

**Parkway Life Real Estate Investment Trust
and its subsidiaries
(Constituted in the Republic of Singapore pursuant to
a trust deed dated 12 July 2007)**

Interim Financial Statements
For the Half Year ended 30 June 2022

Table of Contents

A. Consolidated statements of total return	3
B. Consolidated statements of financial position	6
C. Consolidated statements of movement in unitholders' funds	7
D. Portfolio statements	8
E. Consolidated statement of cash flows	21
F. Selected notes to the financial statements	22
G. Other information required by Listing Rule Appendix 7.2	28

**PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022**

A. CONSOLIDATED STATEMENTS OF TOTAL RETURN

	1H 2022 S\$'000	1H 2021 S\$'000	Inc/ (Dec) %
Gross revenue	60,175	59,565	1.0
Property expenses	(4,139)	(4,112)	0.7
Net property income	56,036	55,453	1.1
Management fees	(6,668)	(6,223)	7.2
Trust expenses	(1,984)	(1,515)	31.0
Net foreign exchange gain	1,706	1,193	43.0
Finance costs	(2,260)	(2,137)	5.8
Non-property expenses	(9,206)	(8,682)	6.0
Total return before changes in fair value of financial derivatives, investment properties and gain on disposal of asset held for sale	46,830	46,771	0.1
Net change in fair value of financial derivatives	6,646	2,824	135.3
Net change in fair value of investment properties	(1,168)	(11)	10,518.2
Gain on disposal of asset held for sale	–	5,113	n.m.
Total return for the period before tax and distribution	52,308	54,697	(4.4)
Income tax expense	(3,237)	(4,528)	(28.5)
Total return for the period after tax before distribution	49,071	50,169	(2.2)
Earnings per unit (cents)			
Basic and diluted	8.11	8.29	

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Distribution Statements

	Note	1H 2022 S\$'000	1H 2021 S\$'000	Inc/ (Dec) %
Amount available for distribution to Unitholders at the beginning of the period		21,622	21,628	(0.1)
Total return for the period		49,071	50,169	(2.2)
Distribution adjustments	A	(4,875)	(6,618)	(26.3)
Amount retained for capital expenditure	B	(1,500)	(1,500)	–
Distributable income to Unitholders		42,696	42,051	1.5
Amount available for distribution to Unitholders		64,318	63,679	1.0
Distributions to Unitholders during the period:				
- Distribution of 3.57 cents per unit for period from 1 October 2020 to 31 December 2020		–	21,599	
- Distribution of 3.57 cents per unit for period from 1 January 2021 to 31 March 2021		–	21,598	
- Distribution of 3.57 cents per unit for period from 1 October 2021 to 31 December 2021		21,599	–	
		21,599	43,197	
Rounding adjustment		(23)	(14)	
Amount available for distribution to Unitholders at the end of the period	C	42,696	20,468	108.6
Number of units entitled to distribution ('000)		605,002	605,002	
Distribution per unit based on Distributable income to Unitholders (cents)		7.06	6.95	

Note:

A. Distribution adjustments comprise:

		1H 2022 S\$'000	1H 2021 S\$'000	Inc/ (Dec) %
(Non-taxable)/non-tax deductible items:				
Trustee's fees		183	167	9.6
Amortisation of transaction costs relating to debt facilities		343	312	9.9
Net change in fair value of financial derivatives		(6,646)	(2,824)	135.3
Net change in fair value of investment properties		1,168	11	10,518.2
Gain on disposal of asset held for sale (net of tax)		–	(4,231)	n.m.
Foreign exchange gain		(359)	(784)	(54.2)
Temporary differences	D	1,193	1,300	(8.2)
Others		(757)	(569)	33.0
Net effect of non-taxable items		(4,875)	(6,618)	(26.3)

B. An amount of \$3.0 million is retained for capital expenditure on existing properties each year.

C. Parkway Life REIT's distribution policy is to distribute at least 90% of its taxable income and net overseas income, with the actual level of distribution to be determined at the Manager's discretion. On 24 January 2022, Parkway Life REIT has announced that it would be making distribution on a semi-annual basis from FY2022 onwards. The final quarterly distribution to unitholders was made on 28 February 2022 for Q4 of FY2021. Consequently, the figures reported for 1H 2022 and 2021

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Distributable income to Unitholders pertain to income available for distribution for the six-month period ended 30 June 2022 and three-month period ended 31 December 2021, respectively.

- D. This relates to deferred tax expense provided on the temporary difference between the fair value and the tax written down value at the applicable income tax rate in respect of the Japan investment properties.

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

B. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	Group 30/06/22 S\$'000	Group 31/12/21 S\$'000	Trust 30/06/22 S\$'000	Trust 31/12/21 S\$'000
Current assets					
Trade and other receivables		11,522	12,697	11,006	53,859
Financial derivatives	5	1,384	558	1,384	558
Cash and cash equivalents		29,558	25,793	2,359	1,594
		42,464	39,048	14,749	56,011
Non-current assets					
Investment properties	3	2,187,661	2,290,751	1,476,355	1,472,000
Interests in subsidiaries		–	–	681,089	638,591
Financial derivatives	5	31,098	15,337	31,098	15,337
Total assets		2,261,223	2,345,136	2,203,291	2,181,939
Current liabilities					
Trade and other payables		16,463	21,917	10,548	14,071
Current portion of security deposits		861	954	–	–
Lease liabilities		14	14	–	–
Loans and borrowings	4	62,317	94,719	62,317	94,719
		79,655	117,604	72,865	108,790
Non-current liabilities					
Financial derivatives	5	23	153	23	153
Non-current portion of security deposits		16,350	19,207	–	–
Lease liabilities		2,091	2,098	–	–
Loans and borrowings	4	669,797	731,176	669,797	731,176
Deferred income		1,860	1,860	–	–
Deferred tax liabilities		34,268	38,331	–	–
Total liabilities		804,044	910,429	742,685	840,119
Net assets		1,457,179	1,434,707	1,460,606	1,341,820
Represented by:					
Unitholders' funds		1,457,179	1,434,707	1,460,606	1,341,820
Units in issue ('000)	6	605,002	605,002	605,002	605,002
Net asset value per unit (\$)	7	2.41	2.37	2.41	2.22

**PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022**

C. CONSOLIDATED STATEMENTS OF MOVEMENT IN UNITHOLDERS' FUNDS

	Group 1H 2022 S\$'000	Group 1H 2021 S\$'000
Unitholders' funds at beginning of period	1,434,707	1,183,615
Operations		
Total return after tax	49,071	50,169
Translation transactions		
Net movement in foreign currency translation reserve	(9,059)	4,626
Hedging reserve		
Net movement in hedging reserve	3,807	2,741
Cost of hedging reserve		
Net movement in cost of hedging reserve	252	120
Unitholders' transactions		
Distribution to Unitholders	(21,599)	(43,197)
Unitholders' funds at end of period	1,457,179	1,198,074

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

D. PORTFOLIO STATEMENTS
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Singapore									
The Mount Elizabeth Hospital Property ⁽¹⁾	Leasehold	67	53	3 Mount Elizabeth, Singapore 228510	Hospital and medical centre	883,539	883,000	60.6	61.5
The Gleneagles Hospital Property ⁽¹⁾	Leasehold	75	61	6 Napier Road, Singapore 258499; and 6A Napier Road, Singapore 258500	Hospital and medical centre	505,348	503,000	34.7	35.1
The Parkway East Hospital Property ⁽¹⁾	Leasehold	75	61	319 Joo Chiat Place, Singapore 427989; and 321 Joo Chiat Place, Singapore 427990	Hospital and medical centre	87,468	86,000	6.0	6.0
						1,476,355	1,472,000	101.3	102.6

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Japan									
Bon Sejour Yokohama Shin-Yamashita ⁽²⁾	Freehold	N.A.	N.A.	2-12-55 Shin Yamashita, Naka-Ku, Yokohama City, Kanagawa Prefecture, Japan	Nursing home with care service	17,682	20,434	1.2	1.4
More Habitation Akashi ⁽²⁾	Freehold	N.A.	N.A.	486, Yagi, Okubo-cho, Akashi City, Hyogo Prefecture, Japan	Nursing home with care service	17,609	20,196	1.2	1.4
More Habitation Suma ⁽²⁾	Freehold	N.A.	N.A.	1-5-23, Chimori-cho, Suma-ku, Kobe City, Hyogo Prefecture, Japan	Nursing home with care service	10,442	11,999	0.7	0.8
Senior Chonaikai Makuhari Kan ⁽²⁾	Freehold	N.A.	N.A.	5-370-4, Makuhari-cho, Hanamigawa-ku, Chiba City, Chiba Prefecture, Japan	Nursing home with care service	19,227	22,216	1.3	1.5
Balance carried forward						64,960	74,845	4.4	5.1

**PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022**

**Portfolio statements (cont'd)
As at 30 June 2022**

Description of property Group	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Japan (cont'd)									
Balance brought forward						64,960	74,845	4.4	5.1
Smiling Home Medis Musashi Urawa ⁽²⁾	Freehold	N.A.	N.A.	5-5-6, Shikatebukuro, Minami-ku, Saitama City, Saitama Prefecture, Japan	Nursing home with care service	8,491	9,813	0.6	0.7
Smiling Home Medis Koshigaya Gamo ⁽²⁾	Freehold	N.A.	N.A.	2-2-5, Gamonishimachi, Koshigaya City, Saitama Prefecture, Japan	Nursing home with care service	16,866	19,483	1.2	1.4
Sompo no Ie Nakasyo ⁽²⁾	Freehold	N.A.	N.A.	923-1 Aza Miyata, Hirata, Kurashiki City, Okayama Prefecture, Japan	Nursing home with care service	8,159	8,708	0.6	0.6
Maison des Centenaire Ishizugawa ⁽²⁾	Freehold	N.A.	N.A.	2-1-9, Hamadera Ishizuchonishi, Nishi-Ku, Sakai City, Osaka Prefecture, Japan	Nursing home with care service	9,791	11,262	0.7	0.8
Maison des Centenaire Haruki ⁽²⁾	Freehold	N.A.	N.A.	12-20, Haruki- Miyakawacho, Kishiwada City, Osaka Prefecture, Japan	Nursing home with care service	7,391	8,542	0.5	0.6
Balance carried forward						115,658	132,653	8.0	9.2

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Japan (cont'd)									
Balance brought forward						115,658	132,653	8.0	9.2
Hapine Fukuoka Noke ⁽²⁾	Freehold	N.A.	N.A.	4-35-9, Noke, Sawaraku, Fukuoka City, Fukuoka Prefecture, Japan	Nursing home with care service	9,365	10,823	0.6	0.8
Fiore Senior Residence Hirakata ⁽²⁾	Freehold	N.A.	N.A.	4-10, Higashikori-Shinmachi, Hirakata City, Osaka Prefecture, Japan	Nursing home with care service	5,471	6,320	0.4	0.4
Iyashi no Takatsuki Kan ⁽²⁾	Freehold	N.A.	N.A.	3-19, Haccho-Nishimachi, Takatsuki City, Osaka Prefecture, Japan	Nursing home with care service	17,784	20,552	1.2	1.4
Sawayaka Obatake Ichibankan ⁽²⁾	Freehold	N.A.	N.A.	3-3-51 Obatake, Kokura-kita-ku, Kita-kyushu City, Fukuoka Prefecture, Japan	Nursing home with care service	8,666	10,015	0.6	0.7
Sawayaka Sakurakan ⁽²⁾	Freehold	N.A.	N.A.	126-2 Nakadomari, Nishi-nagano, Kakunodate-machi, Senboku City, Akita Prefecture, Japan	Nursing home with care service	9,406	10,870	0.6	0.8
Sawayaka Nogatakan ⁽²⁾	Freehold	N.A.	N.A.	442-1 Yamabe-Oaza, Nogata City, Fukuoka Prefecture, Japan	Nursing home with care service	8,522	9,849	0.6	0.7
Balance carried forward						174,872	201,082	12.0	14.0

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Japan (cont'd)									
Balance brought forward						174,872	201,082	12.0	14.0
Sawayaka Shinmojikan ⁽²⁾	Freehold	N.A.	N.A.	1543-1 Oaza Hata, Moji-ku, Kita-kyushu City, Fukuoka Prefecture, Japan	Nursing home with care service	11,102	12,830	0.8	0.9
Sawayaka Obatake Nibankan ⁽²⁾	Freehold	N.A.	N.A.	1-6-26 Obatake, Kokura-kita-ku, Kita-kyushu City, Fukuoka Prefecture, Japan	Short stay/Day care home	4,164	4,800	0.3	0.3
Sawayaka Fukufukukan ⁽²⁾	Freehold	N.A.	N.A.	1-24-4 Fukuyanagi, Tobata-ku, Kita-kyushu City, Fukuoka Prefecture, Japan	Nursing home with care service	7,672	8,863	0.5	0.6
As Heim Nakaurawa ⁽²⁾	Freehold	N.A.	N.A.	2-21-9 Nishibori, Sakura-ku, Saitama Prefecture, Japan	Nursing home with care service	11,616	13,424	0.8	0.9
Hanadama no Ie Nakahara ⁽²⁾	Freehold	N.A.	N.A.	5-14-25 Shimo Kotanaka Nakahara-ku, Kawasaki, Kanagawa Prefecture, Japan	Nursing home with care service	9,458	10,930	0.6	0.8
Balance carried forward						218,884	251,929	15.0	17.5

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Japan (cont'd)									
Balance brought forward						218,884	251,929	15.0	17.5
Sawayaka Higashikagurakan ⁽²⁾	Freehold	N.A.	N.A.	2-351-4 Kitaichijo Higashi, Higashikagura-cho Kamikawa-gun, Hokkaido Prefecture, Japan	Nursing home with care service	10,794	12,474	0.7	0.9
Happy Life Toyonaka ⁽²⁾	Freehold	N.A.	N.A.	15-14, Kozushima 2-chome, Toyonaka City, Osaka Prefecture, Japan	Nursing home with care service	5,715	6,593	0.4	0.5
More Habitation Shin-Kobe ⁽²⁾	Freehold	N.A.	N.A.	13-7, Kanocho 2-chome, Chuo-ku, Kobe City, Hyogo Prefecture, Japan	Nursing home with care service	16,527	19,008	1.1	1.3
Sawayaka Seaside Toba ⁽²⁾	Freehold	N.A.	N.A.	300-73 Aza Hamabe, Ohamacho Toba City, Mie Prefecture, Japan	Nursing home with care service	16,551	19,127	1.1	1.3
Balance carried forward						268,471	309,131	18.3	21.5

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property Group	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Japan (cont'd)									
Balance brought forward						268,471	309,131	18.3	21.5
Sawayaka Niihamakan ⁽²⁾	Freehold	N.A.	N.A.	Otsu 11-77, Higashida 3-chome, Niihama City, Ehime Prefecture, Japan	Nursing home with care service	15,831	18,295	1.1	1.3
Sawayaka Mekari Nibankan ⁽²⁾	Freehold	N.A.	N.A.	2720-2, Okubo 1-chome, Mojiku, Kitakyushushi City, Fukuoka Prefecture, Japan	Nursing home with care service	3,485	4,027	0.2	0.3
Sawayaka Kiyotakan ⁽²⁾	Freehold	N.A.	N.A.	16-7, Kiyota 3-chome, Yahatahigashi-ku, Kitakyushushi, Fukuoka Prefecture, Japan	Nursing home with care service	10,691	12,355	0.7	0.9
Sawayaka Minatokan ⁽²⁾	Freehold	N.A.	N.A.	5155-3 Jyusanbancho, Furumachidori, Chuo-ku, Niigata City, Niigata Prefecture, Japan	Nursing home with care service	7,988	9,231	0.5	0.6
Maison des Centenaire Hannan ⁽²⁾	Freehold	N.A.	N.A.	8-423-29 Momonokidai, Hannan City, Osaka Prefecture, Japan	Nursing home with care service	20,838	23,998	1.4	1.7
Balance carried forward						327,304	377,037	22.2	26.3

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Japan (cont'd)									
Balance brought forward						327,304	377,037	22.2	26.3
Maison des Centenaire Ohhama ⁽²⁾	Freehold	N.A.	N.A.	3-11-18 Ohhama Kitamachi Sakai-Ku, Sakai City, Osaka Prefecture, Japan	Nursing home with care service	7,762	8,969	0.5	0.6
Sunhill Miyako ⁽²⁾	Freehold	N.A.	N.A.	8-423-30 Momonokidai, Hannan City, Osaka Prefecture, Japan	Extended stay lodging facility	9,947	11,227	0.7	0.8
Habitation Jyosui ⁽²⁾	Freehold	N.A.	N.A.	4-1-26 Yakuin, Chuo-ku Fukuoka City, Fukuoka Prefecture, Japan	Nursing home with care service	39,940	46,094	2.7	3.2
Ocean View Shonan Arasaki ⁽²⁾	Freehold	N.A.	N.A.	5-25-1 Nagai, Yokosuka City, Kanagawa Prefecture, Japan	Nursing home with care service	22,205	25,661	1.5	1.8
Habitation Hakata I, II and III ⁽²⁾	Freehold	N.A.	N.A.	23-10 Kanenokuma 3-chome Hakata-ku, Fukuoka City, Fukuoka Prefecture, Japan	Nursing home with care service	42,130	48,352	2.9	3.4
Excellent Tenpaku Garden Hills ⁽²⁾	Freehold	N.A.	N.A.	141-3 Tsuchihara 2-chome, Tenpaku-ku, Nagoya City, Aichi Prefecture, Japan	Nursing home with care service	19,435	22,453	1.3	1.6
Balance carried forward						468,723	539,793	31.8	37.7

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Japan (cont'd)									
Balance brought forward						468,723	539,793	31.8	37.7
Liverari Shiroishi Hana Ichigo-kan ⁽²⁾	Freehold	N.A.	N.A.	1-18 Kitago 3jyo, Shiraishi-ku, Sapporo City, Hokkaido Prefecture, Japan	Nursing home with care service	3,948	4,562	0.3	0.3
Liverari Shiroishi Hana Nigo-kan ⁽²⁾	Freehold	N.A.	N.A.	5-10 Kitago 2jyo 5-chome, Shiraishi-ku, Sapporo City, Hokkaido Prefecture, Japan	Nursing home with care service	1,943	2,245	0.1	0.2
Sunny Spot Misono ⁽²⁾	Freehold	N.A.	N.A.	4-24 Misono 7jyo 3-chome, Toyohira-ku, Sapporo City, Hokkaido Prefecture, Japan	Group home with care service	2,138	2,471	0.1	0.2
Silver Heights Hitsujigaoka (Ichibankan and Nibankan) ⁽²⁾	Freehold	N.A.	N.A.	6-1 Fukuzumi, 3jyo 3-chome, Toyohira-ku, Sapporo City, Hokkaido Prefecture, Japan	Nursing home with care service	12,233	14,137	0.8	1.0
Habitation Wakaba ⁽²⁾	Freehold	N.A.	N.A.	1763-12 Oguramachi Wakabaku, Chiba City, Chiba Prefecture, Japan	Nursing home with care service	22,651	26,136	1.6	1.8
Habitation Hakusho ⁽²⁾	Freehold	N.A.	N.A.	301 Hijikai, Yachimata City, Chiba Prefecture, Japan	Nursing home with care service	17,332	19,958	1.2	1.4
Balance carried forward						528,968	609,302	35.9	42.6

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Japan (cont'd)									
Balance brought forward						528,968	609,302	35.9	42.6
Group Home Hakusho ⁽²⁾	Freehold	N.A.	N.A.	1345-16 Toyoma, Yachimata City, Chiba Prefecture, Japan	Group home with care service	1,079	1,247	0.1	0.1
Kikuya Warakuen ⁽²⁾	Freehold	N.A.	N.A.	1404-10 Nishitoyoi, Oaza, Kudamatsu City, Yamaguchi Prefecture, Japan	Nursing home with care service	8,944	10,336	0.6	0.7
Sanko ⁽²⁾	Freehold	N.A.	N.A.	4-16-16 Mizuhomachi, Kudamatsu City, Yamaguchi Prefecture, Japan	Nursing home with care service	5,705	6,594	0.4	0.5
Konosu Nursing Home Kyoseien ⁽²⁾	Freehold	N.A.	N.A.	3409-1 Shimoya, Konosu, Saitama Prefecture, Japan	Nursing rehabilitation facility	17,784	20,552	1.2	1.4
Haru no Sato ⁽²⁾	Freehold	N.A.	N.A.	1-2-23 Hajima, Shunan, Yamaguchi Prefecture, Japan	Nursing rehabilitation facility	13,981	16,157	1.0	1.1
Hodaka no Niwa ⁽²⁾	Freehold	N.A.	N.A.	205 Hitoegane, Okuhida Onsengo, Takayama, Gifu Prefecture, Japan	Nursing rehabilitation facility	14,186	16,394	1.0	1.1
Orange no Sato ⁽²⁾	Leasehold	99	97	522 Yoshiwara, Aridagawa-machi, Arida, Wakayama Prefecture, Japan	Nursing rehabilitation facility	12,808	14,731	0.9	1.0
Habitation Kamagaya ⁽²⁾	Freehold	N.A.	N.A.	12-1 Shin-Kamagaya 4-chome, Kamagaya City, Chiba Prefecture, Japan	Nursing home with care service	18,005	20,790	1.2	1.4
Balance carried forward						621,460	716,103	42.3	49.9

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Japan (cont'd)									
Balance brought forward						621,460	716,103	42.3	49.9
Will-Mark Kashiihama ⁽⁴⁾	Freehold	N.A.	N.A.	2-1 Kashiihama 3-chome, Fukuoka City, Fukuoka Prefecture, Japan	Nursing home with care service	32,919	38,135	2.3	2.7
Crea Adachi ⁽⁴⁾	Freehold	N.A.	N.A.	19-10 Iriya 2-chome Adachi City, Tokyo Prefecture, Japan	Nursing home with care service	13,056	15,087	0.9	1.1
Habitation Kisarazu Ichiban-kan ⁽⁵⁾	Freehold	N.A.	N.A.	11-1, Kaneda Higashi 4-chome, Kisarazu City, Chiba, Japan	Nursing home with care service	35,322	40,867	2.4	2.8
						<u>702,757</u>	<u>810,192</u>	<u>47.9</u>	<u>56.5</u>

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Group									
Malaysia									
MOB Specialist Clinics, Kuala Lumpur ⁽³⁾	Freehold	N.A.	N.A.	282, Jalan Ampang 50450 Kuala Lumpur, Malaysia	Medical Centre	6,462	6,462	0.4	0.5
Investment properties, at carrying value						2,185,574	2,288,654	149.6	159.6
Other assets and liabilities (net)						(728,395)	(853,947)	(49.6)	(59.6)
Net assets						<u>1,457,179</u>	<u>1,434,707</u>	<u>100.0</u>	<u>100.0</u>

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Portfolio statements (cont'd)
As at 30 June 2022

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	Carrying Value		Percentage of Net Assets	
						30/06/22 \$'000	31/12/21 \$'000	30/06/22 %	31/12/21 %
Trust									
Singapore									
The Mount Elizabeth Hospital Property ⁽¹⁾	Leasehold	67	53	3 Mount Elizabeth, Singapore 228510	Hospital and medical centre	883,539	883,000	60.5	65.8
The Gleneagles Hospital Property ⁽¹⁾	Leasehold	75	61	6 Napier Road, Singapore 258499; and 6A Napier Road, Singapore 258500	Hospital and medical centre	505,348	503,000	34.6	37.5
The Parkway East Hospital Property ⁽¹⁾	Leasehold	75	61	319 Joo Chiat Place, Singapore 427989; and 321 Joo Chiat Place, Singapore 427990	Hospital and medical centre	87,468	86,000	6.0	6.4
Investment properties, at carrying value						1,476,355	1,472,000	101.1	109.7
Other assets and liabilities (net)						(15,749)	(130,180)	(1.1)	(9.7)
Net assets						1,460,606	1,341,820	100.0	100.0

⁽¹⁾ These properties are leased to Parkway Hospitals Singapore Pte. Ltd., a related corporation of the Manager and the Trust under separate master lease agreements, which are renewed under the terms of the New Master Lease Agreements from 23 August 2022 to 31 December 2042 with an option to extend the lease of each of these properties for a further term of 10 years. On 31 December 2021, the appraised value of these properties under the terms of the New Master Lease Agreements were determined by CBRE Pte. Ltd., using direct capitalisation and discounted cash flow methods.

⁽²⁾ On 31 December 2021, independent valuations of these properties were undertaken by CBRE K.K., Enrix Co., Ltd, Cushman & Wakefield K.K. and JLL Morii Valuation & Advisory K.K. using the discounted cash flow method.

⁽³⁾ On 31 December 2021, the appraised value of the property was determined by Knight Frank Malaysia Sdn Bhd, using the direct capitalisation method and supported by comparison approach.

⁽⁴⁾ On 30 June 2021, the Group entered into a Tokumei Kumiai agreement as an investor in relation to the acquisition of two nursing homes located in Japan for a purchase price of JPY4.1 billion (approximately \$50.4 million). The acquisition of the properties was completed on 9 July 2021. The appraised value of the properties as at 31 December 2021 was determined by Enrix Co., Ltd using discounted cash flow method.

⁽⁵⁾ On 10 December 2021, the Group entered into a Tokumei Kumiai agreement as an investor in relation to the acquisition of one nursing home located in Japan for a purchase price of JPY3.2 billion (approximately \$38.5 million). The acquisition of the property was completed on 17 December 2021. The appraised value of the property as at 31 December 2021 was determined by CBRE K.K. using discounted cash flow method.

The Manager believes that the independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

E. CONSOLIDATED STATEMENT OF CASH FLOWS

	1H 2022 S\$'000	1H 2021 S\$'000
Operating activities		
Total return before income tax	52,308	54,697
Adjustments for		
Finance costs	2,260	2,137
Net change in fair value of financial derivatives	(6,646)	(2,824)
Net change in fair value of investment properties	1,168	11
Gain on disposal of asset held for sale	–	(5,113)
Operating income before working capital changes	49,090	48,908
Changes in working capital		
Trade and other receivables	1,153	4,736
Trade and other payables	(4,024)	(8,921)
Security deposits	5	(1,541)
Cash generated from operations	46,224	43,182
Income tax paid	(2,195)	(3,276)
Cash flows generated from operating activities	44,029	39,906
Investing activities		
Capital expenditure on investment properties	(7,243)	(3,840)
Cash outflow on purchase of investment properties (including acquisition-related costs)	(823)	(214)
Net proceeds from sale of investment property (including divestment-related costs)	–	35,911
Cash flows (used in)/generated from investing activities	(8,066)	31,857
Financing activities		
Interest paid	(1,761)	(1,857)
Distribution to Unitholders	(21,599)	(43,197)
Proceeds from borrowings	111,417	156,748
Repayment of borrowings	(115,528)	(173,934)
Borrowing costs paid	(1,113)	(632)
Repayment of lease liabilities	(16)	(16)
Cash flows used in financing activities	(28,600)	(62,888)
Net increase in cash and cash equivalents	7,363	8,875
Cash and cash equivalents at beginning of the period	25,793	22,658
Effects of exchange differences on cash balances	(3,598)	(1,510)
Cash and cash equivalents at end of the period	29,558	30,023

F. SELECTED NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Parkway Life Real Estate Investment Trust (“Parkway Life REIT” or the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 12 July 2007 (as amended) (the “Trust Deed”) between Parkway Trust Management Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”), governed by the laws of the Republic of Singapore. On 12 July 2007, the Trust was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337. The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries (the “Group”) in trust for the holders (“Unitholders”) of units in the Trust (the “Units”).

On 23 August 2007 (“Listing Date”), the Trust was admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and was included under the Central Provident Fund (“CPF”) Investment Scheme on the same date.

The principal activity of the Trust is to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes (including but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate.

2. Basis of Preparation

The condensed interim financial statements for the half year ended 30 June 2022 have been prepared in accordance with the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* issued by the Institute of Singapore Chartered Accountants and the applicable requirements of the Code on Collective Investment Schemes (“CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”).

The accounting policies and methods of computation applied in the condensed interim financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the year ended 31 December 2021.

The consolidated interim financial statements of the Group are presented in Singapore dollars, which is the Trust’s functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.1 New and amended standards adopted by the Group

There are no new standards, amendments to standards and interpretations, effective for annual periods beginning on or after 1 January 2022, which will result in significant impact on the condensed interim financial statements of the Group.

2.2 Use of judgements and estimates

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

3. Investment properties

	Group		Trust	
	30/06/2022 \$'000	31/12/2021 \$'000	31/06/2022 \$'000	31/12/2021 \$'000
At 1 January	2,290,751	1,991,019	1,472,000	1,213,800
Acquisition of investment properties	–	88,853	–	–
Acquisition related costs	(142)	11,235	–	–
Capital expenditure	6,461	12,514	4,355	9,259
Translation difference	(108,241)	(52,076)	–	–
	<u>2,188,829</u>	<u>2,051,545</u>	<u>1,476,355</u>	<u>1,223,059</u>
Net change in fair value of investment properties	(1,168)	239,206	–	248,941
At end of reporting period	<u>2,187,661</u>	<u>2,290,751</u>	<u>1,476,355</u>	<u>1,472,000</u>

Determination of fair value

Investment properties are stated at fair value based on valuations as at 31 December 2021 performed by independent professional valuers having appropriate recognised professional qualification and experience in the location and category of property being valued.

The independent external valuers have used capitalisation approach, comparison approach and discounted cash flow methods.

The capitalisation approach capitalises an income stream into a present value using revenue multipliers or single-year capitalisation rates. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an appropriate rate of return.

The net change in fair value of the investment properties recognised in the statement of total return comprises the following:

	Group		Trust	
	30/06/2022 \$'000	31/12/2021 \$'000	30/06/2022 \$'000	31/12/2021 \$'000
Gain on revaluation	–	240,060	–	248,941
Effect of lease incentives and amortisation of right-of-use assets	(1,168)	(854)	–	–
Net change in fair value of investment properties recognised in statement of total return	<u>(1,168)</u>	<u>239,206</u>	<u>–</u>	<u>248,941</u>

Valuation processes applied by the Group and Trust

Valuation of investment properties is performed in accordance with the Trust Deed. In determining the fair value, the valuers have used valuation methods which involved certain estimates. In assessing the fair value measurements, the Manager reviews the valuation methodologies and evaluates the assessments made by the valuers. The Manager exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions. The valuation reports are prepared in accordance with recognised appraisal and valuation standards.

Based on the Manager's current assessment, the latest appraised values of the investment properties is still appropriate as at the reporting date of 30 June 2022 as there is no significant change to the market conditions.

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Fair value hierarchy

The fair value measurement for investment properties of the Group and the Trust have been categorised as Level 3 fair values based on inputs to the valuation technique used.

Reconciliations from the beginning balances to the ending balances for fair value measurements of Level 3 investment properties are set out in the above table.

	30/06/2022	31/12/2021
	\$'000	\$'000
Fair value of investment properties (based on valuation)	2,185,574	2,288,654
Add: Carrying amount of lease liabilities	2,087	2,097
Carrying amount of investment properties	<u>2,187,661</u>	<u>2,290,751</u>

4. Loans and borrowings

	Group and Trust	
	30/06/2022	31/12/2021
	\$'000	\$'000
Current liabilities		
Unsecured bank loans	10,928	94,719
Unsecured medium term notes	51,400	-
Unamortised transaction costs	(11)	-
	<u>62,317</u>	<u>94,719</u>
Non-current liabilities		
Unsecured bank loans	602,514	593,598
Unsecured medium term notes	69,904	140,184
Unamortised transaction costs	(2,621)	(2,606)
	<u>669,797</u>	<u>731,176</u>

The loans and borrowings comprise the following:

(1) Long Term Unsecured Term Loans and Revolving Credit Facilities

As at the reporting date, the Group has utilised various long term unsecured term loans and revolving credit facilities totalling JPY43,486 million (approximately \$447.0 million) and \$155.5 million (2021: JPY35,776 million (approximately \$425.0 million) and \$168.6 million) (the "Long Term Facilities"). The Long Term Facilities are committed, unsecured and rank pari passu with all the other present and future unsecured debt obligations of the Group. Interest on the Long Term Facilities is subject to re-pricing on a monthly or quarterly basis or any other interest period as mutually agreed between the lenders and Parkway Life REIT, and is based on the relevant floating rate plus a margin.

Interest rate was largely hedged as the Group entered into interest rate swaps, cross currency interest rate swap and interest rate caps to manage the interest rate exposures for the above Long Term Facilities.

(2) Unsecured Debt Issuance

The Group, through its wholly-owned subsidiary, Parkway Life MTN Pte. Ltd. ("PLife MTN"), has put in place a \$500 million Multicurrency Debt Issuance Programme to provide the Group with the flexibility to tap various types of capital market products including issuance of perpetual securities when needed.

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

Under the Debt Issuance Programme, PLife MTN is able to issue notes while HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Parkway Life REIT) (the “Parkway Life REIT Trustee”) is able to issue perpetual securities.

All sums payable in respect of the notes issued by PLife MTN are unconditionally and irrevocably guaranteed by Parkway Life REIT Trustee.

As at 30 June 2022, there were three series of outstanding fixed rate notes issued under the Debt Issuance Programme amounting to JPY11,800 million (approximately \$121.3 million) with maturity dates between 2023 to 2027 (2021: JPY11,800 million (approximately \$140.2 million)).

(3) Short Term Facilities

The Group has two unsecured and uncommitted short-term multi-currency facilities (the “Short Term Facilities”) amounting to \$195.0 million (2021: \$195.0 million) for general working capital purposes. Interest on the Short Term Facilities is based on the bank’s cost of fund.

As at 30 June 2022, a total of JPY1,063 million (approximately \$10.9 million) (2021: JPY7,973 million (approximately \$94.7 million)) was drawn down via Short Term Facilities for working capital purpose with tenor up to 3 months (2021: 3 months).

5. Financial derivatives

	Group and Trust	
	30/06/2022	31/12/2021
	\$'000	\$'000
Current derivative assets	1,384	558
Non-current derivative assets	31,098	15,337
Total derivative assets	<u>32,482</u>	<u>15,895</u>
Non-current derivative liabilities	(23)	(153)
Total derivative liabilities	<u>(23)</u>	<u>(153)</u>
Total derivative assets (net)	<u>32,459</u>	<u>15,742</u>

	Group		Trust	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
	%	%	%	%
Percentage of derivative assets to unitholders’ funds	2.2	1.1	2.2	1.2
Percentage of derivative liabilities to unitholders’ funds	—*	—*	—*	—*

* Amount is immaterial

6. Units in issue

	1H 2022	1H 2021
	'000	'000
Units in issue at beginning and at end of period	605,002	605,002

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

7. Net asset value per unit and net tangible asset per unit based on units issued at the end of the period

	Note	Group 30/06/22 S\$	Group 31/12/21 S\$	Trust 30/06/22 S\$	Trust 31/12/21 S\$
Net asset value ("NAV") per unit	(a)	2.41	2.37	2.41	2.22
Adjusted NAV per unit (excluding the distributable income)		2.34	2.34	2.34	2.18
Net tangible asset per unit	(a)	2.41	2.37	2.41	2.22

Note:

- (a) Net asset value per unit and net tangible asset per unit is calculated based on the number of units in issue as at the respective period end.

8. Earnings per unit ("EPU") and distribution per unit ("DPU") for the period

	Note	1H 2022 '000	1H 2021 '000
Number of units in issue at end of period		605,002	605,002
Weighted average number of units for the period		605,002	605,002
Earnings per unit in cents (basic and diluted) (EPU)	(a)	8.11	8.29
Applicable number of units for calculation of DPU		605,002	605,002
Distribution per unit in cents (DPU) based on Distributable income to Unitholders	(b)	7.06	6.95

Note:

- (a) In calculating EPU, the total return for the period after tax, and the weighted average number of units issued as at the end of each period is used. The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.
- (b) In computing DPU, the number of units in issue as at the end of each period is used.

9. Financial ratios

	Note	2022 (Annualised) %	2021 (Actual) %
Ratio of expenses to weighted average net assets	(a)		
- excluding performance component of Manager's fees		0.85	0.86
- including performance component of Manager's fees		1.20	1.24
Portfolio turnover rate	(b)	0.00	2.35

Note:

- (a) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses at the Group level, excluding property related expenses, finance costs, income tax expense and foreign exchange gains/(losses).

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022

- (b) The ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

10. Segmented revenue and results for operating segments (of the group) with comparative information for the immediately preceding year.

As at 30 June 2022, the operating segments of the Group comprise the following segments – Hospital Properties, Nursing Home and Care Facility Properties and Medical Centre Units. The Pharmaceutical Product Distributing and Manufacturing Facility was divested on 29 January 2021.

The Group's operations and its identifiable assets are located in Singapore (consisting of Hospital Properties), Japan (consisting of 52 Nursing Home and Care Facility Properties) and Medical Centre Units in Malaysia. Accordingly, no geographical segmental analysis is separately presented.

	Note	1H 2022 S\$'000	1H 2021 S\$'000	Change %
Hospital Properties (Singapore)	(a)	35,557	34,989	1.6
Nursing Home and Care Facility Properties (Japan)	(b)	24,461	24,301	0.7
Pharmaceutical Product Distributing and Manufacturing Facility (Japan)	(c)	-	128	n.m.
Medical Centre Units (Malaysia)	(d)	157	147	6.8
Total gross revenue		60,175	59,565	1.0

	Note	1H 2022 S\$'000	1H 2021 S\$'000	Change %
Hospital Properties (Singapore)	(a)	33,935	33,368	1.7
Nursing Home and Care Facility Properties (Japan)	(b)	22,017	21,887	0.6
Pharmaceutical Product Distributing and Manufacturing Facility (Japan)	(c)	-	121	n.m.
Medical Centre Units (Malaysia)	(d)	84	77	9.1
Total net property income		56,036	55,453	1.1

Note:

- (a) Higher revenue and net property income was driven by the higher rent under the inflation-linked CPI + 1% rental review mechanism.
- (b) Higher revenue was mainly due to the revenue contribution from the nursing home properties acquired in July and December 2021, partially offset by depreciation of the Japanese Yen.
- (c) This property was divested on 29 January 2021.
- (d) The increase in revenue was mainly due to higher rent following the lease renewal with a tenant.

**PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022**

G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 1. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our auditors.

- 2. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not Applicable.

- 3. Review of the performance of the Group**

Summary of Parkway Life REIT's Results for the half year ended 30 June 2022

		1H 2022	1H 2021	Increase/ (Decrease)	
	Note	S\$'000	S\$'000	S\$'000	%
Gross Revenue		60,175	59,565	610	1.0
Net Property Income		56,036	55,453	583	1.1
Distributable Income to Unitholders	(a)	42,696	42,051	645	1.5
Distribution per unit based on Distributable income to Unitholders (cents)	(b)	7.06	6.95	0.11	1.5
Annualised distribution per unit (cents)		14.12	13.90	0.22	1.5
Distribution yield (%), based on - Closing market price of \$4.87 as at 30 June 2022		2.90	2.85		1.5

Note:

- (a) Net of amount retained for capital expenditure on existing properties amounting to \$3.0 million each year.
- (b) In computing the Distribution per Unit ("DPU"), the number of units in issue as at the end of each period is used.

Consolidated Statements of Total Return

1H 2022 Vs 1H 2021

Gross revenue for 1H 2022 has increased by 1.0% year-on-year to \$60.2 million. The increase was due to contribution from three nursing homes acquired in July and December 2021 and higher rent from the Singapore properties. This was partially offset by the loss of income from the divestment of a pharmaceutical product distributing and manufacturing facility in Japan ("P-Life Matsudo") in January 2021 and depreciation of Japanese Yen. Correspondingly, the net property income has increased by 1.1% to \$56.0 million for 1H 2022.

The Manager's management fees for 1H 2022 of \$6.7 million was 7.2% higher than 1H 2021. This was due to higher deposited property value mainly led by significant valuation gains on the existing property portfolio resulted largely from the successful entry into the new master lease agreements and the renewal capital expenditure agreement for its three Singapore hospitals. Further, the Group has registered higher deposited property value from the properties acquired in July and December 2021. This increase is partially offset by the depreciation of Japanese Yen. Higher trust expenses were also registered for 1H 2022 due to higher professional fees incurred during the period.

Of the net foreign exchange movement, the Group had registered a realised foreign exchange gain amounting to about \$1.3 million and \$0.4 million from the settlement of Japanese Yen forward contracts in 1H 2022 and 1H 2021 respectively.

Finance costs have increased mainly due to funding of new acquisitions in 2021, higher interest costs from refinancing activities and Singapore dollar debts partially offset by depreciation of JPY.

As part of revenue recognition, the new 20-year step-up lease arrangement for the 3 Japan nursing home (Palmary Inn) properties was accounted using effective rents since 1 September 2021. This had led to corresponding increase to the investment properties. As property valuation is based on discounted gross cash flows which deviates from financial accounting, the Group removed the impact of gross rent from investment properties accordingly, which resulted in adjustments in the net change in fair value of investment properties. There is no distribution impact arising from the above treatment.

At the reporting date, the Group has outstanding forward exchange contracts with aggregate notional amounts of approximately \$127.0 million. The change in fair value of \$6.6 million gain was charged to the statement of total return.

In 1H 2021, the Group has recognised a gain of approximately \$5.1 million (net of disposal costs and before withholding tax) from the disposal of P-Life Matsudo. Correspondingly, a net withholding tax payable of \$0.9 million imposed on the P-Life Matsudo's disposal gain was also recognised in 1H 2021 income tax expenses.

Overall, annualised DPU for 1H 2022 of 14.12 cents has outperformed by 1.5% or 0.22 cents as compared with 1H 2021's annualised DPU of 13.90 cents.

Consolidated Statements of Financial Position

The overall decrease in loans and borrowings was mainly due to the repayment of long term revolving credit facility and depreciation of the Japanese Yen, partly offset by additional drawdown of short term loans for working capital purposes.

In 1H 2022, the Group has drawn down a 5-year committed and unsecured loan facility to term out the short term loans amounting to JPY7,710 million (approximately \$79.3 million) on its maturity on 15 March 2022.

As at 30 June 2022, the Group classified a fixed rate note of JPY5,000 million (approximately \$51.4 million) as current loans and borrowings due to its maturity in June 2023. The maturing note represents close to 7% of the Group's borrowings.

Notwithstanding the net current liabilities position, based on the Group's existing financial resources, the Group believes that it will be able to refinance its borrowings and meet its current obligations as and when they fall due.

The Aggregate Leverage of the Group as at 30 June 2022 was 32.5% (31 December 2021: 35.4%) of the Group's Deposited Property. This complied with the stipulated Aggregate Leverage limit. The interest coverage ratio (ICR) and adjusted ICR¹ stood at 19.8 times at of 30 June 2022.

¹ As PLife REIT has no hybrid securities as of the reporting date, there is no difference between ICR and Adjusted-ICR.

Consolidated Statement of Cash Flows

Net cash from operating activities has increased in 1H 2022 as compared to 1H 2021. It includes rental income from the nursing homes acquired in July and December 2021 as well as higher rent from the Singapore properties, partially offset by the absence of rental income in relation to the divested property in January 2021.

Net cash outflow on purchase of investment properties (including acquisition related costs) was as follows:

	1H 2022	1H 2021
	S\$'000	S\$'000
Investment properties	-	-
Acquisition related costs	823	214
Net cash outflow/Cash consideration paid	823	214

The acquisition related costs paid in 1H 2022 were in relation to the nursing home properties acquired in July and December 2021.

Net cash used in investing activities as of 1H 2022 mainly relates to the payment of capital expenditure on existing properties.

Net cash used in financing activities in 1H 2022 was mainly related to the payment of distributions to Unitholders and net repayment of borrowings.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not Applicable.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Despite the strong and optimistic start to the year, 2022 saw the global economy entering into what could become a protracted period of geopolitical instability and elevated inflation. Compounding the damage from the COVID-19 pandemic, the Russian invasion of Ukraine has magnified the slowdown in global economy. With renewed outbreaks of COVID-19, lockdowns in China, supply-chain disruptions, persistent inflationary pressures and rising interest rates as monetary tightening persists, the confluence of events are further hampering growth leading to rising risk of stagflation².

In view of the macroeconomic uncertainties and challenges ahead, Parkway Life REIT remains prudent as the Group continues to proactively manage its portfolio and strategically navigate for growth opportunities. The successful entry into the new master lease agreements and the renewal capital expenditure agreement for its three Singapore hospitals as well as a right of first refusal secured for the Mount Elizabeth Novena Hospital Property ensures sustainability of quality income for Parkway Life REIT in the long-term as the Group continues to position itself to ride on the growing healthcare industry in Singapore.

Parkway Life REIT adheres to a disciplined financial management framework to mitigate any potential refinancing risk as well as actively manages any exposure to interest rate and foreign currency risks on an ongoing basis. Having termed out the JPY7,710 million (approximately \$79.3 million) short

² Source: The World Bank, World Development Report 2022, June 2022

term loans via a 5-year committed and unsecured loan facility in March 2022, the Group has effectively managed its debt maturity profile with no immediate long-term refinancing need till June 2023. The Group manages interest rate risk by largely hedging long-term committed borrowings using interest rate hedging financial instruments or issuance of fixed rate notes to strengthen Parkway Life REIT's resilience against potential interest rate hikes. It has increased its proportion of fixed-rate interest bearing borrowings to 82%, from close to 70% as of 31 December 2021, to manage Parkway Life REIT's interest rate risk. To manage foreign currency risk, the Group adopts a natural hedge strategy for its Japanese investments to maintain a stable net asset value and establishing Japanese Yen forward exchange contracts to shield against Japanese Yen currency volatility. As at 30 June 2022, the Group has put in place Japanese Yen forward contracts till 1Q 2027 to manage adverse foreign currency risk pertaining to its Japan portfolio.

Going forward, Parkway Life REIT will continue to focus on driving resilient returns backed by solid financial management. The healthcare industry will remain critically essential in a rapidly aging population with greater demand for better quality healthcare and aged care services. Parkway Life REIT's assets place it in a good position to benefit from the resilient growth of the healthcare industry in the Asia Pacific region.

6. Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: First half year distribution for the period from 1 January 2022 to 30 June 2022

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	4.84
Exempt Income	0.94
Capital Distribution	1.28
Total	7.06

Par value of units: Not meaningful

Tax rate:

Taxable Income Distribution

Qualifying Unitholders and individuals (other than those who hold their units through a partnership in Singapore or from the carrying on of a trade, business or profession) will generally receive pre-tax distributions. Individuals who derive any distribution through a partnership in Singapore or from the carrying on of a trade, business or profession will be taxed at the individual's tax rates.

Qualifying non-resident non-individual Unitholders or foreign funds will receive their distributions after deduction of tax at the rate of 10%.

All other Unitholders will receive their distributions after deduction of tax at the rate of 17%.

Exempt Income Distribution

Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders.

Capital Distribution

Capital distribution represents a return of capital to Unitholders for Singapore tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: First and Second quarter distribution for the period from 1 January 2021 to 31 March 2021 and 1 April 2021 to 30 June 2021, respectively

Distribution Type	Distribution Rate (cents per unit)	
	1 January 2021 to 31 March 2021	1 April 2021 to 30 June 2021
Taxable Income	2.43	2.42
Exempt Income	0.51	0.80
Capital Distribution	0.63	0.16
Total	3.57	3.38

Par value of units: Not meaningful

Tax rate:

Taxable Income Distribution

Qualifying Unitholders and individuals (other than those who hold their units through a partnership in Singapore or from the carrying on of a trade, business or profession) will generally receive pre-tax distributions. Individuals who derive any distribution through a partnership in Singapore or from the carrying on of a trade, business or profession will be taxed at the individual's tax rates.

Qualifying non-resident non-individual Unitholders will receive their distributions after deduction of tax at the rate of 10%.

All other Unitholders will receive their distributions after deduction of tax at the rate of 17%.

Exempt Income Distribution

Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders.

Capital Distribution

Capital distribution represents a return of capital to Unitholders for Singapore tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

(c) Book closure date: 17 August 2022

(d) Date payable: 12 September 2022

- 7. If no distribution has been declared/recommended, a statement to that effect.**

Not Applicable.

- 8. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Parkway Life REIT has not obtained a general mandate from Unitholders for interested parties transactions.

- 9. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Manager hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

- 10. Confirmation pursuant to Rule 705(5) of the Listing Manual**

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of Parkway Trust Management Limited (as Manager of Parkway Life REIT) which may render these unaudited interim financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors of
Parkway Trust Management Limited
(as Manager of Parkway Life REIT)

Yong Yean Chau
Chief Executive Officer and Executive Director

Ho Kian Guan
Chairman and Independent Director

**PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2022**

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 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 the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board
Parkway Trust Management Limited
(as Manager of Parkway Life REIT)
Company Registration No. 200706697Z

Chan Wan Mei
Company Secretary
8 August 2022

This announcement has been prepared and released by Parkway Trust Management Limited, as manager of Parkway Life REIT.

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 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 Parkway Life REIT (the "**Manager**"), 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 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. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.