

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**PLIFE REIT REPORTS DPU OF 3.23 CENTS FOR 3Q 2018**

- Excluding the one-off divestment gain<sup>1</sup>, 3Q 2018 DPU from recurring operations grew 2.7% year-on-year
- Successfully completed pre-emptive refinancing of all loans due in 2019; no long-term debt refinancing needs till 2020

<b>TOTAL PORTFOLIO</b>	<b>3Q 2018 S\$'000</b>	<b>3Q 2017 S\$'000</b>	<b>Inc / (Dec) %</b>	<b>YTD 3Q 2018 S\$'000</b>	<b>YTD 3Q 2017 S\$'000</b>	<b>Inc / (Dec) %</b>
<b>Gross revenue</b>	<b>28,395</b>	<b>27,700</b>	<b>2.5</b>	<b>84,269</b>	<b>82,344</b>	<b>2.3</b>
<b>Net property income</b>	<b>26,521</b>	<b>25,883</b>	<b>2.5</b>	<b>78,683</b>	<b>76,903</b>	<b>2.3</b>
<b>Total distributable income to Unitholders</b>	<b>19,551</b>	<b>20,383</b>	<b>(4.1)</b>	<b>58,048</b>	<b>60,301</b>	<b>(3.7)</b>
- from recurring operations <sup>2</sup>	19,551	19,035	2.7	58,048	56,259	3.2
- from distribution of divestment gains <sup>1</sup>	-	1,348	n.m. <sup>3</sup>	-	4,042	n.m. <sup>3</sup>
<b>Total Distribution per Unit (cents)<sup>4</sup> for the period</b>	<b>3.23</b>	<b>3.37</b>	<b>(4.1)</b>	<b>9.59</b>	<b>9.97</b>	<b>(3.7)</b>
- from recurring operations <sup>2</sup>	3.23	3.15	2.7	9.59	9.31	3.2
- from distribution of divestment gains <sup>1</sup>	-	0.22	n.m. <sup>3</sup>	-	0.66	n.m. <sup>3</sup>
<b>Annualised DPU</b>	<b>12.92</b>	<b>13.48</b>	<b>(4.1)</b>	<b>12.79</b>	<b>13.29</b>	<b>(3.7)</b>
<b>Annualised distribution yield (%), based on closing market price of S\$2.70 as at 28 September 2018</b>	<b>4.79</b>	<b>4.99</b>	<b>(4.1)</b>	<b>4.74</b>	<b>4.92</b>	<b>(3.7)</b>

**Singapore, 25 October 2018** – 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

<sup>1</sup> In relation to the divestment of four Japan properties in December 2016 as announced on 22 December 2016. Divestment gains (after tax) of S\$5,390,000 was equally distributed over four quarters in FY2017.

<sup>2</sup> Net of amount retained for capital expenditure of S\$0.75 million per quarter.

<sup>3</sup> n.m. denotes not meaningful

<sup>4</sup> In computing the Distribution per Unit (“DPU”), the number of units in issue as at the end of each period is used.

("DPU") of 3.23 Singapore cents for the third quarter ended 30 September 2018 ("3Q 2018") and 9.59 Singapore cents for nine months ended 30 September 2018 ("YTD 3Q 2018").

DPU from recurring operations increased by 2.7% and 3.2% year-on-year ("y-o-y") from the preceding periods ("3Q 2017" and "YTD 3Q 2017", respectively). Due to the absence of the one-off distribution of divestment gain<sup>1</sup>, there was a y-o-y decline in overall DPU of 4.1% in 3Q 2018 and 3.7% in YTD 3Q 2018.

Gross revenue rose 2.5% y-o-y in 3Q 2018 to S\$28.4 million. The increase is mainly due to the contribution from one nursing rehabilitation facility acquired in February 2018 and higher rent from the Singapore properties as compared to the same period last year. Parkway East Hospital's adjusted hospital revenue for the 11th year lease (23 August 2017 to 22 August 2018) has outperformed its minimum guaranteed rent, contributing to the increase in revenue from Singapore. After deducting property expenses, net property income rose 2.5% in 3Q 2018 to S\$26.5 million from the year-ago period. For the YTD 3Q 2018 period, gross revenue and net property income each edged up 2.3% y-o-y.

### **Enhancing defensiveness through proactive risk management**

With a growing portfolio of 50 healthcare properties in Singapore, Japan and Malaysia worth approximately S\$1.75 billion<sup>5</sup>, the Group remained steadfast in its strategy to maintain a strong financial position through prudent liquidity risk management. During the quarter in review, the Group successfully completed the pre-emptive refinancing of all loans due in 2019. As at 30 September 2018, there were no long-term debt refinancing needs till 2020 and the Group enjoys a well spread out debt maturity profile with no more than 30% of total debts due in a single year.

The Group's ongoing management of its capital structure has also placed it in good stead to deliver continued stable and sustainable distributions to Unitholders. As at 30 September 2018, PLife REIT has a low all-in cost of debt of 0.94% and its interest rate exposure is largely hedged. The interest coverage ratio stood healthy at 13.5 times, with optimal gearing at 37.7%. There are also Japanese Yen ("JPY") net income hedges in place till 1Q 2023, as a shield against JPY currency volatility.

Mr. Yong Yean Chau, Chief Executive Officer of the Manager, commented on the results: "We remain committed in preserving the resiliency of our earnings within this environment of

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

rising interest rates and market uncertainties. In the past quarter, we have successfully refinanced all loans due in 2019 as part of our liquidity risk management strategy and continued to manage our exposure to interest rate and foreign currency risks. This has been done to enhance the defensiveness of PLife REIT's balance sheet, to safeguard the stability and resiliency of our distributions to Unitholders.”

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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 50 properties with a total portfolio size of approximately S\$1.75 billion<sup>6</sup> as at 30 September 2018. 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 at Gleneagles Intan Medical Centre Kuala Lumpur in Malaysia.

### **For media queries, please contact:**

Klareco Communications

*Tel: (65) 6333 3449*

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

*Grace Thong – [gthong@klarecocomms.com](mailto:gthong@klarecocomms.com) / (65) 8498 4260*

### **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

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<sup>6</sup> Based on latest appraised values.



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.