

NEWS RELEASE
FOR IMMEDIATE RELEASE

**PLIFE REIT REPORTS CONTINUED GROWTH AND
2.5% DPU INCREASE IN 2Q 2020 DESPITE COVID-19**

- Amount available for distribution grew by 5.2% (2Q Y-O-Y)
- 2Q 2020 DPU grew 2.5% to 3.36 cents notwithstanding retention of S\$850k for COVID-19 related relief measures
- All properties reported stable operations even as COVID-19 outbreak persisted
- Minimum Guaranteed Rent for Singapore Hospitals to increase by 1.17% for the 14th year of lease term commencing 23 August 2020

TOTAL PORTFOLIO	2Q 2020 S\$'000	2Q 2019 S\$'000	Increase %	1H 2020 S\$'000	1H 2019 S\$'000	Increase %
Gross revenue	30,277	28,864	4.9	60,146	57,254	5.1
Net property income	28,222	26,807	5.3	55,968	53,349	4.9
Amount available for distribution (net of amount retained for capital expenditure)	20,862	19,832	5.2	41,813	39,661	5.4
Distributable income to Unitholders (net of amount retained for capital expenditure and COVID-19 related relief measures)	20,329	19,832	2.5	40,430	39,661	1.9
Distribution per Unit (cents)¹						
- DPU for the period	3.36	3.27	2.5	6.68	6.55	1.9
- Annualised DPU	13.44	13.08	2.5	13.36	13.10	1.9
Annualised distribution yield (%), based on closing market price of S\$3.34 as at 30 June 2020	4.02	3.92	2.5	4.00	3.92	1.9

Singapore, 28 July 2020 – 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, today announced its results for the second quarter ended 30 June 2020 (“2Q 2020”) and first half ended 30 June 2020 (“1H 2020”).

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

Gross revenue for the periods under review recorded a year-on-year (“y-o-y”) growth of 4.9% in 2Q 2020 to S\$30.3 million and a 5.1% increase in 1H 2020 to S\$60.1 million, mainly due to revenue contribution from three Japan nursing rehabilitation facilities acquired in 4Q 2019, higher rent from Singapore properties as well as appreciation of the Japanese Yen (“JPY”). Net property income and amount available for distribution increased in line with gross revenue. Net property income registered a 5.3% y-o-y increase in 2Q 2020 to S\$28.2 million, and an increase of 4.9% to S\$56.0 million in 1H 2020. Similarly, the reported amount available for distribution grew by 5.2% y-o-y in 2Q 2020 and 5.4% in 1H 2020.

During the quarter, the Group has retained the remaining S\$850,000 as part of the S\$1.7 million COVID-19 related relief measures for tenants announced in 1Q 2020. Notwithstanding the amount retained, total distributable income to Unitholders for 2Q 2020 and 1H 2020 rose 2.5% and 1.9% y-o-y to S\$20.3 million and S\$40.4 million respectively, translating to Distribution per Unit (“DPU”) of 3.36 Singapore cents and 6.68 Singapore cents for the corresponding periods.

Strengthened Capital Structure

The Group remained steadfast in proactively managing its exposure to foreign exchange risk for its portfolio of 49 healthcare properties in Japan. This was achieved by capitalising on the recent strengthening of the JPY and entering into JPY forward contracts to extend the JPY net income hedge maturity till 2Q 2025, providing the Group with a strong shield against JPY currency volatility and enhancing the stability of distribution to Unitholders.

As at 30 June 2020, there were no long-term debt refinancing needs for the Group till June 2021 and the Group continues to enjoy an effective low all-in cost of debt of 0.60%. With approximately 88% of its interest rate exposure hedged, PLife REIT’s interest coverage ratio stood at 15.8 times². Gearing remained optimal at 38.3% as at the end of the quarter.

Minimum Guaranteed Rent for Singapore Hospitals to Increase by 1.17%

The Group has experienced continuous growth in property income, underpinned by the CPI³ + 1% rental revision formula for its Singapore properties. For the 14th year of lease term

² Interest coverage ratio as prescribed under the Monetary Authority of Singapore’s Property Funds Appendix (last revised on 16 April 2020)

³ 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.

commencing from 23 August 2020 to 22 August 2021, the minimum guaranteed rent for the Singapore properties is set to increase by 1.17% over the total rent payable for the preceding year.

Mr. Yong Yean Chau, Chief Executive Officer of the Manager, commented on the results: “We are pleased with our resilient performance in the second quarter and first half of 2020, which was achieved through favourable rental lease structures, effective debt management and prudent financial risk management. By staying prudent and focused on our growth strategy, we have consistently delivered stable performance even in uncertain times. PLife REIT remains in a stable financial position despite uncertainties and volatility in the macro-economy and financial markets, and we continue to focus on delivering long-term value to our Unitholders.

All our properties continue to be in operations even as the COVID-19 outbreak persisted during the quarter. With the gradual easing of restrictions in the countries where PLife REIT is present, all its healthcare tenants have continued to enforce strict precautionary measures to ensure safety of their employees and patients/ nursing care residents. PLife REIT continues to monitor the COVID-19 situation closely and adapt our tenant support measures accordingly.”

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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 53 properties with a total portfolio size of approximately S\$1.96 billion⁴ as at 31 March 2020. 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 49 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 48 high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialist Clinics 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.