3449 Fax: (65) 6438 3442*

*Chelsea Phua – [cphua@bellpottinger.com](mailto:cphua@bellpottinger.com) / (65) 8322 6409*

*Tara Wong – [twong@bellpottinger.com](mailto:twong@bellpottinger.com) / (65) 9069 8266*

#### **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.

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<sup>5</sup> Based on latest appraised values