

NEWS RELEASE
FOR IMMEDIATE RELEASE

PLIFE REIT REPORTS CONTINUED GROWTH WITH DPU OF 3.28 CENTS FOR 1Q 2019

- DPU from recurring operations increased 3.5% Y-O-Y
- Further enhanced capital structure with successful refinancing of all JPY loans due in 2020

Total Portfolio	1Q 2019 S\$'000	1Q 2018 S\$'000	Increase %
Gross revenue	28,390	27,815	2.1
Net property income	26,542	25,961	2.2
Total distributable income to Unitholders (net of amount retained for capital expenditure for existing properties)	19,829	19,167	3.5
Distribution Per Unit (cents)¹			
- DPU for the period	3.28	3.17	3.5
- Annualised DPU	13.12	12.68	3.5
Annualised distribution yield (%), based on closing market price of S\$2.92 as at 29 March 2019	4.49	4.34	3.5

Singapore, 26 April 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”) grew by 3.5% to 3.28 Singapore cents in 1Q 2019, from 3.17 Singapore cents declared in the corresponding period a year ago (“1Q 2018”).

Gross revenue for 1Q 2019 increased by 2.1% year-on-year (“Y-O-Y”) to S\$28.4 million. The growth was mainly due to revenue contribution from a Japan property acquired in 1Q 2018, as well as upward minimum guarantee rent revision of Singapore hospitals by 1.38%² and appreciation of the Japanese Yen (“JPY”).

¹ In computing the Distribution per Unit, the number of units in issue as at the end of each period is used.

² In 12th year of lease commencing 23 August 2018 to 22 August 2019

Consequently, the Group reported a 2.2% growth in net property income to \$26.5 million in 1Q 2019, from S\$26.0 million in the previous corresponding period.

Enhanced Capital Structure with Pre-emptive Terming Out of Loans

With a portfolio of 46 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 successfully refinanced and termed out all JPY loans due in 2020, using the proceeds from two 6-year term loan facilities amounting to JPY7,898 million (approximately S\$96.6 million). As part of PLife REIT's ongoing efforts to strengthen its balance sheet through proactive debt management, the Group extended its debt maturity profile to 2025 and lowered its effective all-in cost of debt from 0.97% to 0.91%³.

With about 88% of interest rate exposure hedged, PLife REIT's interest cover ratio stood at 13.2 times. As at 31 March 2019, gearing remained optimal at 36.4%.

Commenting on the results, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: "We are pleased with the positive start for the year for PLife REIT. We have continued to grow our DPU achieving stable returns for our Unitholders even amid uncertain market conditions. In addition, we have bolstered our capital structure by pro-actively refinancing our JPY loans, optimising our debt profile and cost of borrowings. Notwithstanding that PLife REIT is well-positioned to benefit from the resilient growth of the healthcare industry, we remain cautious and vigilant given the macroeconomic uncertainties and will continue to be prudent in managing financial risks. We will also continue to pursue strategic opportunities for PLife REIT to deliver sustainable, long-term growth for our Unitholders."

END

³ 0.97% as at 31 December 2018; 0.91% as at 31 March 2019.

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\$1.86 billion⁴ as at 31 March 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 at Gleneagles Intan Medical Centre Kuala Lumpur in Malaysia.

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⁴ 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.