

**NEWS RELEASE**

**FOR IMMEDIATE RELEASE**

**PLIFE REIT REPORTS 2.6% DPU GROWTH AND STRENGTHENED CAPITAL STRUCTURE FOR 2Q 2019**

- DPU grew 2.6% to 3.27 cents for 2Q 2019
- Improved capital structure with JPY net income hedge further extended till 1Q 2024
- Minimum Guaranteed Rent for Singapore Hospitals to increase by 1.61% for the 13<sup>th</sup> year of lease term commencing 23 August 2019

TOTAL PORTFOLIO	2Q 2019 S\$'000	2Q 2018 S\$'000	Increase %	1H 2019 S\$'000	1H 2018 S\$'000	Increase %
<b>Gross revenue</b>	<b>28,864</b>	<b>28,059</b>	<b>2.9</b>	<b>57,254</b>	<b>55,874</b>	<b>2.5</b>
<b>Net property income</b>	<b>26,807</b>	<b>26,201</b>	<b>2.3</b>	<b>53,349</b>	<b>52,162</b>	<b>2.3</b>
<b>Total distributable income to Unitholders<sup>1</sup></b>	<b>19,832</b>	<b>19,330</b>	<b>2.6</b>	<b>39,661</b>	<b>38,497</b>	<b>3.0</b>
<b>Distribution per Unit (cents)<sup>2</sup></b>						
- DPU for the period	3.27	3.19	2.6	6.55	6.36	3.0
- annualised DPU	13.08	12.76	2.6	13.10	12.72	3.0
<b>Annualised distribution yield (%), based on closing market price of S\$3.03 as at 28 June 2019</b>	<b>4.32</b>	<b>4.21</b>	<b>2.6</b>	<b>4.32</b>	<b>4.20</b>	<b>3.0</b>

**Singapore, 31 July 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”) of 3.27 Singapore cents and 6.55 Singapore cents for the second quarter ended 30 June 2019 (“2Q 2019”) and first half ended 30 June 2019 (“1H 2019”), which represented a year-on-year (“y-o-y”) increase of 2.6% and 3.0% respectively.

Gross revenue for the periods under review recorded a y-o-y growth of 2.9% in 2Q 2019 to S\$28.9 million and a 2.5% increase in 1H 2019 to S\$57.3 million, mainly attributable to revenue contribution from the Japan property acquisition in 1Q 2018, higher rent from Singapore properties and appreciation of the Japanese Yen (“JPY”). Correspondingly, net

<sup>1</sup> From recurring operations, net of amount retained for capital expenditure.

<sup>2</sup> In computing the Distribution per Unit (“DPU”), the number of units in issue as at the end of each period is used.

property income registered a 2.3% increase in 2Q 2019 and 1H 2019 to S\$26.8 million and S\$53.3 million respectively, as compared to the previous corresponding period.

### **Strengthened Capital Structure**

During the quarter, the Group remained steadfast in proactively managing its exposure to foreign exchange risk for its portfolio of 46 healthcare properties in Japan. This was achieved by capitalising on the recent strengthening of the JPY and entering into additional JPY forward contracts to extend the JPY net income hedge maturity for another year till 1Q 2024, providing the Group with a strong shield against JPY currency volatility. As at 30 June 2019, there were no long-term debt refinancing needs for the Group till 2020<sup>3</sup> and the Group continues to enjoy an effective all-in cost of debt of 0.91% with an interest cover ratio of 13.8 times. Gearing remains optimal at 36.9%.

### **Minimum Guaranteed Rent for Singapore Hospitals to Increase by 1.61%**

The Group has been experiencing continuous growth in property income, underpinned by the CPI<sup>4</sup> + 1% rental revision formula for its Singapore properties. For the 13<sup>th</sup> year of lease term commencing from 23 August 2019 to 22 August 2020, the minimum guaranteed rent for the Singapore properties is set to increase by 1.61% over the total rent payable for the preceding year.

Mr. Yong Yean Chau, Chief Executive Officer of the Manager, commented on the results: “PLife REIT has continued to deliver stable results in the first half of 2019 and we are pleased with our resilient performance, which was achieved through favourable rental lease structures, effective debt management and prudent financial risk management. We are well-positioned to benefit from the long-term outlook of the industry, which continues to be driven by ageing population and demand for better quality healthcare and aged care services.”

**– End –**

---

<sup>3</sup> Which refers to the S\$75.2 million loan due in 2020.

<sup>4</sup> 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. Where CPI is negative, it is deemed as zero in the computation of the rental increment.

## 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 billion<sup>5</sup> as at 30 June 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.

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

#### **Klareco Communications**

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

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

*Derrick Tee – [dtee@klarecomms.com](mailto:dtee@klarecomms.com) / (65) 9851 3403*

---

<sup>5</sup> 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.