



HOMING IN EXPANDING OUT

ANNUAL GENERAL MEETING

22 April 2016

Disclaimer

- ❑ This Presentation is focused on comparing actual results for the period from 1 January 2015 to 31 December 2015 (“2015”) versus the period from 1 January 2014 to 31 December 2014 (“2014”). This shall be read in conjunction with PLife REIT Annual Report 2015.
- ❑ This Presentation may contain forward-looking statements that involve assumptions, 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, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

Agenda



Key Significant Events
- 2015



Financial Performance
- 2015



Key Events (Announced)
- 1Q 2016



Overall Portfolio Review
- Key Attributes and Strengths

A. Key Significant Events - 2015

Acquired 5 Properties in March 2015 completing the maiden Asset Recycling Exercise

*Habitation
Hakata I, II, III*



*Liverari Shiroshi Hana
Ichigo-kan*



*Excellent Tenpaku
Garden Hills*



*Liverari Shiroshi Hana
Nigo-kan*



Liverari Misono



Purchase price of S\$67.9 million
Net property yield of **6.6%**

Rebalanced & Strengthened Japan Portfolio

From Dec 2014 – Mar 2015:

- Divested **7 properties** at S\$88.3 million with average net property yield of **5.9%**
- Acquired **7 properties** (worth S\$126.1 million) with average net property yield of **6.4%**

PLIFE
(AUM)
S\$44 mil in Gross
Revenue¹
(35% of PLIFE
Gross Revenue)

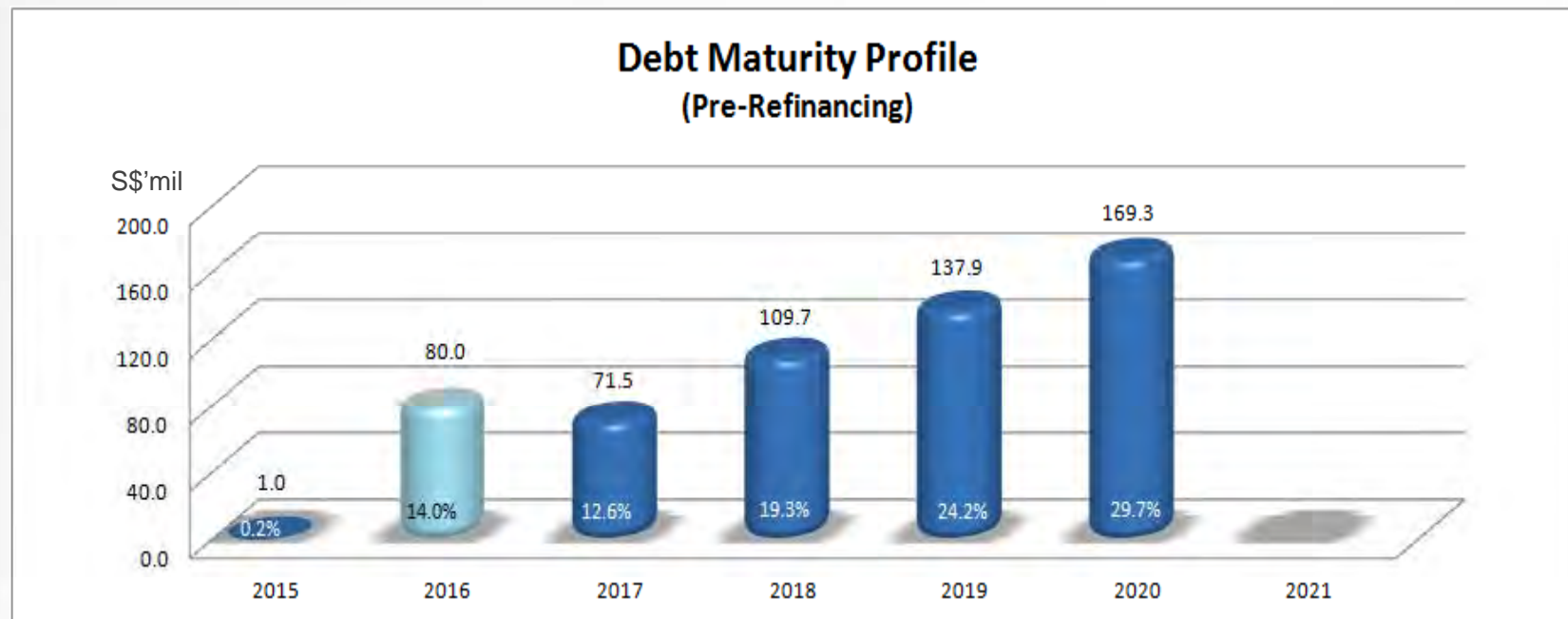
Rationale Steering Asset Recycling

- **Unlock value** from less strategic assets and acquired properties with **higher yields**
- **Better** geographical diversification within Japan
- **Lengthen** the weighted average lease term to maturity by 0.44 years to 9.93 years upon asset recycling completion
- **Diversify** tenant risk exposure with the addition of five new operators

Effective and Prudent Financial Management

Minimising near-term refinancing risk

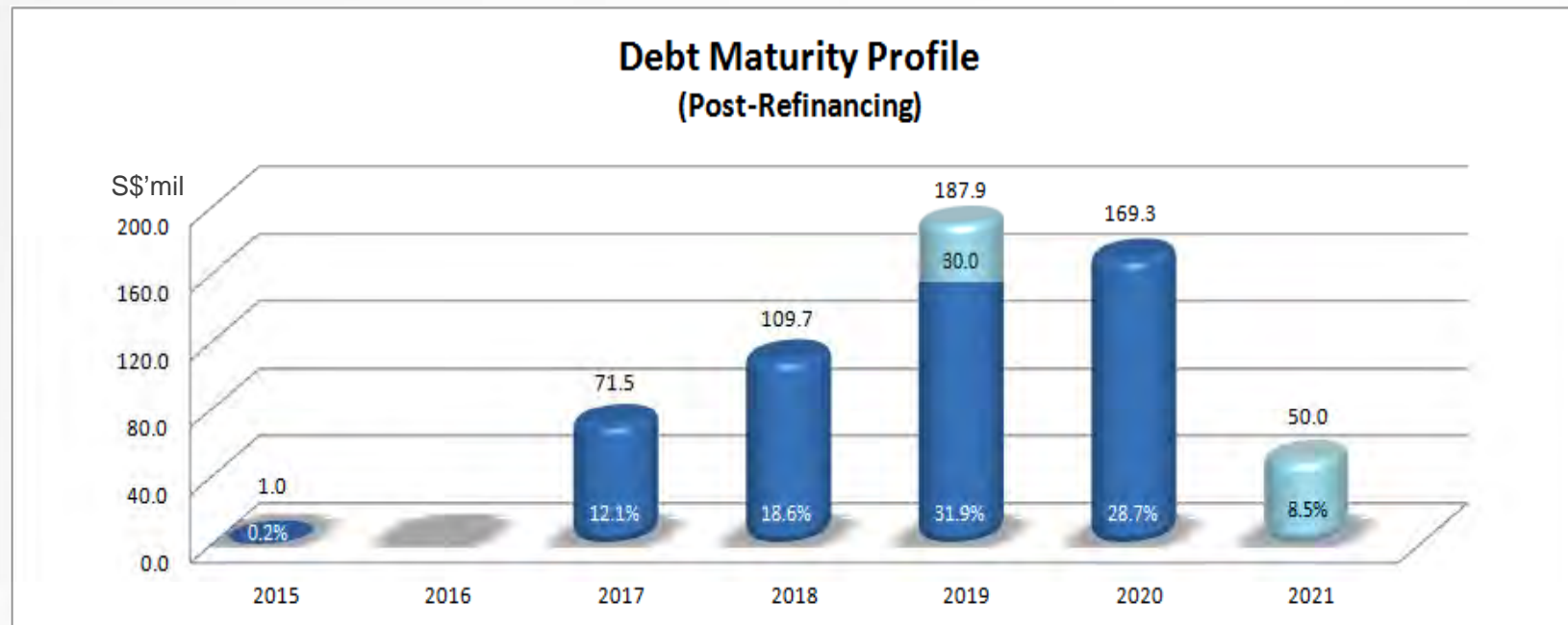
- Termed out all long-term debts that are due in 2016 by June 2015
- Achieved a well-spread out debt maturity stretching up to 2021



Effective and Prudent Financial Management

Minimising near-term refinancing risk

- Termed out all long-term debts that are due in 2016 by June 2015
- Achieved a well-spread out debt maturity stretching up to 2021



Management of Interest & FX Risks

No exposure to Japanese Yen volatility

- Adopted natural hedge strategy to match assets and liabilities denominated in JPY
- Hedged 100% of JPY net income till 1Q 2020 to eliminate any volatility in JPY
- Increased interest rate hedge ratio from 78% to approx. 95% to mitigate any fluctuation in interest rate
- Enhanced stability of distributions to Unitholders



Summary of the Key Significant Events - 2015



Benefits from Asset Recycling Exercise¹

- Divestment gain of S\$9.1mil was equally distributed over 4 quarters in 2015, arising from the 7 divested properties valued at S\$88.3 mil with average net yield of 5.9%
- Diversified geographical and tenant base by acquiring 7 properties valued at S\$126.1 mil with average net yield of 6.4%

← Boosting Portfolio Resiliency →



Benefits from Refinancing Exercise

- Pre-emptively termed out existing maturing loans with no long-term loan refinancing needs till 2017
- Achieved optimal pricing and a more spread out debt maturity profile by using a mix of 4-6 years loan tenor

← Prudent Financial & Risk Management →



Management of Interest and FX Risks

- Locked in interest rate for SGD long-term loans till 1Q 2017
- Increased interest rate hedge ratio from 78% to approx. 95%
- Adopted natural hedge strategy to match asset & liabilities in JPY
- Fully hedged net income from Japan portfolio till 1Q 2020

Note:

1. Asset recycling exercise was completed over a period from December 2014 till March 2015.



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B. Financial Performance - 2015

Performance at a glance

2015 DPU grew by 15.3% to 13.29 cents largely due to one-off distribution of divestment gain

(S\$'000)	2015	2014	Increase (%)
Gross Revenue	102,694	100,382	2.3
Net Property Income	95,997	93,775	2.4
Distributable Income to Unitholders (net of amount retained for CAPEX; excludes divestment gain)	71,275	69,698	15.3
Distribution of Divestment Gain ¹	9,110	-	
Available Distribution Per Unit (Cents) ²	13.29	11.52	15.3

Note:

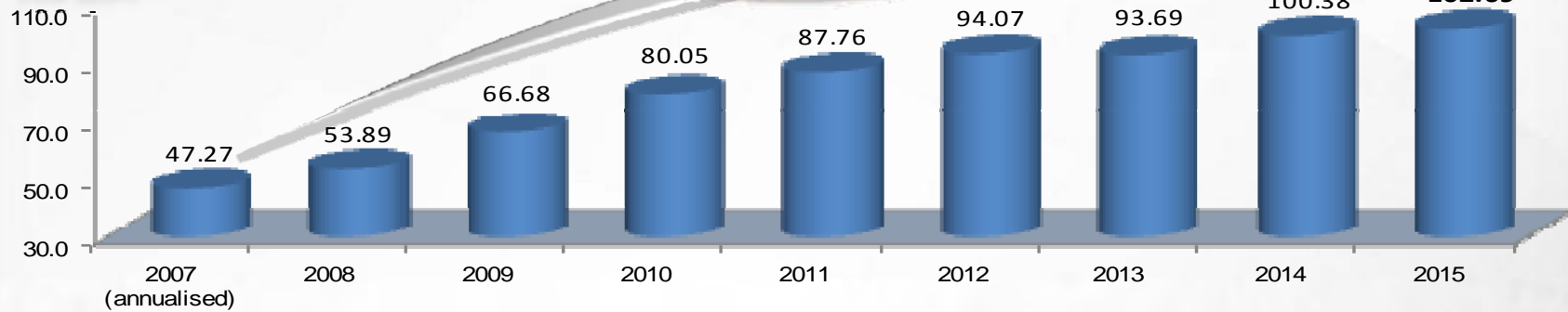
1. Divestment gain has been fully distributed in the four quarters in 2015.
2. In computing Distribution per Unit ("DPU"), the number of units in issue as at the end of each period is used.

Key Financial Highlights

DPU (CENTS)



REVENUE (S\$'MIL)



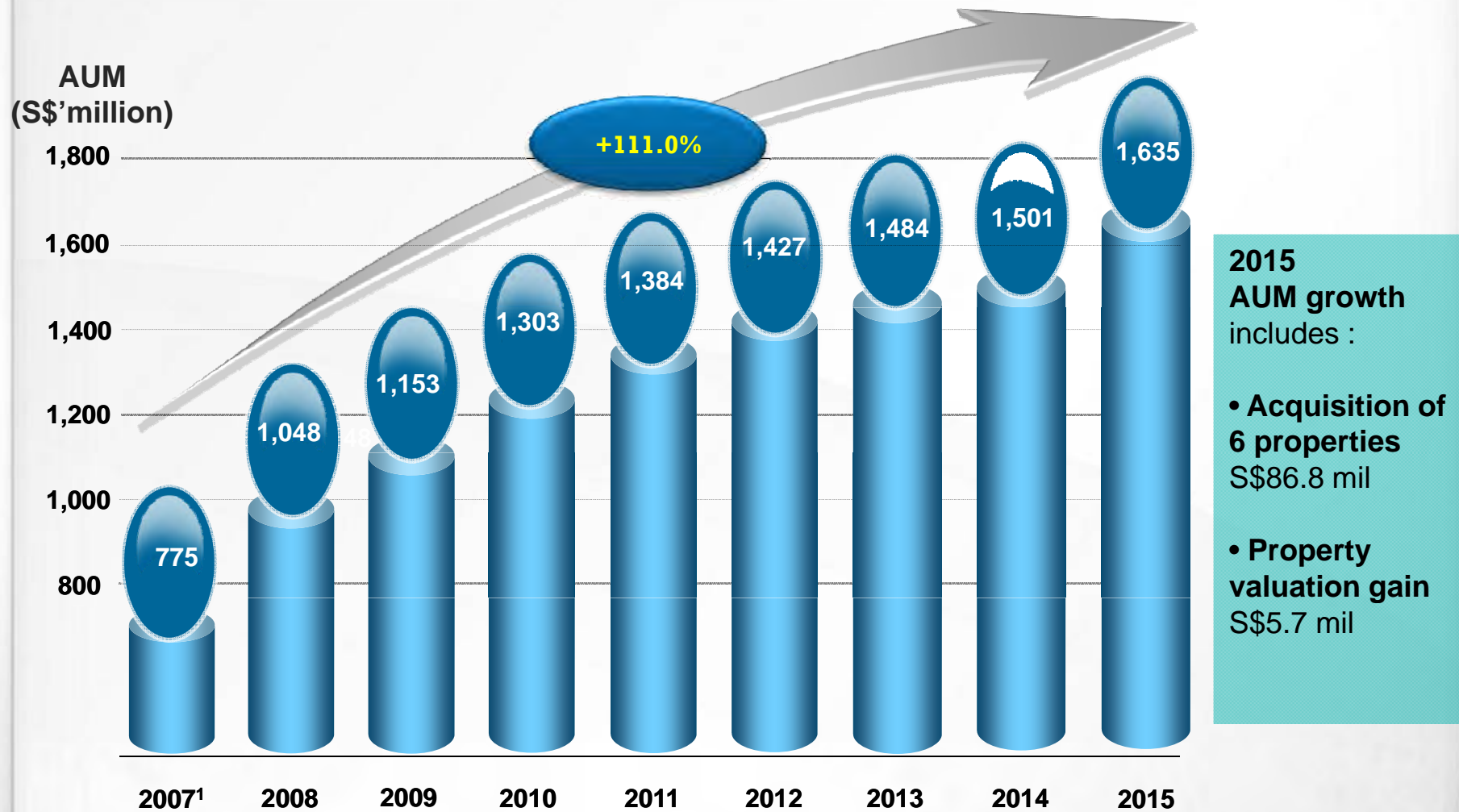
Note:

1. Calculation excludes one-off divestment gain distributed in 2015
2. Since 2012, S\$3.0 million per annum of amount available for distribution has been retained for capital expenditure.
3. Year to date 2015 accumulated DPU payout since IPO is 81.10 cents (inclusive of 3Q 2007 pro-rated payout).
4. One-off distribution of divestment gain which has been fully distributed in the four quarters in 2015.



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Steady Portfolio Growth since IPO



Note:

1. Acquisition costs of Singapore Hospital Properties at IPO; excludes revaluation surplus.



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**C. Key Events (Announced)
- 1Q 2016**

Key Events (Announced) - 1Q 2016

Strengthening of Japan Portfolio

- Completed the acquisition of a nursing home facility on 31 March 2016 at JPY1.1 billion (approximately S\$13.6 million), 4.35% below valuation
- Expected net property yield of 6.7%

1



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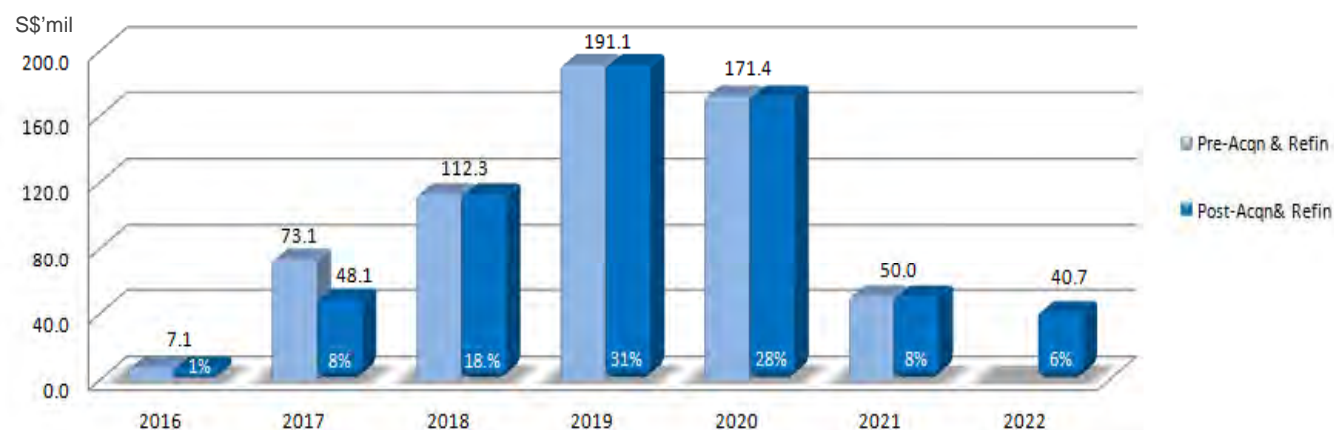
Key Events (Announced) - 1Q 2016 (cont'd)

2

Maiden Issuance of JPY-denominated Fixed Rate Notes

- Issued a 6-year JPY3.3 billion (approximately S\$40.7 million) senior unsecured fixed rate notes at competitive rate of 0.58% per annum on 29 March 2016
- Proceeds used for pre-emptive refinancing of loan due in 1Q 2017 and financing of property acquisition in March 2016
- Achieved diversified funding source and extended debt maturity profile to 2022

Debt Maturity Profile
(Pre & Post Acquisition and Refinancing)



**D. Overall Portfolio Review
- Key Attributes and Strengths**

Performance Review of PLife REIT (as at 31 December 2015)

One of the largest listed healthcare REIT in Asia with an enlarged portfolio of S\$1.6 billion

- *By Location :*
Singapore (61.8%)
Japan (37.8%)
Malaysia (0.4%)

Diversified Reach

Robust Financial Position

- *No near-term refinancing risks (next due in 2017)*
- *Prudent hedging policy*

Strong Balance Sheet

- *Low all-in debt cost of 1.6%*
- *Gearing of 35.3%*
- *Interest cover ratio of 9.8 times*

Sustainable Returns

Quality Portfolio

- *100% committed occupancy*
- *Weighted average lease to expiry of 9.12 years*
- *93% downside protection (by gross revenue)*

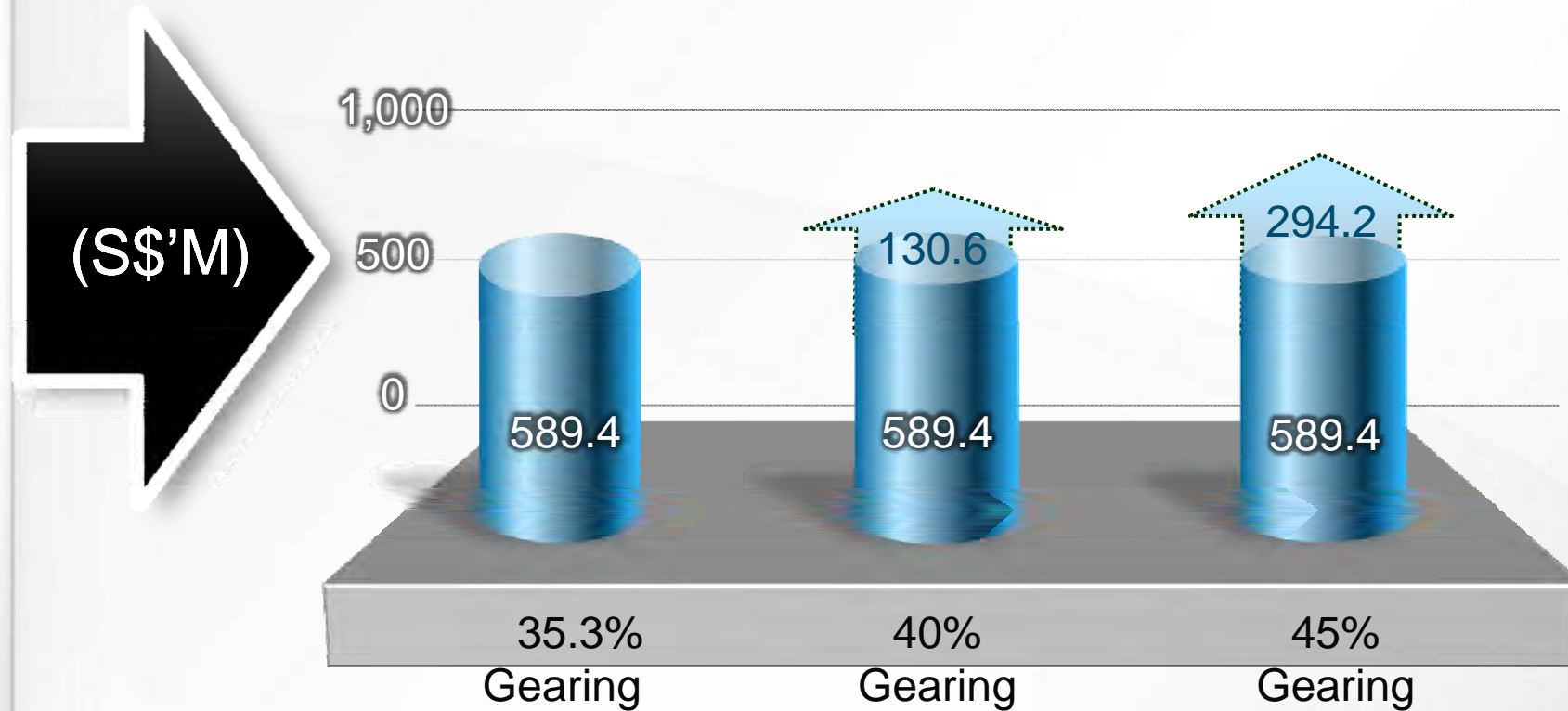


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Thank You

Ample Debt Headroom

- Debt headroom of \$130.6 million and \$294.2 million before reaching 40% and 45% gearing respectively



■ Debt Balance as at 31 December 2015

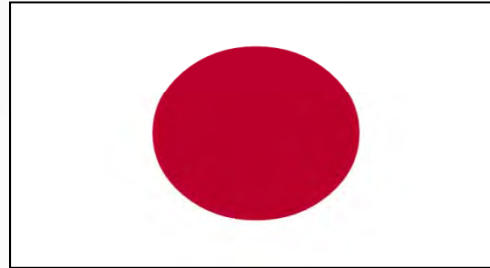
Key Portfolio Strengths & Features¹

Favourable Lease Structures Ensure Portfolio Resiliency



3 Hospitals

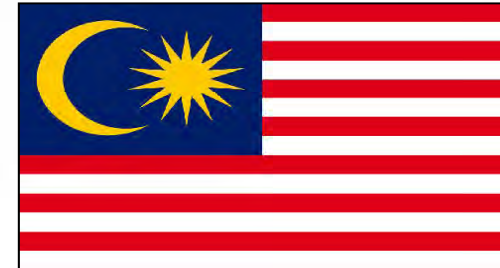
- **Long term master lease** of 15 + 15 years with effect from 23 Aug 2007
- **Triple net lease arrangement** with minimal exposure to rising operating expenses
- **CPI + 1% rent review formula** guarantees minimum 1% rental growth



42 Nursing Home & Care Facility Properties

1 Pharmaceutical Product Distributing & Manufacturing Facility

- **Long term master lease** structure with weighted average lease term to expiry of 13.24 years
- **Innovative structure:** Added rental security with **backup operator arrangement** and lease / rental guarantee
- **“Up-only” rental review provision** for most of the nursing homes

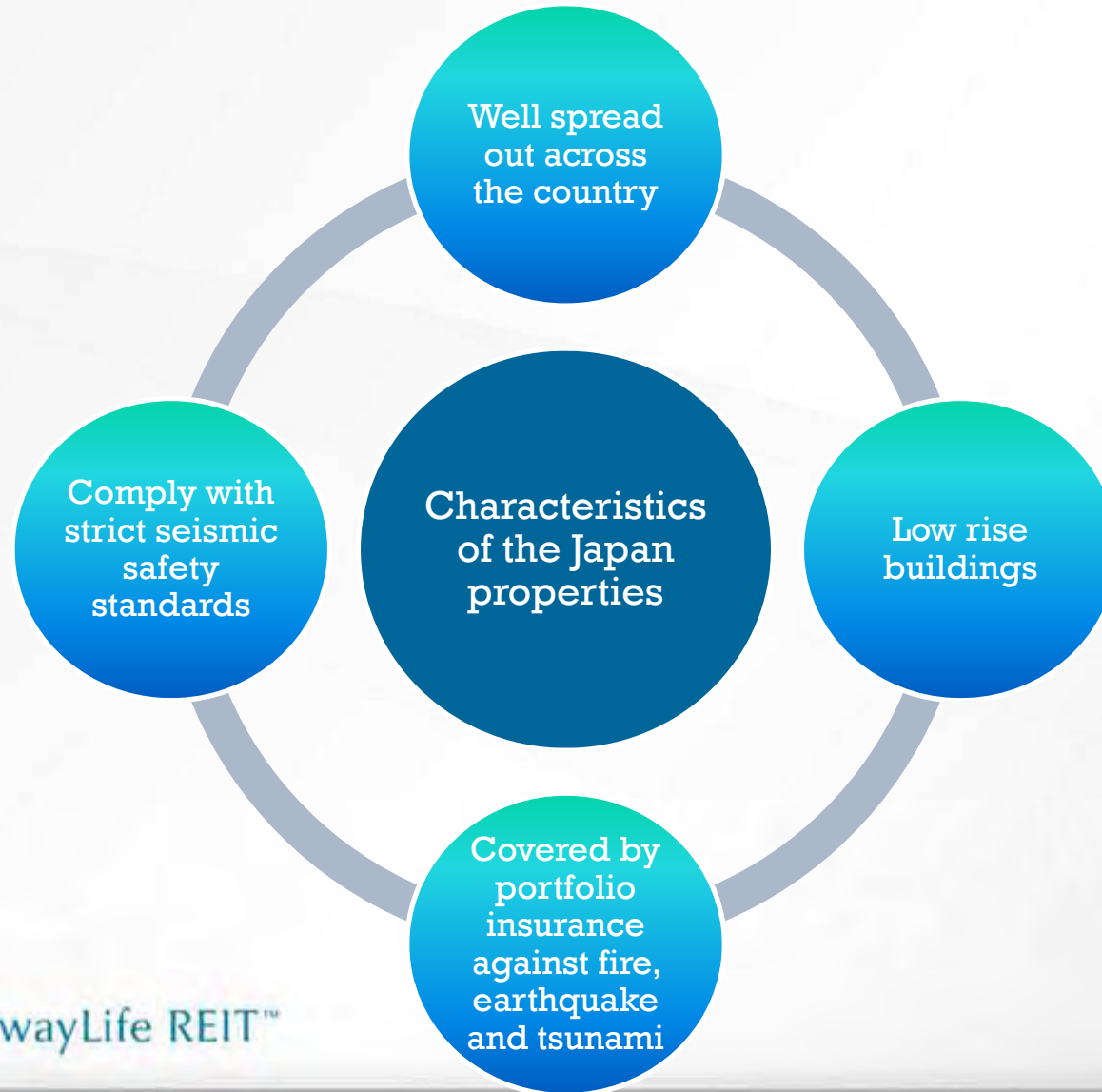


Strata-titled Units / Lots of a Medical Centre

- **Shorter multi-tenancy arrangement** will serve as added organic growth kicker through more regular rent reversions
- **100% occupied with good tenant profile**, bulk of space is leased to a strong healthcare operator

Well Spread Out Japanese Healthcare Portfolio

– *Potential Catastrophic Risks Mitigated*



Minimum Guaranteed Rent from the Singapore Hospital Properties

Principal Terms of Master Lease

Master Lease

- Parkway Hospitals Singapore Pte. Ltd.

Term

- 15 + 15 years wef 23 August 2007

Annual Rent Escalation

- Higher of:
 - Base Rent (S\$30.0 million) + Variable Rent (3.8% of AHR)¹
 - $\{1 + (\text{CPI} + 1\%)\} \times \text{Preceding Year's Rent}^2$ (where CPI is negative, it shall be deemed as zero; 1st Year Minimum Rent at S\$45.0 million)

Highlights

- 9th Year Minimum Rent increased by 1.05% above total actual rent payable for 8th Year of Term based on (CPI + 1%) formula
- Rate effective for the period of 23 August 2015 to 22 August 2016

Note:

1. AHR denotes the Adjusted Hospital Revenue for the period from 23 Aug to 22 Aug of the following year of each of the hospitals.
2. CPI denotes the % increase in the Consumer Price Index announced by the Department of Statistic of Singapore for the relevant year compared to the immediately preceding year, computed on a 12-month average basis from July to June of the following year.