



(Constituted in the Republic of Singapore pursuant to
a trust deed dated 12 July 2007 (as amended))

ANNUAL GENERAL MEETING ON 19 JUNE 2020
RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS FROM
UNITHOLDERS

Parkway Trust Management Limited, as manager of Parkway Life Real Estate Investment Trust (“**Parkway Life REIT**”, and the manager of Parkway Life REIT, the “**Manager**”), refers:

- (a) Parkway Life REIT’s notice of annual general meeting (“**AGM**”) dated 28 May 2020; and
- (b) the accompanying general announcement released on 28 May 2020 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

The Manager wishes to inform that the responses to all substantial and relevant questions which have been submitted by unitholders shall be published in this announcement.

Please refer to the Annex hereto for the list of substantial and relevant questions, and the Manager’s responses to these questions.

BY ORDER OF THE BOARD

Parkway Trust Management Limited
(Company Registration no. 200706697Z)
As manager of Parkway Life Real Estate Investment Trust

Chan Wan Mei
Company Secretary
18 June 2020

ANNEX

LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND RESPONSES

No.	Question	Response
1.	In light of COVID-19, how are PLife REIT's customers performing financially?	<ul style="list-style-type: none"> • PLife REIT's portfolio of 53 healthcare and healthcare-related assets continue to be in operations amidst the ongoing COVID-19 pandemic. • All our healthcare tenants have proactively adapted their operations, putting in place strict precautionary measures.
2.	How has COVID-19 affected the operations of properties owned by PLife REIT?	<ul style="list-style-type: none"> • The Manager is taking prudent measures and will set aside S\$1.7 million to provide targeted assistance and support to affected tenants during this challenging times. • We will continue to monitor the COVID-19 situation closely, particularly in the countries where we operate, and will adapt our tenant support measures accordingly.
3.	What is the impact of COVID-19 on PLife REIT's outlook and does it affect future dividend distributions?	<ul style="list-style-type: none"> • The COVID-19 pandemic has affected the global economy and placed pressure on all industries and sectors. So far, we have seen limited impact on our properties. • To-date, our properties continue to be in stable operations and financial position remains stable with no long-term debt refinancing needs till June 2021. • For 1Q 2020, the amount available for distribution income grew by 5.7% y-o-y. Our performance remains stable with DPU increasing by 1.4% y-o-y notwithstanding a retention of S\$850k for COVID-19 related relief measures. • Given the long-term prospects of the healthcare sector in Asia, driven largely by ageing populations, increased healthcare spending and higher demand for better quality healthcare and aged care services. We remain committed in delivering long-term sustainable returns to our Unitholders.

No.	Question	Response
4.	<p>Does PLife REIT have any plans to acquire the Malaysia hospitals under IHH?</p>	<ul style="list-style-type: none"> • PLife REIT's growth plan is to seek high-quality, yield-accretive assets for our overall portfolio. • As part of our growth plan, our targeted investment strategy includes acquiring both Sponsor assets including the Malaysia hospitals, as well as third party assets. • All acquisition opportunities must meet our investment criteria. • As PLife REIT and IHH are separate entities that are independently listed in Singapore and Malaysia, the acquisitions from IHH must be mutually beneficial to both parties with the aim at delivering favourable returns to both parties' shareholders and Unitholders.
5.	<p>What is the current rent psf versus market rent psf for Singapore portfolio?</p> <p>With the master lease set to expire in the next few years, can the Board shed some light on the renewal process? Also, are we able to maintain the current rent structure upon successful renewal of 15 years renewal?</p>	<ul style="list-style-type: none"> • Unlike other asset classes, there are no comparable hospital transactions in Singapore. • With the master leases due for expiry on 23 August 2022, we have commenced renewal negotiations with the master tenant ("SHP Renewal"). • The proposed SHP Renewal is an Interested Person Transaction and will be subjected to Unitholders' approval where the Sponsor and Manager (including associate companies) shall abstain from voting.
6.	<p>Please clarify when the current master leases to IHH ends and when will negotiations start on the renewal of these master leases?</p> <p>Will PLife REIT be able to still incorporate the current CPI based formula to determine future rents on renewal of Master Leases?</p>	<ul style="list-style-type: none"> • We have appointed two independent property valuers to assess and determine the terms of the SHP Renewal. • An independent financial advisor will also be appointed to review the terms of the SHP Renewal. • We will ensure that SHP Renewal is done in accordance with the required compliance and the conditions beneficial to our Unitholders.

No.	Question	Response
7.	<p>Regarding the company's past financial statements for the last six years, why was there a loss in percentage change for four years straight (2016-2019) for Malaysia medical centre units?</p> <p>If lease expiry leading to vacancies was the cause of a 31% occupancy rate in 2019, why aren't there any new lease agreements put in place for the future? Are there any solutions to improve the gross revenue and net property income of Malaysia medical centre units?</p> <p>Do the Board and Management consider the medical centre units in Malaysia to be a bad investment?</p>	<ul style="list-style-type: none"> • The Malaysia Portfolio accounted for 0.2% of the Group's revenue and 0.3% of the Group's investment properties as at 31 December 2019. • The occupancy rate of 31% is mainly due to the vacant 8th floor which accounts for 63% of the strata area for our Malaysia Portfolio. • We are currently conducting a feasibility study to re-configure the 8th Floor from an auditorium into smaller medical office units to improve the marketability of the vacant space. • In the near term, we expect the leasing of the Malaysia Portfolio to be more challenging due to the on-going COVID-19 situation. • We will continue to step up our marketing efforts to secure tenancies for the vacant units. • Our acquisition in Malaysia is part of our overall investment strategies to grow our portfolio in the region. We remain committed to regularly review our investments and seek to rebalance our portfolio to achieve optimal benefits for our Unitholders.
8.	<p>Singapore Press Holdings announced on 24 February 2020 that it will now invest in aged care and healthcare assets and has acquired five aged care facilities in Japan (three in Hokkaido, one in Nara and one in Tokyo).</p> <p>What is PLife REIT's response to the increased competition?</p> <p>Were there opportunities in this crisis for PLife REIT arising from COVID-19?</p>	<ul style="list-style-type: none"> • The increase in demand for medical services and nursing homes in Japan has brought about new entrants into the market. • Since our maiden acquisition in 2008, PLife REIT has been progressively investing in Japan and we remained optimistic as we continue to leverage on our first mover advantage and strong relationships fostered with our strategic partners over the years. • In the short-term, amid ongoing uncertainties in the macro-economy brought about by COVID-19, we are monitoring the situation closely as governments and businesses adapt and adjust to the post COVID-19 environment. During this time, we are adopting a cautious stance towards new acquisitions as we seek to strengthen our presence and the resilience of our Japan portfolio. • As the worldwide demographics is still ageing notwithstanding COVID-19, the demand for healthcare and age care facilities will continue to grow. Our long-term plan remains steadfast in establishing new growth drivers and acquire new assets in attractive markets.

Important Notice

This Announcement 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 (“**Parkway Life REIT**” and the units in Parkway Life REIT, the “**Units**”).

The value of the Units and the income 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 Parkway Life REIT (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Parkway Life 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 Parkway Life REIT or the Manager is not necessarily indicative of the future performance of Parkway Life REIT or the Manager.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these 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, competition, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and on the terms necessary to support Parkway Life REIT’s 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.