ParkwayLife REIT

STRONG RESILIENCE SUSTAINABLE GROWTH

ANNUAL REPORT
2023

CORPORATE PROFILE

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 not limited to, hospitals, nursing homes, 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 63 properties with a total portfolio size of approximately S$2.23 billion as at 31 December 2023. 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 59 assets of 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. Managed by Parkway Trust Management Limited, PLife REIT has been listed on the Mainboard of the Singapore Stock Exchange since August 2007.

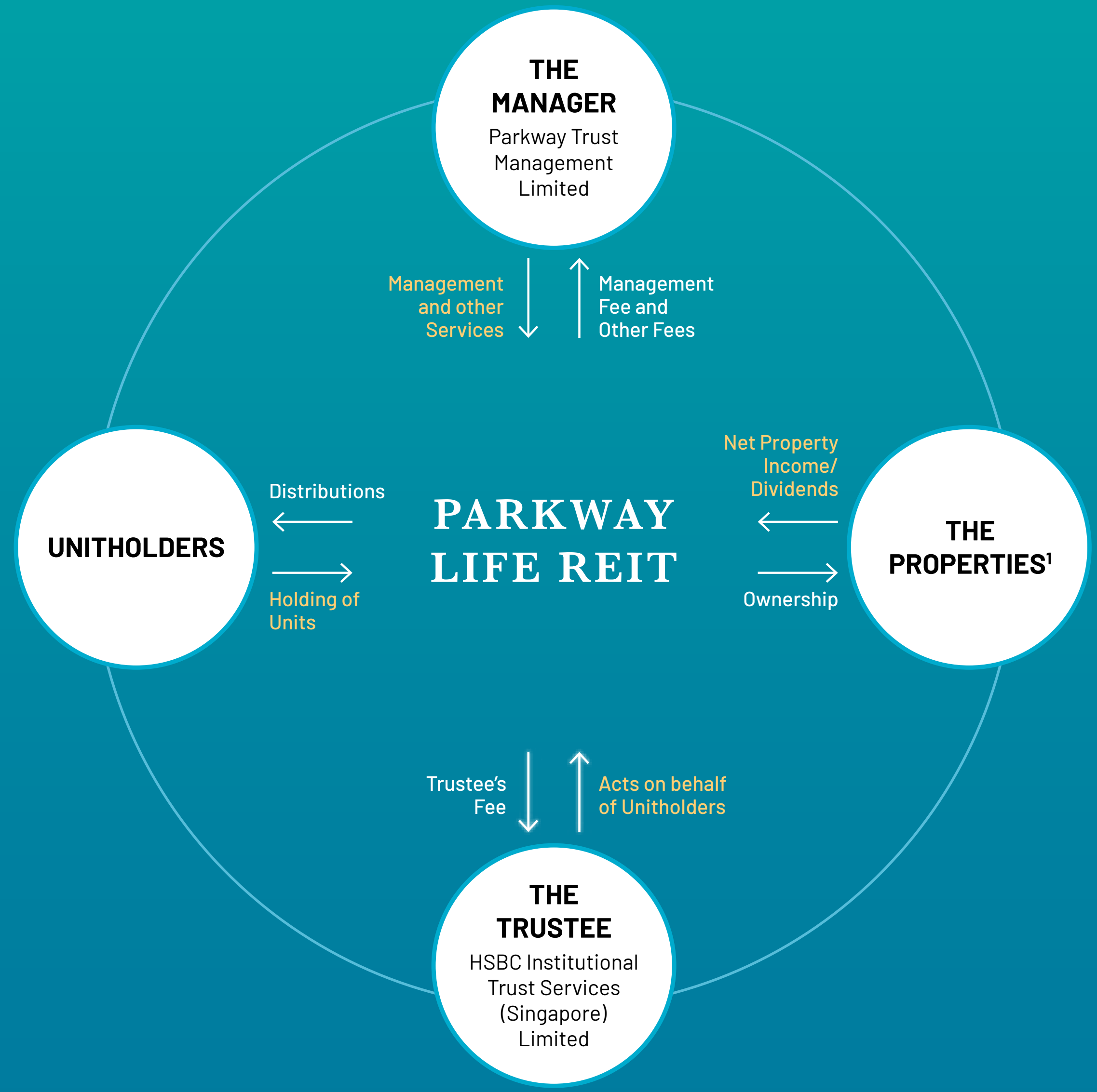
MISSION

To deliver regular and stable distributions and achieve long-term growth for our Unitholders

VISION

To become the leading healthcare REIT and the Partner of Choice for healthcare expansion

TRUST STRUCTURE



1 Refers to the properties acquired by the Trust, whether directly or indirectly held through the ownership of special purpose vehicles. In Singapore, the ownership of the properties is held directly by the Trustee. In Malaysia, the ownership of the properties is held indirectly by the Trustee. In Japan, the ownership of the properties is held through the Tokumei Kumiai ("TK") structure. Under the TK structure, the Trustee will, through its wholly-owned subsidiary incorporated under Singapore laws, enter into TK agreement (or silent partnership agreement) as TK investor ("TK investor") with a company incorporated under Japanese laws known as TK operator ("TK operator"). The TK operator is a company similar to a limited liability company in Singapore whereby the TK investor is only liable to the extent of its contribution to the TK operator. Under the TK agreement, the TK investor shall inject funds to the TK operator and the TK operator will acquire and own the property. Further details of the TK structure are set out in the relevant past announcements.

CONTENTS

SHAPING STRATEGIES

PLife REIT stands as a pillar of strength, fortifying our position as one of the most defensive REITs in Singapore. Backed by a strong track record and steady increase in recurring DPU since IPO.

TOTAL PORTFOLIO VALUE

S$2.23 BILLION

TOTAL NUMBER OF PROPERTIES

63

MESSAGE TO UNITHOLDERS

> PLife REIT continues to thrive due to its unwavering commitment to sound management strategies, portfolio fundamentals and solid financial principles.

DEAR UNITHOLDERS,

The year in review was largely underpinned by global economic uncertainties with escalating inflationary pressures, unprecedented hikes in interest rates and prolonged geopolitical conflicts. Towards the end of 2023, we saw potential relief to the Singapore REIT sector with the halt in interest rate hikes[1] and possible rate cuts by the Federal Reserve in 2024.

Against the challenging macroeconomic backdrop, we believe in the long term growth potential of the healthcare sector especially with the increasing need for better medical care and the growing demand for diverse elderly care facilities.

We remain cautious of the short to medium-term impact and will continue to build in resilience and sustainability in PLife REIT's portfolio.

FORTIFYING RESILIENCE WITH CONTINUOUS GROWTH IN DPU AND PRESERVATION OF CAPITAL

For the financial year ended 31 December 2023 ("FY2023"), PLife REIT recorded a full year Distribution Per Unit ("DPU") of 14.77 Singapore cents. Its DPU increased by 2.7% year-on-year, largely attributed to the higher step-up rental from its Singapore portfolio and additional income from the acquisitions of nursing homes in Japan in 2022 and 2023.

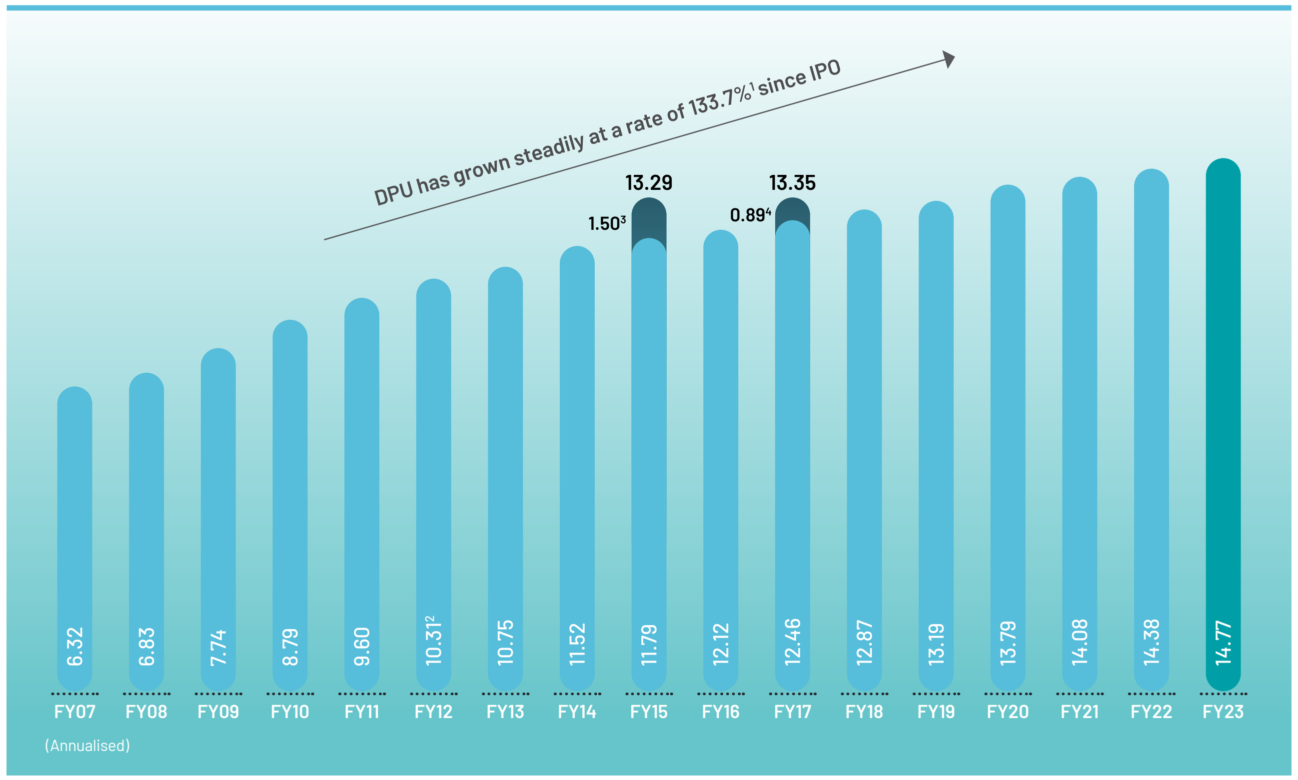
FY2023 gross revenue and NPI increased 13.5% and 14.1% year-on-year respectively. PLife REIT has continuously delivered a DPU growth of 133.7% since its listing in 2007. This track record marks 16 years of uninterrupted growth in recurring DPU. Net Asset Value as of 31 December 2023 stands at \$2.34 per unit, compared to to \$2.33 per unit a year ago.

1 US Fed holds rate steady, signals three cuts ahead in 2024, The Straits Times, December 2023

As a testament of its investment merits in achieving long-term growth and value for Unitholders, PLife REIT has been a component of the FTSE EPRA NAREIT Global Developed Index ("FTSE NAREIT") since September 2020. The FTSE NAREIT index tracks the performance of listed real estate companies and REITs worldwide, enhancing PLife REIT's trading liquidity and visibility to investors and index funds globally.

In November 2023, PLife REIT also clinched the inaugural Singapore Corporate Sustainability Award under the Real Estate Investment Trusts and Business Trusts category from the Securities Investors' Association Singapore (commonly known as SIAS) Investors' Choice Award 2023. This is a recognition to PLife REIT's unwavering commitment to sustainable practices. The award recognises PLife REIT's overall performance in Environmental, Social and Governance ("ESG") aspects of sustainability disclosures and reporting and reflects our holistic approach towards sustainability. Importantly, the award validates and recognises our risk approach to ESG while achieving good business and financial results for the REIT.

UN-INTERRUPTED RECURRING DPU GROWTH SINCE IPO (Cents)



1 Since IPO till FY23
2 Since FY12, S\$3.0 million per annum of amount available for distribution has been retained for capital expenditure
3 One-off divestment gain of 1.50 cents (S\$9.11 million) relating to the divestment of seven Japan assets in December 2014 was equally distributed over the four quarters in FY15
4 One-off divestment gain of 0.89 cents (S\$5.39 million) relating to the divestment of four Japan assets in December 2016 was equally distributed over the four quarters in FY17

MESSAGE TO UNITHOLDERS

SUSTAINABLE GROWTH THROUGH PORTFOLIO ENHANCEMENTS

Asset Enhancement Initiatives through Project Renaissance

PLife REIT embarked on Project Renaissance, a S$350 million collaboration that is jointly funded with IHH Healthcare Singapore. Upon completion, this project will transform Mount Elizabeth Hospital ("MEH") into a modern and integrated multi-service medical hub by 2025 that provides patients with greater convenience and seamless care.

Project Renaissance is part of the lease renewal arrangement for the Singapore Hospitals. PLife REIT will enjoy a guaranteed rental step-up from 2022 to 2025, followed by the annual rental review adjustment formula which will apply for the remaining lease term till 2042.

With a clear rent structure in place, the income from the Singapore Hospitals are secured with 100% committed occupancy over the long-term. As the core revenue contributing assets, the Singapore Hospitals will continue to underpin the organic growth of PLife REIT providing a sustained quality rental income stream for PLife REIT in the long run.

Enhancing Japan presence through new acquisitions and diversification in operators

PLife REIT believes in the potential of the Japan aged care market in light of Japan's ageing population. Since its entry in 2008, PLife REIT has capitalised on its first-mover advantage, adopting a disciplined clustering and partnering approach as it expands its presence.

PLife REIT continued its expansion efforts in the Japan market in 2023, with the acquisition of two nursing homes in the Osaka Pefecture, namely HIBISU Shirokita Koendori and HIBISU Suita, for a total consideration of JPY1,766.4 million (approximately S$16.1 million), bringing the Japan portfolio to 59 properties, with a total asset value of approximately S$717.2 million as at 31 December 2023. The two freehold properties are well-located in residential areas with close proximity to central Osaka City, and have an average balance lease term of 29 years.

The acquisition was funded by JPY debts, providing a natural hedge against foreign exchange risks for the JPY-denominated assets and protecting against potential currency volatility. As part of this transaction, PLife REIT entered into a strategic alliance with an established real estate developer, K.K. FDS, to explore collaborative opportunities for future pipelines of quality assets. PLife REIT is also happy to partner with a new credible operator, K.K. BISCUSS, who has the intention to ramp up their expansion efforts in the region. This emphasis of strategic collaboration with strong partners is part of PLife REIT's on-going strategy to enhance growth, improve competitiveness and building resilience in the Japan portfolio.

With a sizeable portfolio of 59 high quality nursing homes and care facilities across 17 prefectures and a diversified group of nursing home operators, PLife REIT is well-positioned to ride the waves of the silver economy in Japan helmed by the the Manager's deliberate and steady execution since PLife REIT started its foothold in 2008.

PROACTIVE CAPITAL MANAGEMENT

PLife REIT's prudent capital management is evidenced by its healthy aggregate leverage at 35.6%, weighted average all-in cost of debt of 1.27% per annum and an interest coverage ratio of 11.3 times as at 31 December 2023. As interest rates trend upwards and economic and financial risks persist, PLife REIT continues to reinforce its liquidity position and ability to deal with interest rate and foreign exchange rate risks.

During the year, the Manager completed a series of refinancing exercises which effectively managed PLife REIT's debt maturity profile with no immediate long-term debt refinancing needs till March 2025. The Group has also put in place several interest rate swaps in 2023 (including forward-starting swaps) to hedge up to 90% of interest rate exposure by the first quarter of 2024. In addition, the Group has extended its JPY net income hedges for another 2 years till the first quarter of 2029 to manage adverse foreign currency risk pertaining to its Japan portfolio.

> "PLife REIT is well-placed to benefit from the resilient growth of the healthcare industry in the Asia Pacific region."

LOOKING AHEAD

2024 has started on a high interest rate and inflationary environment. Geopolitical tensions pose uncertainty in the recovery of the global economy. With a strong balance sheet, PLife REIT is ready and poised for the right opportunities to further deepen its presence in the healthcare market. The Manager will continue to strengthen PLife REIT's portfolio in Singapore and Japan to enhance the resilience and deliver sustainable returns.

The healthcare industry remains vital in a rapidly ageing population together with an increased need for better quality healthcare and aged care services. PLife REIT is well-placed to benefit from the resilient growth of the healthcare industry in the Asia Pacific region.

ACKNOWLEDGEMENTS

On behalf of the Board, we would like to express our appreciation to our non-executive directors, Dr. Kelvin Loh, Mr. Takeshi Saito, Mr. Joerg Ayrle and Mr. Sim Heng Joo Joe, who have stepped down from the Board during the year. At the same time, we also welcome Dr. Prem Kumar Nair, Mr. Tomo Nagahiro, Dato' Sri Muthanna Bin Abdullah and Dr. Chow Chorng Ann Peter to the Board as Non-Executive Directors. With these changes, the Board remains at eight members, of which three are independent, and 25% representation from female directors.

We are also grateful to our directors for their guidance and thank the management team and all staff for the hard work and dedication in delivering good results for our Unitholders.

Lastly, our sincere gratitude to our Unitholders, business partners and lessees for your on-going support and confidence in PLife REIT.

Ho Kian Guan
Chairman

Yong Yean Chau
Chief Executive Officer and Executive Director

CORPORATE DEVELOPMENT

PROJECT RENAISSANCE – GROUNDBREAKING COLLABORATION WITH SPONSOR OF PLIFE REIT

2023 kicked off with the commencement of "Project Renaissance" – the asset enhancement initiative at Mount Elizabeth Hospital ("MEH"). The S$150 million Renewal Capex Works at MEH is part of the lease renewal arrangement for the Singapore Hospitals which commenced in August 2022. Together with the additional investment contributed by the Sponsor, Project Renaissance is expected to carry out a total capital investment of S$350 million at MEH. Upon completion, this strategic collaboration will transform MEH into a modern and integrated multi-services medical hub with state-of-the-art facilities to improve patient experience.

Post refurbishment, MEH's public-facing areas, such as its drop-off point and lobby, will boost a brand new look. On top of equipment and technology upgrades, future-proofing and significant infrastructure improvements will also be made to the mechanical, electrical and fire protection systems in compliance with the latest building codes and fire safety regulations. Importantly, MEH's clinical assets and back room will be restructured to tend to the needs of patients and staff. Modernisation will be made to the 24-Hour Urgent Care Centre, inpatient and outpatient treatment centres and ward configurations to enhance workflow and overall patient experiences.

The lease renewal of the Singapore Hospitals provides income stability to PLife REIT for the next 20 years. The 100% committed occupancy with a fixed rental step-up from 2022 to 2025, followed by the annual rental review adjustment formula, will allow PLife REIT to enjoy a sustained and defensive rental income stream.

DEEPENING JAPAN'S PRESENCE AND ENHANCING PORTFOLIO VALUE

PLife REIT's business strategy focuses on growth and creating value. Part of this growth trajectory was attributed to the increased number of nursing homes acquired in recent years and higher rental income contributed from the leases renewed for the Singapore Hospitals.

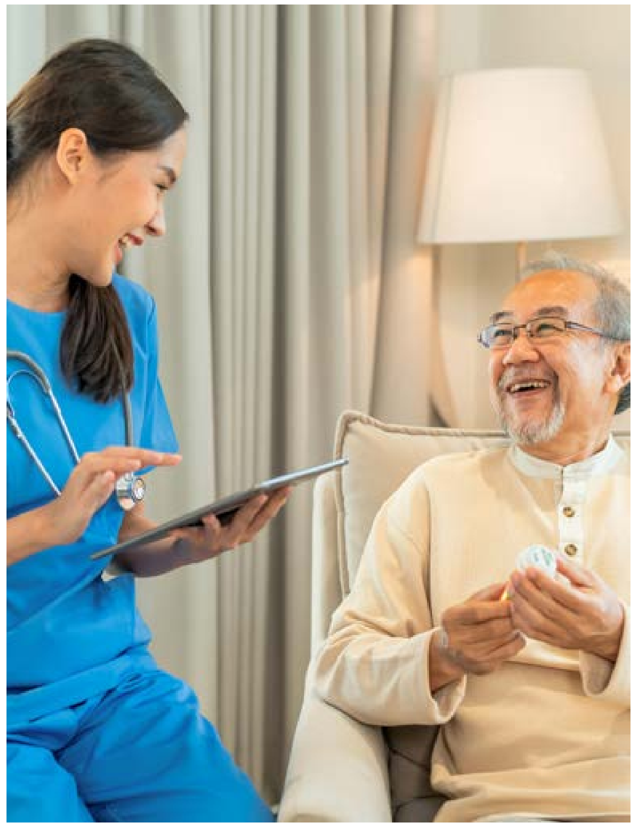
Recognising the strong demand for health and aged care facilities, PLife REIT continued expanding in the Japan market, with the acquisition of two nursing homes in the Osaka Prefecture - HIBISU Shirokita Koendori and HIBISU Suita from K.K. FDS for a total consideration of JPY1,766.4 million (approximately S$16.4 million)[1]. The purchase price is approximately 11.9% below valuation of JPY2,004 million (approximately S$18.6 million)[1].

The two freehold properties are developed by K.K. FDS and completed in 2022 and 2023. The properties are Building-

Wall breaking Ceremony to mark the start of Project Renaissance.

1 Based on the exchange rate of S$1.00:JPY107.76, as at date of acquisition
2 BELS is a third party certification system in Japan that evaluates the energy saving performance of buildings based on the Building Energy Efficiency Act

HIBISU Suita
HIBISU Suita is a freehold, 5-storey nursing home, consisting of 56 units. It is strategically located in the residential neighbourhood of Suita City, Osaka Prefecture. The Property is accessible from Kamishinjo Station and approximately 14 minute drive from Shin-Osaka Station.



Housing Energy-efficiency Labelling System ("BELS")[2] certified and are well-located in residential areas with close proximity to central Osaka City. The properties have an average balance lease term of 29 years and are both operated by K.K. BISCUSS, a reputable nursing and care operator in the Kansai region.The acquisition was fully funded by JPY debts, providing a natural hedge and mitigation against potential currency volatility.

As the portfolio grows, the importance of fostering long-term strategic relationship with strong partners becomes more imminent. This acquisition allows PLife REIT to further entrench in the Japan market and grow alongside with K.K. BISCUSS, a new credible operator for PLife REIT. At the same time, PLife REIT also entered into a strategic alliance with K.K. FDS, to pave the way for future collaborative opportunities in Japan.

PLife REIT has undertaken its 15th Asset Enhancement Initiative ("AEI") to replace the existing lighting system at Maison des Centenaire Hannan with a new energy efficient LED system in June 2023. At a total cost outlay of JPY19.5 million (approximately S$195,000), this project yields a 8% return on investment which is translated to approximately 1.26% rental increase for the enhanced property from 1 August 2023. The AEI at Maison des Centenaire Hannan supports PLife REIT's continuous efforts in increasing value and also driving ESG initiatives in its portfolio of assets.

CORPORATE DEVELOPMENT

DYNAMIC CAPITAL AND PRUDENT FINANCIAL MANAGEMENT TO SUPPORT STRATEGIC GROWTH

Amid the macroeconomic uncertainties and challenges, PLife REIT remains prudent as the Group continues to proactively manage its portfolio and strategically navigate for growth opportunities.

PLife REIT continues to adhere to a disciplined financial management framework to mitigate any potential refinancing risks as well as actively manages any exposure to interest rate and foreign currency risks on an ongoing basis. The Group has completed a series of refinancing exercises in 2023 and effectively managed its debt maturity profile with no immediate long-term debt refinancing needs till March 2025. The Manager has executed several interest rate swaps in 2023 (including forward-starting swaps) and this will increase its proportion of fixed-rate interest bearing borrowings to about 90% by the end of the first quarter of 2024. To manage foreign exchange risks effectively, PLife REIT continues to adopt a natural hedge strategy for its Japanese investments, ensuring stability in Net Asset Value ("NAV"). Additionally, the Group has extended its JPY net income hedges for another 2 years till the first quarter of 2029 to manage adverse foreign currency risk pertaining to its Japan portfolio.

PLife REIT's prudent capital management practices are evident in its financial metrics. To date, PLife REIT sustains a healthy aggregate leverage of 35.6% and a weighted average all-in cost of debt of 1.27%. The high interest coverage ratio of 11.3 times underscores PLife REIT's robust financial positioning and resilience.

Going forward, PLife REIT will continue to focus on driving resilient returns backed by solid financial management.

ACHIEVING SUSTAINABLE EXCELLENCE

PLife REIT was honoured to receive the prestigious Singapore Corporate Sustainability Award from SIAS' Investors' Choice Award 2023. This award is newly introduced by SIAS, and it acknowledges both qualitative and quantitative indicators of success, reinforcing PLife REIT's outstanding performance in the realm of corporate sustainability.

PLife REIT's sustainability journey has been marked by a robust focus on Environmental, Social, and Governance ("ESG") matters. Currently, PLife REIT closely monitors its material factors, with a particular emphasis on environmental aspects. PLife REIT targets to achieve net-zero carbon emissions by 2050 and it is driving this commitment through active engagement with stakeholders and the implementation of capital expenditure emission reduction initiatives.

Whilst PLife REIT's portfolio predominantly involves long-term lease arrangements, placing day-to-day operations in the hands of tenants and operators, PLife REIT continuously engages tenants and operators to promote efficiency and best practices despite limited direct control. Notably, the collaboration with the Sponsor on the MEH project exemplifies PLife REIT's commitment to sustainability, aiming for Green Mark Platinum certification. In Japan, collaboration with asset managers has led to joint efforts with operators in driving sustainability initiatives, such as replacing the existing lighting system with a new energy efficient LED system at Maison des Centenaire Hannan and Sawayaka Kiyota-kan. These endeavours would contribute towards PLife REIT's goal of achieving net-zero carbon emissions by 2050.

PLife REIT's ongoing strategy involves monitoring and managing potential ESG risks and opportunities, ensuring material factors remain relevant. Regular reviews of performance measures and targets align PLife REIT's sustainability initiatives with its mission, vision and values as well as wider national and international sustainability goals. PLife REIT is confident that its ESG efforts will not only enhance corporate performance but also create a positive ripple effect on the wider healthcare supply chain, fostering lasting value for stakeholders.

MARKET REVIEW AND OUTLOOK

MODEST GLOBAL GROWTH AMID MACROECONOMIC UNCERTAINTIES AND GEOPOLITICAL TENSIONS

Despite recovering from the Covid-19 pandemic, global growth is set to be modest moving forward amid the lagged and ongoing effects of tight monetary policy, restrictive financial conditions, and feeble global trade investment. The near-term outlook remains clouded with uncertainty due to heightened geopolitical tensions[1] such as the ongoing Ukraine-Russian and Hamas-Israel wars as well as escalation of the recent conflicts in the Middle East and associated commodity market disruptions. Furthermore, global inflation continues to hover above central bank targets even after almost two years of aggressive monetary tightening by the world's major central banks. Fortunately, there are indications that headline inflation has started to decline in the recent months along with signs that monetary tightening in advanced economies are concluding, fostering increased optimism in the market.

Based on its latest report published in January 2024[2], The International Monetary Fund (IMF) projected global growth to remain at 3.1% in 2024 before rising modestly to 3.2% in 2025. Nevertheless, the projection for global growth in 2024 and 2025 is below the historical annual average of 3.8% from 2000 to 2019, attributable to elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Advanced economies are expected to see growth declining slightly in 2024 before rising in 2025, while emerging markets and developing economies are to experience stable growth through 2024 and 2025, with regional differences.

Although inflation rates have come down globally in recent months and announcements of potential rate cuts[3] in 2024 by the Federal Reserve bode well for the S-REIT sector, trade wars and heightened international tensions, and deepening property sector woes in China and major economies continue to pose uncertainties and challenges to the market.

JAPAN – AGEING SOCIETY THAT DRIVES THE HEALTHCARE AND AGED CARE SECTORS

Contrary to the prevailing trend of contractionary monetary policies implemented by larger economies, Japan maintained low interest rates that bolstered demand amid a weakened Yen[4]. In September 2023, the Bank of Japan announced that short-term interest rates would remain at a negative rate and cap the 10-year Japanese government bond yield around zero[5]. As such, the Japanese Yen's exchange rate has weakened substantially as a result of large interest rate differentials against other advanced economies. With higher import costs and projected weak export growth due to economic challenges faced by its major trading partner, China[6], analysts continue to expect moderate economic recovery in Japan.

Against the dull economic backdrop, Japan's healthcare sector remains resilient due to the strong demand from its rapidly greying population. Currently, more than one in 10 people in Japan are aged 80 and older, and close to a third of its population is aged 65 or older[7]. According to the National Institute of Population and Social Security Research, the elderly ratio in Japan will climb to 35% by 2040 and the country is predicted to have a shortfall of 1 million medical and welfare workers by the same year[8].

Over the years, the Japanese government has laid the groundwork for its currently robust healthcare system, characterised by inclusivity and a strong emphasis on preventive care. For instance, possessing health insurance in Japan is mandatory, ensuring that all citizens have access to affordable healthcare services throughout their lives.

In May 2022, Japan launched a "Global Health Strategy[9]" in preparation for the next crisis based on the lessons learnt from the Covid-19 pandemic. In addition, to address the shortage of healthcare workers, Japan has been recruiting workers from countries such as the Philippines, Vietnam and Indonesia through economic partnership agreements since 2008. The government also established a new Specified Skilled Worker visa category for qualified workers, including nursing and healthcare related professionals, to enhance elder care expertise and bolster the existing system.

1 The impact of international events on supply chains: Embracing geopolitical awareness in today's environment, Forbes, September 2023.
2 World Economic Outlook: Moderating Inflation and Steady Growth Open Path to Soft Landing, IMF, January 2024.
3 US Fed holds rate steady, signals three cuts ahead in 2024, The Straits Times, December 2023.
4 BOJ keeps ultra-loose policy, dovish guidance, yen skids, Reuters, September 2023.
5 Bank of Japan leaves rates unchanged on concerns of 'extremely high uncertainties', CNBC, September 2023.
6 Japan's export growth slows as China, global downturn risks boom, Reuters, November 2023.
7 Japan population: One in 10 people now aged 80 or older, BBC News, September 2023.
8 Japan remains keen supporter of universal health care, Japan Times, May 2023.
9 Global Health in the Post COVID-19 World, Japan International Cooperation Agency (JICA), May 2023.

MARKET REVIEW AND OUTLOOK

Due to Japan's ageing demographic and the consequent concerted efforts and policies implemented by the government over the years, government healthcare expenditure has been increasing. In 2023, Japan's social security budget rose to JPY36.9 trillion[10], driven by increased allocations for pensions, healthcare, long-term care and welfare. The level of investment and focus on Japan's healthcare and care home sectors have instilled confidence and attracted interests from investors, with expectations for continued growth over the forthcoming decades.

With an established portfolio of 59 high quality nursing homes and care facilities across Japan and strategic partnerships with local operators in the aged care sector, PLife REIT is well positioned to leverage on Japan's silver economy.

SINGAPORE – A GLOBALISED HEALTHCARE HUB

Singapore's economy grew by 1.2% in 2023 and is expected to grow by 1% to 3% in 2024[11], driven by the ongoing recovery in the travel and tourism sector, while the decline in manufacturing and trade-related sectors could be nearing an end.

From 2010 to 2019, Singapore's healthcare expenditure had tripled to S$11.3 billion and the Singapore government projected that this figure will increase to approximately S$27 billion by 2030[12]. Its commitment is further underscored by the recent launch of the Healthcare Industry Transformation Map 2025[13]. The scope of initiatives, which ranges from bolstering research and development capabilities to digitisation and upskilling of healthcare professionals, aims to further enhance the healthcare sector.

The ongoing innovation in Singapore's medical sector has significantly improved the overall healthcare infrastructure, particularly capabilities in diagnosis, management and treatment of chronic illnesses. Consequently, this has also driven the growth of medical tourism, drawing visitors from the region in search of state-of-the-art treatment and reinforcing Singapore's position as a global healthcare hub. According to Statista's data, Singapore ranked first for having the best healthcare system in the world in 2023 with a health index score of 86.9[14], followed by Japan and South Korea.

Singapore's strong foundation as a healthcare hub in the region is likely to remain as it strengthens its commitment to providing long-term, quality healthcare. Backed by strong government support and growing private sector interest in healthcare assets, this industry is poised for long-term growth. PLife REIT is well-placed to ride this uptrend, featuring three strategically located world-class private hospitals in its Singapore portfolio.

MALAYSIA – A GROWING HUB FOR MEDICAL TOURISM

The growth trajectory of the Malaysian economy remains on the ascent, registering 3.3% growth in the third quarter of 2023[15]. Its growth has primarily been driven by strong domestic demand and sectors such as services, construction and agriculture.

In particular, inbound tourism has contributed to its growth and the Malaysian Healthcare Travel Council (MHTC) noted that the number of healthcare travelers has nearly returned to pre-pandemic levels[16]. The combination of affordability, quality, location and multilingual convenience contributes to the growth prospects of the medical tourism sector in Malaysia.

The Malaysian government is also committed to solidifying the nation's aspiring status as a medical hub through the implementation of the Malaysian Healthcare Travel Industry Blueprint 2021-2025[17]. In particular, the five-year industry blueprint aims to enhance the country's current healthcare travel ecosystem, strengthen the Malaysia healthcare brand and expand the introduction of Malaysia's healthcare offerings to more targeted markets. MHTC is also focused on providing integrative healthcare packages by securing strategic partnerships with travel operators, hotels and healthcare providers to strengthen Malaysia's position as a premier healthcare destination[18]. With Malaysia's incumbent cabinet reiterating its dedication to reform, Malaysia can expect a major revitalisation of the healthcare industry.

RESURGENCE IN THE SINGAPORE REIT (S-REIT) SECTOR

2023 has proven to be an unexpectedly difficult year for REITs, largely attributable to high and persistent inflation and hike in interest rates, leading to higher finance costs, reduced

10 Annual government budget for social security in Japan from fiscal year 2014 to 2023, by purpose, December 2022.
11 MTI Forecasts GDP Growth, Ministry of Trade and Industry Singapore, 22 November 2023.
12 Addressing Singapore's long-term challenges – where will the money come from?, Channel News Asia, February 2023.
13 Launch of Healthcare Industry Transformation Map 2025, Ministry of Health, July 2023.
14 Health ranking of countries worldwide in 2023, by heath index score, Statista, October 2023.
15 Economic and Financial Developments in Malaysia in the Third Quarter of 2023, Bank Negara Malaysia, November 2023.
16 Malaysia could become South-east Asia's preferred medical tourism destination, The Business Times, September 2023.
17 Malaysian Healthcare Travel Industry Blueprint 2021-2025, Malaysia Healthcare Travel Council, 2023.

property valuations and potentially lower distributions[19]. Additionally, Treasury bills rose beyond 4%, making rates increasingly attractive and prompted investors to reassess the risks linked to REITs, resulting in reduced demand and weaker share prices. The lacklustre performance is further evidenced by an absence of REIT listings on the Singapore Stock Exchange for two consecutive years[20].

Nevertheless, the announcement by the US Federal Reserve that interest rates will not rise has led to a resurgence of S-REITs' unit prices in November 2023[21]. In fact, its subsequent announcement of three potential rate cuts in 2024 has positively influenced the performance of S-REITs.

The benchmark Straits Times Index (STI) registered a return of 4.7%[22] in 2023. Comparatively, the iEdge S-REIT Index rebounded close to 20% in total returns from its lows in end October, and closed the year with total returns at 6.6% in 2023. Overall, specialised S-REITs were the best performing sub-industry with total returns of 19.4%, followed by industrial and healthcare S-REITs at 11.3% and 7.1% respectively[23].

Since its listing in 2007, PLife REIT has diversified its portfolio across the Asia Pacific Region. With targeted long-term and stable leases across its portfolio of 63 properties, it is expected to continue its consistent delivery of sustainable distributions to its Unitholders.

18 Malaysia: a destination for preventive healthcare, LaingBuisson, November 2022.
19 Get Smart: Will High Interest Rates Sink Singapore REITs?, The Smart Investor, December 2023.
20 Listing Ceremonies, SGX, 2023.
21 Is it time to add into S-REITs despite the sector's 7% gain in November, The Edge, December 2023.
22 SGX, 2023.
23 REIT Watch: S-REITs return 6.6% in 2023, Business Times, January 2024.

GROWING STRONGER

We tap into a two-pronged investment strategy to ensure that our portfolio grows in a sustainable manner. This includes the development of win-win partnerships with operators and expanding our footprint in growing healthcare markets.

GROSS REVENUE INCREASED TO

S$147.5 MILLION

NET PROPERTY INCOME

S$139.1 MILLION

BOARD OF DIRECTORS

MR. HO KIAN GUAN

Independent Director and Chairman of the Board of Directors and Member of the Audit and Risk Committee

Age: 78

Appointed on: 21/10/2016

WORK EXPERIENCE

Mr. Ho is the Executive Chairman of Keck Seng (Malaysia) Berhad since 1970 and also of Keck Seng Investments (Hong Kong) Limited since 1979. He was previously a Non-Executive Director of Shangri-la Asia Limited since 1993 and a member of its Audit Committee. He was previously the Director of Parkway Holdings Limited/Parkway Pantai Limited from 1985 to 2013 and was the Chairman of the Tender Committee.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Business Administration and Commerce

PRESENT DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS

- Executive Chairman of Keck Seng Investments (Hong Kong) Limited
- Executive Chairman of Keck Seng (Malaysia) Berhad

PAST DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS HELD OVER THE PRECEDING 3 YEARS

- Non-Executive Director of Shangri-la Asia Limited

DR. JENNIFER LEE GEK CHOO

Independent Director and Chairman of the Nominating and Remuneration Committee and Member of the Audit and Risk Committee

Age: 71

Appointed on: 30/06/2016

WORK EXPERIENCE

Dr. Lee serves on the board of Parkway Trust Management Limited. Dr. Lee was the Chief Executive Officer (CEO) of KK Women's and Children's Hospital from 1991 to 2004. Before joining KK Hospital, she was the Chief Operating Officer of Singapore General Hospital from 1988 to 1991 during the period of its corporatisation, and prior to that served in the Ministry of Health in various portfolios. Her most recent work has been in development of the ageing sector, as Senior Consultant with the Ministry of Health's Ageing Planning Office from 2007 to 2015 and Chairperson of the Agency for Integrated Care from 2009 to 2018.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- MBBS, National University of Singapore
- MBA, National University of Singapore

PRESENT DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS

- Director of Parkway Trust Management Ltd
- Director of Sheares Healthcare India Holdings Pte Ltd

PAST DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS HELD OVER THE PRECEDING 3 YEARS

- Director of The Esplanade Co Ltd

MS. CHEAH SUI LING

Independent Director and Chairman of the Audit and Risk Committee and Member of the Nominating and Remuneration Committee

Age: 52

Appointed on: 24/04/2017

WORK EXPERIENCE

Ms. Cheah serves as Executive Board Chair of privately held ESG startup ecoSPIRITS and sits on the boards of several publicly-listed companies in Singapore. She is also Venture Partner at Wavemaker Partners, a tech-focused venture capital fund dual headquartered in Singapore and Los Angeles.

She previously spent more than 20 years in the investment banking industry. She started her career with Merrill Lynch New York, followed by stints in Singapore and London. Subsequently, she became Executive Director of Investment Banking at JP Morgan Singapore and later served as Co-head of Corporate Finance SEA at BNP Paribas.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- BA, Economics and French, Wellesley College, Massachusetts, USA
- Executive MBA (ongoing), Tsinghua University, PRC

PRESENT DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS

- Executive Board Chair, ecoSPIRITS Pte Ltd
- Independent Non-Executive Director of Pathology Asia Holdings Pte Ltd (also Chairman of Audit Committee)
- Independent Non-Executive Director of TeleChoice International Limited (also Member of Audit Committee)
- Independent Non-Executive Director of M&C REIT Management Limited (also Member of Nominating and Remuneration Committee)
- Independent Non-Executive Director of M&C Business Trust Management Limited
- Venture Partner of Wavemaker Partners

PAST DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS HELD OVER THE PRECEDING 3 YEARS

- Nil

DATO' SRI MUTHANNA BIN ABDULLAH

Non-Executive Director

Age: 64

Appointed on: 17/11/2023

WORK EXPERIENCE

Dato' Sri Muthanna Abdullah is a Barrister of Middle Temple and an Advocate and Solicitor of the High Court of Malaya. He read law at the University of Buckingham, England and was called to the Bar of England and Wales in 1982 and to the Malaysian Bar in 1983. He is a Consultant of Abdullah Chan & Co.

Dato' Sri Muthanna was appointed as the Honorary Consul to Kuala Lumpur of the Republic of San Marino on 30 March 2017.

He is also a Director of IHH Healthcare Berhad, MSM Malaysia Holdings Berhad, MSIG Insurance Malaysia Berhad, Malaysian Life Reinsurance Group Berhad, Kuala Lumpur Business Club and a Trustee of The Habitat Foundation and Yayasan Siti Sapura.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Law, University of Buckingham, England
- Barrister-at-Law, Honourable Society of Middle Temple (England)

PRESENT DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS

- Independent Non-Executive Director of Malaysian Life Reinsurance Group Berhad
- Independent Non-Executive Director of MSM Malaysia Holdings Berhad
- Chairman, Independent Non-Executive Director of MSIG Insurance (Malaysia) Bhd
- Independent Non-Executive Director of IHH Healthcare Berhad

PAST DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS HELD OVER THE PRECEDING 3 YEARS

- Independent Non-Executive Director of Sapura Resources Berhad
- Independent Non-Executive Director of Digital Nasional Berhad
- Independent Non-Executive Director of KPJ Healthcare Berhad
- Independent Non-Executive Director of Malaysia Rating Corporation Berhad

BOARD OF DIRECTORS

DR. PREM KUMAR NAIR

Non-Executive Director and Member of the Nominating and Remuneration Committee

Age: 63

Appointed on: 17/11/2023

WORK EXPERIENCE

Dr. Prem Kumar Nair was appointed Group Chief Executive Officer of IHH Healthcare on 1 October 2023, where he leads a team of more than 65,000 employees to realise IHH's vision to be the world's most trusted healthcare services network.

Dr. Nair sets the strategic direction for the sustainable growth of IHH's global network which today comprises more than 80 hospitals in 10 countries. Guided by its Care. For Good. aspiration, Dr. Nair continues to build on the IHH portfolio of strong and reputable brands including Acibadem, Mount Elizabeth, Prince Court, Gleneagles, Fortis, Pantai and Parkway - to touch lives and transform care globally.

Prior to his Group CEO appointment, he was CEO of IHH Singapore, where he oversaw the operations and management of IHH's business units in the country and played an instrumental role in its strategic business growth and outreach efforts in overseas markets.

Dr. Nair is a physician and healthcare executive with over three decades of experience in both public and private healthcare sectors. He was with Raffles Medical Group for 27 years, where he held concurrent roles as Chief Corporate Officer, and Managing Director for Singapore Healthcare. He is an Adjunct Associate Professor at the National University of Singapore's Saw Swee Hock School of Public Health.

An active community citizen, Dr. Nair was a recipient of the Public Service Medal (Pingat Bakti Masyarakat) and the Public Service Star (Bintang Bakti Masyarakat) at the 2010 and 2022 National Day Awards respectively, for his contributions to the Singapore Prison Service. He is also a Justice of the Peace.

Dr. Nair graduated from the National University of Singapore with a Bachelor of Medicine & Surgery, and a Master of Business Administration (Distinction) from Alliance Manchester Business School.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Medicine & Bachelor of Surgery (MBBS) - National University of Singapore
- Master of Business Administration (Distinction) - Manchester Business School, United Kingdom

PRESENT DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS

- Group Chief Executive Officer, IHH Healthcare Berhad
- Director of Gleneagles Medical Holdings Limited
- Director of Mount Elizabeth Medical Holdings Ltd
- Director of M & P Investments Pte Ltd
- Director of Medi-Rad Associates Ltd
- Director of Parkway Promotions Pte Ltd
- Director of Parkway Laboratory Services Ltd
- Director of Gleneagles Medical Centre Ltd
- Director of Radiology Consultants Pte Ltd
- Director of Shenton Family Medical Clinics Pte Ltd
- Director of Gleneagles Development Pte Ltd
- Director of Gleneagles Pharmacy Pte Ltd
- Director of iXchange Pte Ltd
- Director of Medical Resources International Pte Ltd
- Director of Parkway Shenton Pte Ltd
- Director of Nippon Medical Care Pte Ltd
- Director of Parkway Shenton International Holdings Pte Ltd
- Director of Parkway Hospitals Singapore Pte Ltd
- Director of NorthLight School
- Director of Parkway Investments Pte Ltd
- Director of Parkway College of Nursing & Allied Health Pte Ltd
- Director of Parkway Novena Pte Ltd
- Director of Parkway Irrawaddy Pte Ltd
- Director of Gleneagles JPMC Sdn Bhd
- Director of Gleneagles Management Services Pte Ltd
- Director of Parkway Pantai Limited
- Director of Parkway Holdings Limited
- Director of Parkway Group Healthcare Pte Ltd
- Director of PCH Holding Pte Ltd
- Director of GHK Hospital Limited
- Director of Parkway HK Holdings Limited
- Director of Parkway Medical Services (Hong Kong) Limited
- Director of IHH Financial Services Pte Ltd
- Director of Northern TK Venture Pte Ltd

PAST DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS HELD OVER THE PRECEDING 3 YEARS

- Chief Executive Officer, Singapore of IHH Healthcare Berhad

MR. TOMO NAGAHIRO

Non-Executive Director

Age: 48

Appointed on: 17/11/2023

WORK EXPERIENCE

Mr. Tomo Nagahiro was appointed to the Board of IHH in February 2023. Mr. Nagahiro was an alternate director on the Board of IHH from April 2019 to January 2023.

Mr. Nagahiro has been General Manager of Healthcare Services & Data Business Department in Wellness Business Unit of Mitsui & Co., Ltd (Mitsui), overseeing Mitsui's investment in IHH since April 2019.

He has over 20 years of working experience having served in multiple divisions in Mitsui, spanning from strategic planning, business development and operations management. Preceding his current appointment, he was seconded to MIMS Pte Ltd which is based in Singapore as the Chief Operating Officer from 2015 to 2018.

Prior to this, he was seconded to Parkway Pantai Limited, a wholly-owned subsidiary of IHH, as Assistant Vice President of Strategic Planning and Business Development where he led multiple business development projects from 2013 to 2015.

Mr. Nagahiro holds a Bachelor of Arts in Law from University of Tokyo, Japan; Master of Business Administration from Kellogg School of Management, Northwestern University and is U.S. Certified Public Accountant.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Arts in Law (concentration in Administration Law), The University of Tokyo, Japan
- U.S. Certified Public Accountant – State of Delaware, U.S.A.
- Master of Business Administration, Kellogg School of Management, Northwestern University, U.S.A.

PRESENT DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS

- Chief Executive Officer and Director of MBK Healthcare Management Pte. Ltd.
- Non-Executive Director of IHH Healthcare Berhad
- Non-Executive Director of Fortis Healthcare Limited
- Non-Executive Director of Tomopiia Co., Ltd.

PAST DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS HELD OVER THE PRECEDING 3 YEARS

- General Manager of Strategic Planning Department (Wellness Business Unit), Mitsui & Co., Ltd
- General Manager of Healthcare Services & Data Business Department (Wellness Business Unit), Mitsui & Co., Ltd

BOARD OF DIRECTORS

DR. CHOW CHORNG ANN PETER

Non-Executive Director

Age: 49

Appointed on: 05/12/2023

WORK EXPERIENCE

As the Acting Chief Executive Officer of IHH Singapore from 1 October 2023, Dr. Peter Chow oversees the operations and management of IHH's business units in Singapore, which includes Mount Elizabeth, Mount Elizabeth Novena, Gleneagles and Parkway East hospitals, primary healthcare group Parkway Shenton, Parkway MediCentre, as well as ancillary and education entities such as Parkway Radiology, Parkway Rehab, Parkway Cancer Centre and Parkway College.

Dr. Chow joined IHH in 2018 and was appointed as Chief Executive Officer of Mount Elizabeth Novena Hospital in 2020. Despite challenges from the Covid-19 pandemic, he led the hospital through a period of strategic development and growth, strengthening its position as a regional centre of clinical excellence. In 2022, he was awarded the Public Service Medal (Covid-19) for his healthcare leadership role during the pandemic and for supporting various national pandemic efforts in Singapore.

Dr. Chow has over 20 years of healthcare management experience spanning both public and private sectors in Singapore. Trained as a dental surgeon with the National University of Singapore, he started his career as a dental officer. Subsequently he took on different management roles including quality, training, manpower, as well as managed outpatient clinical services, giving him broad-based experience in healthcare.

Prior to IHH, he was with National Healthcare Group (NHG) during which he assumed various roles including Director of Quality & College, Director of Corporate Development & Communications and Chief Operating Officer of NHG Polyclinics.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- Bachelor of Dental Surgery – National University of Singapore
- Master of Health Science (Management) – University of Sydney, Australia

PRESENT DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS

- Acting Chief Executive Officer, IHH Healthcare Singapore
- Director of Gleneagles Pharmacy Pte Ltd
- Director of Gleneagles JPMC Sdn Bhd
- Director of Parkway Hospitals Singapore Pte Ltd
- Director of Mount Elizabeth Medical Holdings Ltd
- Director of Medi-Rad Associates Ltd
- Director of Parkway Promotions Pte Ltd
- Director of Gleneagles Medical Centre Ltd
- Director of Radiology Consultants Pte Ltd
- Director of Shenton Family Medical Clinics Pte Ltd
- Director of iXchange Pte Ltd
- Director of Parkway Shenton Pte Ltd
- Director of Nippon Medical Care Pte Ltd
- Director of Parkway Shenton International Holdings Pte Ltd
- Director of Parkway Investments Pte Ltd
- Director of Parkway College of Nursing & Allied Health Pte Ltd
- Director of Parkway Novena Pte Ltd
- Director of Parkway Irrawaddy Pte Ltd

PAST DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS HELD OVER THE PRECEDING 3 YEARS

- Chief Executive Officer, Mount Elizabeth Novena Hospital

MR. YONG YEAN CHAU

Chief Executive Officer and Executive Director

Age: 58

Appointed on: 29/01/2009

WORK EXPERIENCE

Mr. Yong is the CEO and Executive Director of Parkway Trust Management Limited, the Manager of PLife REIT.

Since its initial public offering in 2007, Mr. Yong has led the REIT to more than double its asset portfolio value. He was instrumental in ensuring that the REIT consistently delivers value to Unitholders, with Distributions Per Unit growing 133.7% since its IPO and the inclusion of PLife REIT in major indexes further affirming its strong position as one of the largest listed healthcare REITs in Asia.

In 2023, PLife REIT clinched the prestigious Singapore Corporate Sustainability Award 2023 [REITs & Business Trusts Category] at the SIAS Investors' Choice Awards Presentation Ceremony which is supported by the Singapore Exchange and endorsed by esteemed industry organisations and institutions.

The award recognises the REIT's comprehensive performance in environmental, social, and governance (ESG) aspects of sustainability disclosures and reporting, reflecting its holistic approach towards sustainability. Importantly, the award validates and recognises the REIT's risk approach to ESG that has led to PLife REIT's strong market positioning to enhance Unitholder value and transparency in assuring Unitholders of the long-term financial viability and strengths of the Group.

Mr. Yong's deep expertise in finance and corporate strategy is attributed to his prior work experience as the CFO of the Singapore Tourism Board, overseeing its finance and corporate services functions. Prior to that, he was the CFO of Ascendas Pte Ltd (Ascendas). During his tenure with Ascendas, he was seconded to China-Singapore Suzhou Development Ltd and Singapore-Suzhou Township Development Pte Ltd as their CFO in Suzhou, China. Before joining Ascendas, Mr. Yong held other finance and audit positions at Beijing ISS International School, Housing and Development Board and Arthur Andersen.

ACADEMIC AND PROFESSIONAL QUALIFICATIONS

- B.ACC (Hons), Fellow Chartered Accountant of Singapore
- Advanced Management Programme with Harvard Business School

PRESENT DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS

- Independent Director and Audit & Risk Committee Chairman of China-Singapore Suzhou Industrial Park Development Group Co., Ltd

PAST DIRECTORSHIPS OR CHAIRMANSHIP IN LISTED COMPANIES & MAJOR APPOINTMENTS HELD OVER THE PRECEDING 3 YEARS

- Nil

MANAGEMENT TEAM

MR. YONG YEAN CHAU
Chief Executive Officer and Executive Director

(Please see biography under Board of Directors)

MR. LOO HOCK LEONG
Chief Financial Officer

Mr. Loo has 30 years of extensive banking and corporate experience. He currently serves as the Chief Financial Officer and Head of Corporate Services and Investor Relations at Parkway Trust Management Limited, the manager of PLife REIT.

He was previously the Senior Vice President, Corporate Advisory of Global Financial Markets, with DBS Bank Ltd., where he provided advisory services on corporate treasury management to large companies in areas of corporate finance and mergers & acquisitions. He has extensive experience in financial structuring of interest rate and foreign exchange risk management solutions for these clients.

Mr. Loo graduated from the National University of Singapore with a Bachelor of Electrical Engineering (Honours) degree in 1995. In 2000, he obtained a Master of Applied Finance from the Macquarie University with three distinguished awards: Best Overall Performance, Best in Derivatives Valuation and Best in Legal & Tax Risk in Finance. He completed the Advanced Management Programme with Harvard Business School in 2022 and possesses a professional qualification in accounting from ISCA and is a Chartered Accountant with ISCA. He holds the accreditation of Senior Accredited Director by Singapore Institute of Directors ('SID') and is also a GRI Certified Sustainability Professional.

MR. TAN SEAK SZE
Chief Investment Officer

Mr. Tan has more than three decades of work experience mainly in the real estate industry. Currently serving as the Chief Investment Officer, Mr. Tan oversees the investment, asset management and project management functions of the Manager.

Prior to joining the Manager in June 2009, he was the Vice President, Investment of CapitaLand Group overseeing the investment activities of CapitaLand's retail business unit in India. Before this appointment, he worked for two years in the Philippines as the Chief Operating Officer of a business process outsourcing firm. In 2004, he was seconded by Ascendas Pte Ltd to the position of Chief Executive Officer of L&T Infocity-Ascendas Ltd, a developer company of IT complexes in Hyderabad, India. He held various finance and corporate finance positions within the Ascendas Group between 2001 and 2003.

Mr. Tan was with JTC International Pte Ltd from 1994 to 2000 where he held various business development, investment and planning positions. After graduation, Mr. Tan worked as a loan officer with the Corporate Banking Department (Real Estate Division) of DBS Bank from 1991 to 1994.

Mr. Tan holds a Master of Business Administration with High Honours from the University of Chicago, Graduate School of Business and a Bachelor of Arts with Honours in Accounting and Law from the University of Kent at Canterbury, United Kingdom.

MS. TEO CHIN PING
Vice President (Head, Projects)

Ms. Teo has 28 years of extensive experience in architecture design, master planning, project and construction management of projects in Singapore and overseas.

She was previously a Project Manager with Thomson International Health Services Pte Ltd (subsidiary of Thomson Medical Center), Singapore General Hospital and PMLink Pte Ltd. Prior to that, she also worked as a senior architect on a variety of projects with ACP Construction Pte Ltd, ST Architects and Engineers Ptd Ltd. She has extensive experience in design, project management as well as construction management of greenfield and brownfield projects in the health care, residential, education, commercial, industrial and warehouse sectors both in Singapore and Overseas.

Ms. Teo graduated from University of Tasmania, Australia, in 1995 with a Bachelor of Architecture and Bachelor of Environmental Design. She was also awarded the Board of Architects Prize by the Singapore Board of Architects in conjunction with her Diploma in Architectural Technology. She is a Qualified Architect with the Board of Architects, Singapore.

MS. PATRICIA NG
Vice President (Head, Finance)

Ms. Ng brings with her more than two decades of accounting and finance experience in several public listed companies.

Prior to her appointment with the Manager, Ms. Ng has worked in Serial Microelectronics Pte Ltd (a wholly owned subsidiary of Serial System Limited), Raffles Medical Group, Stratech Systems Limited and Watsons Personal Care Stores Pte Ltd. Her experience encompasses financial and management reporting, consolidation, taxation, cash management, budgeting, compliance and risk management functions.

Ms. Ng graduated with the professional qualification from the Association of Chartered Certified Accountants. She is an ASEAN Chartered Professional Accountant and a Chartered Accountant with ISCA. She also holds an Executive Master of Business Administration from The University of Hull Business School, United Kingdom.

MR. WAYNE LEE
Vice President (Head, Investment)

Mr. Lee has 20 years of experience in the real estate and REIT sectors, focusing on business development, valuation, fund management, investment and asset management.

Prior to his appointment with the Manager, he was with Ascendas Property Fund Trustee, the trustee-manager of Ascendas India Trust. His responsibilities included portfolio management, financial modelling, feasibility and due diligence assessment of investment opportunities. He was also involved in the acquisition of aVance Business Hub in Hyderabad and the asset refurbishment of Tech Park Mall in Bangalore.

From 2002 to 2007, he was a Business Development Executive at Wing Tai Holdings Limited and Senior Valuer at Chesterton International Property Consultants Pte Ltd.

Mr. Lee holds a Master of Science (Real Estate) from National University of Singapore and a Bachelor's in Business majoring in Property from University of South Australia. He is also a registered licensed appraiser and member of the Singapore Institute of Surveyor and Valuer.

MANAGEMENT TEAM

MS. ANNIE CHEN

Vice President (Head, Corporate Finance)

Ms. Chen brings with her more than 19 years of accounting experience, with about 14 years in corporate finance and treasury. She oversees the corporate finance function and is instrumental in securing the necessary banks and capital market financing to support the growth of the REIT. She also drives the financial risks management and treasury strategies, in ensuring that the REIT maintains a strong financial position.

Prior to joining the Manager, she was with the Singapore Tourism Board's Finance and Information department.

Ms. Chen graduated with a professional qualification from Association of Chartered Certified Accountants and is a Chartered Accountant with ISCA. She also holds a Bachelor of Science (Applied Accounting) from Oxford Brookes University of United Kingdom as well as a Bachelor of Commerce (IT) from Curtin University of Technology of Australia.

MS. NICOLE CHUA

Vice President (Head, Legal & Compliance/ Strategic Human Resource Management)

Ms. Chua is responsible for legal and compliance matters of the Manager and PLife REIT, as well as matters in relation to strategic human resource management in the area of director and senior management succession planning, corporate and business performance measurement and directors' remuneration review. She has more than 18 years of combined experience as practising lawyer and in-house legal counsel of Singapore listed real estate investment trusts. Before joining the Manager, she was a practising lawyer in the corporate banking and finance practice group at Messrs Zul Rafique & Partners in Kuala Lumpur, Malaysia.

Ms. Chua holds a Bachelor of Law (Honours) degree from Cardiff University of Wales, United Kingdom, and was admitted as an advocate and solicitor of the High Court of Malaya. She also holds a HR Graduate Certification from Singapore Management University.

MS. TAN LING CHER

Vice President (Head, Asset Management)

Ms. Tan has more than 20 years of experience in the real estate and financial services industries. Her experience includes real estate investment, asset management, marketing and real estate trust management.

Prior to her appointment with the Manager, Ms. Tan was the Head, Asset Management with Keppel DC REIT Management Pte. Ltd. where she was responsible for formulating asset strategies and enhancing asset performances. Preceding that, she was with HSBC Institutional Trust Services (Singapore) Limited, leading the REIT trustee servicing team. Before that, she was with the Mapletree Group involved in investment and asset management activities focusing on industrial properties across Asia.

Ms. Tan holds a Bachelor of Science (Real Estate), Second Class Honours (Upper Division) from the National University of Singapore. She is also a Chartered Financial Analyst charterholder since 2004.

MR. SHAWN YAP

Vice President (Head, Special Projects (Asset Management))

Mr. Yap has 20 years of experience in the real estate sector, mainly in real estate asset management, marketing and leasing.

Prior to his appointment at Parkway Trust Management Limited, he was an Asset Manager with CapitaLand Limited. His responsibilities included managing commercial and industrial assets, monitoring and evaluating financial performance of assets, developing and implementing of asset management strategies as well as conducting studies to maximise asset yields. He was also involved in the divestment of CapitaLand's commercial assets, mainly Temasek Tower, Hitachi Tower and Chevron House.

From 2002 to 2004, he was with Singapore Land Authority where he gained considerable experience in marketing, managing and leasing of state properties. He was also involved in the formulation of policy papers.

Mr. Yap graduated from National University of Singapore in 2001 with a Bachelor of Business Administration (Honours) degree, majoring in Finance.

MS. TAN ZHI LEI

Senior Manager (Head, Financial Accounting)

Ms. Tan has over 13 years of accounting and finance experience which includes auditing, consolidation, financial and management reporting. She oversees the financial and management reporting function of the REIT encompassing areas of consolidation, taxation, budgeting, internal controls and risk management.

Throughout her career, she has held positions in several public listed companies, including her appointment with Mapletree North Asia Commercial Trust Management Ltd prior to joining the Manager.

Ms. Tan holds a Bachelor of Accountancy from Nanyang Technological University and is a Chartered Accountant with ISCA.

BLOSSOMING VALUES

With the recovery from the global pandemic making an impact around the world, PLife REIT remains in a strong position to seize new growth opportunities.

DISTRIBUTION PER UNIT

14.77

CENTS

DPU GROWTH SINCE IPO

+133.7%

FINANCIAL HIGHLIGHTS

STRONG, STABLE GROWTH OVER THE YEARS

PLife REIT has consistently performed up to expectations and has successfully delivered yet another year of stable growth. Its robust fundamentals, focused growth strategy and prudent financial management strategies will support sustainable returns for Unitholders.

As at 31 December 2023, PLife REIT owns a resilient portfolio of 63 high-quality healthcare and aged care properties valued at approximately S$2.23 billion[1].

For the Year	Number of Properties	Portfolio Value (S$)[1,2]	Number of Lessees
FY23	**63**	**2.23b**	**34**
FY22	61	2.20b	34
FY21[3]	56	2.29b	32
FY20	54	2.02b	32
FY19	53	1.96b	31
FY18	50	1.86b	28
FY17	49	1.73b	27
FY16[3]	44	1.66b	23
FY15	47	1.64b	25
FY14[3]	41	1.50b	21
FY13	44	1.48b	21
FY12	37	1.43b	21
FY11	33	1.38b	18
FY10	32	1.30b	18
FY09	21	1.15b	14
FY08	13	1.05b	8
FY07	3	0.83b	1

1 Based on latest appraised values (excludes adjustment for the right-of-use assets)
2 Total portfolio value as at 31 December of each year
3 As part of our asset recycling initiatives, we have divested seven Japan nursing homes in FY14, four Japan nursing homes in FY16 and a non-core Japan industrial property in FY21

FINANCIAL PERFORMANCE AT A GLANCE

GROSS REVENUE (S$'000)

FY23	**147,467**
FY22	129,972
FY21	120,705
FY20	120,892
FY19	115,222

NET PROPERTY INCOME (S$'000)

FY23	**139,084**
FY22	121,868
FY21	111,234
FY20	112,528
FY19	108,225

DISTRIBUTABLE INCOME (S$'000)

FY23	**89,341**
FY22	87,004
FY21	85,178
FY20	83,409
FY19	79,822

DISTRIBUTION PER UNIT (SINGAPORE CENTS)

FY23	**14.77**
FY22	14.38
FY21	14.08
FY20	13.79
FY19	13.19

FINANCIAL HIGHLIGHTS

SOUND FUNDAMENTALS

PLife REIT maintains a robust balance sheet which provides greater financial flexibility to explore compelling investment opportunities in line with its mission to deliver regular and stable returns for its Unitholders.

KEY METRICS

(As at 31 December 2023)

- Gearing[1]: **35.6%**
- Total assets: **S$2.3 Billion**
- Weighted average debt term to expiry[2]: **3.9 Years**
- Effective all-in-cost of debt: **1.27%**

DEBT MATURITY PROFILE[2] (S$M)

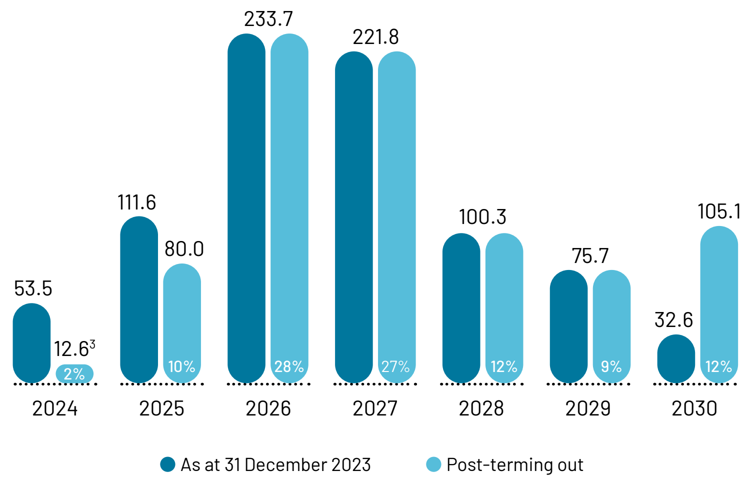
- A well-spread debt maturity profile with no more than 30% of debts due in a single year
- Secured long-term facilities to take out 100% and close to 30% of long-term debts falling due in 2024 and 2025 respectively

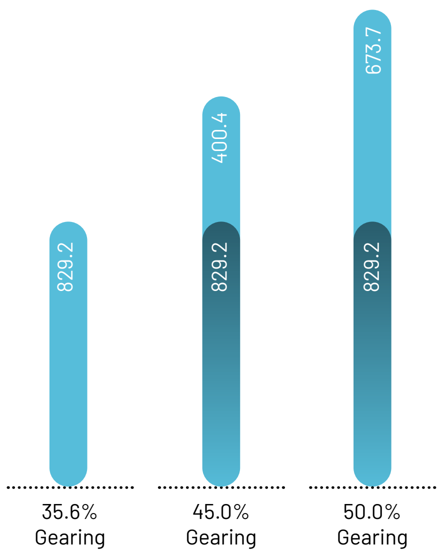
DEBT HEADROOM (ASSET S$'000)

(As at 31 December 2023)

- Healthy gearing[4] of 35.6%
- Ample debt headroom of $400.4 million and $673.7 million before reaching 45% and 50%[5] gearing respectively

PRE & POST TERMING OUT LONG-TERM LOANS DUE IN 2024 & 2025





1 Excludes lease liabilities, if any. For the avoidance of doubt, this does not take into account the amount of loan facilities which have put in place but yet to draw down as at 31 December 2023.
2 Post terming out long-term loans due in 2024 and 2025 via new loan facilities (inclusive of 2 new loan facilities secured in January 2024).
3 As at 31 December 2023, short term loan amounted to JPY1.359b ($12.6m) was drawn down for capital expenditure and working capital purposes.
4 Total Debts (exclude lease liabilities, if any) before transaction costs ÷ Total Assets.
5 With effect from 1 January 2022, the gearing limit for S-REITs shall be 45% and 50% for adjusted-ICR of below 2.5x or at least 2.5x respectively.

SIGNIFICANT EVENTS

3rd January 2023
COMMENCEMENT OF MAJOR REFURBISHMENT AND UPGRADING WORKS AT MOUNT ELIZABETH HOSPITAL
"Project Renaissance", the expansive S$350 million project will span across three years and will carry out significant retrofit and rejuvenation at the MEH's landmark facility along Orchard Road, Singapore. The extensive refurbishment works would enable the transformation of the medical institution into a modern and integrated multiservice hub that provides patients with greater convenience and seamless care. The project will allow both PLife REIT and IHH Heathcare Singapore to remain competitive and ride the growth potential of Singapore's healthcare industry.

6th June 2023
REDEMPTION AND CANCELLATION OF THE JPY2,000,000,000 0.57% SENIOR UNSECURED FIXED RATE NOTES DUE 2023
The Notes were redeemed and cancelled upon maturity date and termed out using the remaining proceeds from the notes issuance in December 2022 which reflects PLife REIT's commitment to manage debt obligations effectively and underscores PLife REIT's financial stability and prudent financial management practices.

26th July 2023
PLIFE REIT'S 1H2023 DPU CONTINUED TO GROW
Announced DPU of 7.29 Singapore cents for 1H2023, representing year-on-year growth of 3.3% mainly driven by contribution from five nursing homes acquired in September 2022 and higher rent from the Singapore properties under the new master lease agreements which commenced in August 2022.

21st June 2023
ASSET ENHANCEMENT INITIATIVE FOR MAISON DES CENTENAIRE HANNAN
Entered into an Asset Enhancement Initiative ("AEI) MOU with Miyako Enterprise involving the replacement of the existing lighting system at Maison des Centenaire Hannan with a new energy efficient LED system at a total cost outlay of JPY19.5 million (approximately S$195,000). At an agreed ROI of 8%, the rental at the enhanced property will increase by approximately 1.26% per month from 1 August 2023 till the end of the lease term. The AEI at Maison des Centenaire Hannan supports PLife REIT's efforts in driving ESG initiatives for its asset portfolio and is PLife REIT's 15th Japan property AEI rolled out to-date.

28th August 2023
ISSUE OF SERIES 008 NOTES PURSUANT TO S$500 MILLION MULTICURRENCY DEBT ISSUANCE PROGRAMME, REPURCHASE AND CANCELLATION OF SERIES 004 NOTES
PLife REIT successfully issued its 2nd 7-year notes, following the inaugural issuance in December 2022. These Japanese Yen-denominated notes also served as a natural hedge for PLife REIT's Japanese assets, reducing the exposure to foreign exchange risks and allowing PLife REIT to maintain a healthy and well-spread debt maturity profile to 2030.

27th October 2023
COMPLETION OF THE ACQUISITION OF TWO NURSING HOMES LOCATED IN JAPAN
PLife REIT completed the acquisition of two nursing homes in Osaka, Japan for a consideration of JPY1,766.4 million (approximately S$16.1 million). The properties were acquired at approximately 11.9% below valuation. Through the acquisition, PLife REIT has on-board a new credible operator (K.K. BISCUSS) with proven track record for long-term partnership and improved the tenant diversification in Japan. PLife REIT's presence in Japan is enlarged with 59 assets consisting of high-quality nursing home and care facility properties in various prefectures of Japan.

8th November 2023
ACHIEVING SUSTAINABLE EXCELLENCE IN 2023 (SIAS' AWARD)
PLife REIT was honoured to receive the prestigious SIAS' Singapore Corporate Sustainability Award in the Real Estate Investment Trusts and Business Trusts category. SIAS, together with NUS School of Business, Centre for Governance and Sustainability have developed an investor-centric research to recognise companies that have achieved higher levels of corporate sustainability performance while achieving good business and financial results.

1st February 2024
PLIFE REIT SUSTAINS UNINTERRUPTED RECURRING DPU GROWTH IN FY2023
Announced full year DPU of 14.77 Singapore cents for FY2023, representing year-on-year growth of 2.7%, driven by growth from its recurring operations and acquisitions. This marked 16 years of uninterrupted recurring DPU growth since IPO.

FINANCIAL REVIEW

RESILIENCE AMIDST UNCERTAINTY

In 2023, the financial markets, particularly the S-REIT sector, experienced a decline in distributions due to escalating interest rates by the Federal Reserve to curb record-high inflation levels. Consequently, equity markets began to underperform, with benchmark indexes such as the STI and S-REIT Index experiencing price declines. PLife REIT was no exception, with its unit price moving in tandem with the wider market as investors maintained a cautious stance amid wide-ranging uncertainties. Nonetheless, the Group continued to deliver strong growth and earnings in 2023. Distribution per Unit ("DPU") of 14.77 cents rose 2.7% as compared to 14.38 cents in 2022 , extending its track record of un-interrupted recurring DPU growth since its listing in 2007.

SUSTAINED FINANCIAL PERFORMANCE

2023 gross revenue increased by 13.5% year-on-year to S$147.5 million. This increase was due to contributions from five nursing homes acquired in September 2022, two nursing homes acquired in October 2023 and higher rent from the Singapore properties under the master lease agreements which commenced in August 2022. This was partially offset by the depreciation of the Japanese Yen ("JPY") during the year. Correspondingly, the net property income has increased by 14.1% to S$139.1 million for 2023.

The Manager's management fees for 2023 of S$13.2 million was 6.6% higher than 2022, largely due to higher net property income. In addition, the Group registered an increase in deposited property value and net property income from the properties acquired in 2022 and 2023, partially offset by the depreciation of JPY.

With a sizable Japanese portfolio of 59 assets contributing about 30% of the Group's revenue, it is paramount that the Manager mitigates the Group's exposure to foreign currency risks. Throughout 2023, the JPY continued to depreciate[1] as the Bank of Japan sustained its long-standing policy of quantitative easing[2]. However, PLife REIT's prudent implementation of risk management measures have mitigated potentially adverse repercussions as a result of the persistent depreciation of JPY. In the reporting year, the Group registered a realised foreign exchange gain amounting to about S$7.8 million from the settlement of JPY forward exchange contracts. As at 31 December 2023, the Group also extended its JPY net income hedges for another 2 years till the first quarter of 2029, providing an effective shield against foreign exchange volatility.

Finance costs increased due to funding of capital expenditure and new acquisitions in 2022 and 2023, with higher interest costs from Singapore dollar debts partially offset by depreciation from JPY.

PLife REIT's total operating expenses[3] for the year were S$36.7 million, which represented 2.6% of PLife REIT's net asset value as at the end of the financial year. Tax incurred for the year was S$7.8 million. Overall, total distributable income for Unitholders for 2023 increased 2.7% year-on-year to S$89.3 million. DPU in 2023 stood at 14.77 Singapore cents, registering a steady growth of 133.7% since IPO.

BOLSTERED BY A ROBUST BALANCE SHEET

PLife REIT's diligent adherence to a disciplined financial framework has safeguarded its strong financial performance amidst macroeconomic uncertainties. The REIT is proactive in mitigating exposure to interest rates and foreign currency risks on a regular basis. The REIT also reined in potential refinancing risks ahead of its financial liabilities' contractual maturities. In 2023, PLife REIT secured several long-term facilities to finance the renewal capex works at Mount Elizabeth Hospital, pre-emptively refinance the maturing loans due in 2024 and 2025, as well as term out the short-term loan drawn down for Japan acquisitions. The Group effectively managed its debt maturity profile with no immediate long-term debt refinancing need till March 2025.

HEALTHY LEVERAGE

PLife REIT's current adjusted-interest cover ratio ("ICR") of 11.3 times[4] is well above the regulatory ICR requirement of 2.5 times which allows the REIT to increase its leverage beyond the current limit of 45% (up to 50%). However, PLife REIT adopts prudent financial risk management by aiming to keep its gearing ratio not more than 45% so as to withstand any unforeseen economic downturns or inadvertent business scenarios that may arise.

With a healthy gearing of 35.6%, PLife REIT continues to deliver sustainable returns from a stable financial position. The depreciation of the JPY resulted in an overall decrease in JPY loans, resulting in marginal improvement in gearing this year. As at 31 December 2023, the Group has a sizable debt headroom of S$400.4 million and S$673.7 million before reaching 45% and 50% gearing respectively. Its stable gearing level and sufficient debt headroom equips PLife REIT with the flexibility to capitalise on potential investment opportunities for growth.

Interest rates continued to rise rapidly in 2023 as a result of rate hikes[5] initiated by the Federal Reserve to combat inflation. Amid the challenging operating environment, PLife REIT continued to adhere to a disciplined financial management framework to actively manage any exposure to interest rate and foreign currency risks on an ongoing basis. During the year, the Group successfully issued its 2nd 7-year JPY3.5 billion notes at an attractive coupon of 1.28% per annum to term out an existing fixed rate note ahead of its maturity and executed several interest rate swaps (including forward-starting swaps). With close to 90% of its interest rate exposure hedged by end of the first quarter of 2024, PLife REIT remains well-insulated from the interest rate vulnerabilities. Additionally, the Group has extended its JPY net income hedges for another 2 years till the first quarter of 2029 to manage adverse foreign currency risk pertaining to its Japan portfolio. Currently, its effective all-in cost of debt stood at 1.27% as at 31 December 2023, one of the lowest cost of debt amongst all S-REITs.

CASH POSITION

PLife REIT remained in a net cash position with cash and cash equivalent for the year standing at S$28.5 million in 2023 compared to S$40.0 million a year ago.

For the year under review, net cash from operating activities increased in comparison to 2022 due to higher rental income from nursing homes acquired in September 2022 and October 2023 as well as higher rent from the Singapore properties. The net cash used in investing activities included payment of capital expenditure on existing properties and the renewal capex works for Mount Elizabeth Hospital. The net cash used in financing activities was primarily related to the payment of distributions to unitholders and repayment of fixed rate note, partially offset by the drawdown of loan facilities to finance the property acquisitions in October 2023, capital expenditure and working capital.

ASSET VALUATION

With the acquisition of two nursing homes in the Osaka Prefecture, the Group has an enlarged portfolio of 63 quality healthcare and healthcare-related properties in Singapore, Japan and Malaysia. Including the new acquisitions, PLife REIT's portfolio valuation has increased 1.1% to approximately S$2.2 billion, primarily due to the valuation gain on its property portfolio, offset by the continued depreciation of the JPY. Stripping off the impact from straight-line rental adjustments and amortisation of right-of-use assets amounting to S$27.0 million, a fair value gain of S$15.8 million was recognised in the Statements of Total Return, representing a gain of 0.7% in the total portfolio value. This was largely contributed by the fixed rent increase for the Singapore hospitals.

Net Asset Value ("NAV") as at 31 December 2023 was S$2.34 per unit as compared to S$2.33 per unit in 2022. With PLife REIT's unit price closing at S$3.67 at end of the year, it has achieved a 56.8% premium to its NAV.

1 Top forecaster sees yen tumbling to 30-year low in 2024, The Straits Times, October 2023
2 Statement on Monetary Policy, Bank of Japan, October 2023
3 Made up of property expenses, management fees, trust expenses and finance costs
4 Applicable to Adjusted-ICR as prescribed under the MAS' Property Funds Appendix. PLife REIT has no hybrid securities as of reporting date

5 US Fed holds rate steady, signals three cuts ahead in 2024, The Straits Times, December 2023

PORTFOLIO HIGHLIGHTS

Given the specialised nature of healthcare assets, the Group recognises the importance of working with credible operators and building strong landlord-lessee relationships. A big part of the Group's success is due to the close partnerships it has fostered with operators, who are long-standing local partners with deep knowledge in their respective markets.

As part of PLife REIT's initiative to drive organic growth, it engages in proactive asset management to maximise portfolio performance. The Group works in close collaboration with its lessees to assess asset enhancement opportunities in order to enhance the revenue-generating ability of its properties. Such strategic collaborative arrangements serve to benefit all parties and promote greater revenue sustainability for PLife REIT.

REVENUE STABILITY WITH DEFENSIVE LONG-TERM MASTER LEASE STRUCTURES[4]

TOP 10 TENANTS

	Tenant[5]	%
1	Parkway Hospitals Singapore Pte. Ltd.	62.6
2	K.K. Sawayaka Club	6.1
3	K.K. Habitation	5.5
4	Fuyo Shoji Kabushiki Kaisha	2.4
5	K.K. AlphaBetta	2.2
6	Miyako Enterprise Co., Ltd.	1.9
7	Riei K.K.	1.6
8	Medical Corporation Kenkou Choju-kai	1.5
9	Japan Amenity Life Association	1.4
10	Blue Care K.K.	1.4

LEASE EXPIRY PROFILE FOR THE NEXT 5 YEARS

(By % of Portfolio Revenue)

KEY PORTFOLIO STATISTICS[1]

NUMBER OF PROPERTIES
63

NUMBER OF LESSEES
34

APPRAISED VALUE[2]
S$2.23 BILLION

WEIGHTED AVERAGE LEASE TERM TO EXPIRY *(by gross revenue)*
16.34 YEARS

DOWNSIDE/PROTECTION[3] *(gross revenue)*
98.5%

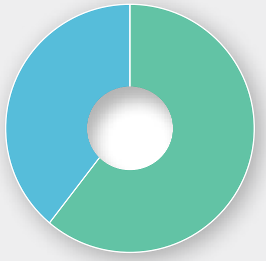
CPI-LINKED REVISION FORMULAE *(by gross revenue)*
62.6%

LEASES WITH RENT REVIEW PROVISION *(BY NLA)*
97.2%

1 As at 31 December 2023
2 Based on latest appraised values as at 31 December 2023 (excludes adjustment for the right-of-use assets)
3 Based on existing lease agreements and subject to applicable laws
4 Based on gross revenue as at 31 December 2023
5 Based on legal entity of the contractual party of the leases

PORTFOLIO DIVERSIFICATION[6]

By Asset Class



HOSPITALS AND MEDICAL CENTRES
67.8%

NURSING HOMES
32.2%

Singapore
67.6%

Portfolio of three strategically located world-class local private hospitals worth
S$1.51 Billion

Distinct Features of our Singapore Hospital Properties

Long-term Master Leases with Parkway Hospitals Singapore Pte. Ltd.
- Renewal term of 20.4 years from 23 August 2022 to 31 December 2042. Option to renew for a further term of 10 years
- c.f. average industry lease period of 3-5 years
- 100% committed occupancy

Triple Net Lease Arrangement
- PLife REIT does not bear these costs: property tax, property insurance[7], property operating expense
- Not affected by inflation-related escalating expenses

Favourable Lease Structure

Renewal Term of 20.4 years:
- Rents are guaranteed to increase from 23 August 2022 till FY2025 with 2.0% and 3.0% step-up in rent for the interim Period and the Downtime Period from preceding year/period respectively
- Annual Rent Review Formula shall be applicable for FY2026[8] to FY2042

Japan
32.2%

Portfolio of 59 high quality nursing home properties worth
S$717.2 Million

Distinct Features of our Japan Properties

Well-diversified across 17 Prefectures
- Nursing Home Properties strategically located in dense residential districts in major cities
- Comply with strict seismic safety standards and covered by earthquake insurance on a country-wide consolidated basis

Unique Lease Features
- Long term lease structure with weighted average lease term to expiry of 11.92 years
- Approximately 98.5% of revenue from Japan portfolio is downside-protected[9]
- Security Deposits at an average of 4 months of gross rental are secured for all properties
- Back-up operator arrangement for most of our Japan properties
- Rental Guarantee[10] provided for most properties
- 100% committed occupancy

Malaysia
0.2%

Strata units at MOB Specialist Clinics, worth
S$5.7 Million

Distinct Features of our Malaysia Properties

MOB Specialist Clinics[11] is well known in Kuala Lumpur for providing quality medical care.

PLife REIT owns approximately 23.1% of total share value of the freehold development.

Major tenants include Gleneagles Hospital Kuala Lumpur[12] (a branch of Pantai Medical Centre Sdn. Bhd.), Excel Event Networks Sdn. Bhd. and KL Stroke & Neuro Clinic Sdn. Bhd.

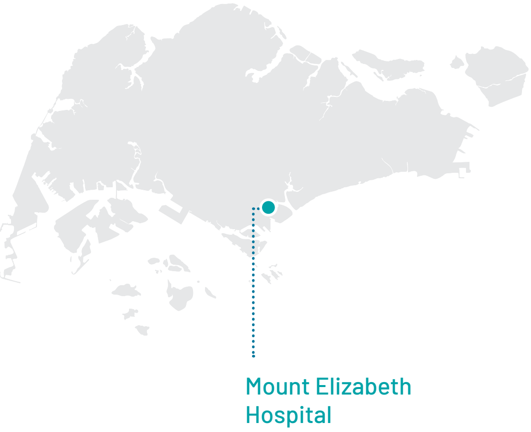
6 Based on asset value as at 31 December 2023
7 Except property damage insurance for Parkway East Hospital
8 The annual rent review formula for FY2026 is based on the higher of (1+(CPI+1%) X Initial Rent of S$97.2 million) or (Base Rent + Variable Rent)
9 Based on existing lease agreements and subject to applicable laws
10 Vendors providing rental guarantees include K.K. Bonheure, K.K. Uchiyama Holdings, Miyako Kenkoukai, K.K. Excellent Care System , K.K. Habitation, K.K. Living Platform and Biscuss Holdings K.K.
11 Formerly known as Gleneagles Intan Medical Centre Kuala Lumpur
12 Formerly known as Gleneagles Kuala Lumpur

PROPERTY PORTFOLIO

– OUR PROPERTIES

SINGAPORE

3 Properties
118,136 sq m NLA



Property	MOUNT ELIZABETH HOSPITAL
Land Tenure	Leasehold of 67 years from 23 August 2007
Floor Area (sq m)[1]	58,139
Number of Beds	345
Number of Strata Units	232, of which 30 are owned by PLife REIT
Number of Car Park Lots	363
Number of Storeys	Hospital Building: 10-storey block and a 5-storey block Medical Centre: 17-storey medical and retail block (All blocks are linked by a common podium with basement car park)
Year of Completion	Hospital Building: 1979 Medical Centre: 1979 and 1992
Name of Lessee (s)	Parkway Hospitals Singapore Pte Ltd
Committed Occupancy[2]	100%
Gross Revenue (2023)[7]	S$42.62 million
Gross Revenue (2022)	S$44.41 million
Purchase Price	S$524.43 million
Year of Purchase	2007
Appraised Value (as at 31 December 2023)	S$897.00 million[6]
Name of Appraiser(s)	Knight Frank Pte. Ltd.

Property	GLENEAGLES HOSPITAL
Land Tenure	Leasehold of 75 years from 23 August 2007
Floor Area (sq m)[1]	49,003
Number of Beds	257
Number of Strata Units	164, of which 10 are owned by PLife REIT
Number of Car Park Lots	402, of which 121 are owned by PLife REIT
Number of Storeys	Hospital Building: 10-storey block with 2 basements and a 5-storey annex block Medical Centre: 10-storey block with 3 basements
Year of Completion	Hospital Building: 1991 and 1993 Annex Block: 1979 Medical Centre: 1991 and 1993
Name of Lessee (s)	Parkway Hospitals Singapore Pte Ltd
Committed Occupancy[2]	100%
Gross Revenue (2023)[7]	S$27.80 million
Gross Revenue (2022)	S$23.14 million
Purchase Price	S$216.00 million
Year of Purchase	2007
Appraised Value (as at 31 December 2023)	S$512.00 million[6]
Name of Appraiser(s)	Knight Frank Pte. Ltd.

1 Based on gross floor area for Parkway East Hospital; strata areas owned by PLife REIT for Mount Elizabeth Hospital, Gleneagles Hospital and MOB Specialist Clinics, Kuala Lumpur
2 Committed occupancy of each property for Year 2022 and 2023 remain unchanged
3 Based on the exchange rate at point of acquisition
4 Based on the exchange rate of S$1.00:RM3.51

Property	PARKWAY EAST HOSPITAL
Land Tenure	Leasehold of 75 years from 23 August 2007
Floor Area (sq m)[1]	10,994
Number of Beds	143
Number of Strata Units	–
Number of Car Park Lots	75
Number of Storeys	Hospital Building: 4-storey block Medical Centre: 5-storey block (1st and 5th storey of the medical centre are linked to the 1st and 4th storey of the hospital block)
Year of Completion	Hospital Building: 1982 Medical Centre: 1987
Name of Lessee (s)	Parkway Hospitals Singapore Pte Ltd
Committed Occupancy[2]	100%
Gross Revenue (2023)[7]	S$4.73 million
Gross Revenue (2022)	S$4.61 million
Purchase Price	S$34.19 million
Year of Purchase	2007
Appraised Value (as at 31 December 2023)	S$97.00 million
Name of Appraiser(s)	Knight Frank Pte. Ltd.

MALAYSIA

1 Property
2,444 sq m NLA

Property	MOB SPECIALIST CLINICS, KUALA LUMPUR[5]
Land Tenure	Freehold
Floor Area (sq m)[1]	2,444
Number of Beds	–
Number of Strata Units	–
Number of Car Park Lots	69
Number of Storeys	Medical Centre: 8-storey block (PLife REIT owns approximately 23.1% of total share value of the building comprising three ground floor units, three medical consulting suites units at 2nd and 7th floors, the entire 8th floor and 69 car park lots)
Year of Completion	1999
Name of Lessee (s)	- Excel Event Networks Sdn. Bhd. - Gleneagles Hospital Kuala Lumpur (A Branch of Pantai Medical Centre Sdn. Bhd.) - KL Stroke & Neuro Clinic Sdn. Bhd.
Committed Occupancy[2]	31% (excluding car park)
Gross Revenue (2023)[8]	RM0.64 million
Gross Revenue (2022)[8]	RM0.62 million
Purchase Price[3]	RM16.00 million (S$6.38 million)
Year of Purchase	2012
Appraised Value[4] (as at 31 December 2023)	RM20.09 million[6] (S$5.72 million)
Name of Appraiser(s)	Nawawi Tie Leung Property Consultants Sdn. Bhd.

5 Formerly known as Gleneagles Intan Medical Centre
6 As at 31 December 2023, the property recorded depreciation on revaluation against corresponding value as at 31 December 2022
7 Based on Lessor's letter to Lessee - Parkway Hospitals Singapore Pte Ltd
8 Excluding car park income

PROPERTY PORTFOLIO

– OUR PROPERTIES

JAPAN

1 FUKUOKA
- Hapine Fukuoka Noke
- Sawayaka Obatake Ichibankan
- Sawayaka Obatake Nibankan
- Sawayaka Shinmojikan
- Sawayaka Nogatakan
- Sawayaka Fukufukukan
- Sawayaka Mekari Nibankan
- Sawayaka Kiyotakan
- Habitation Jyosui
- Habitation Hakata I, II, III
- Will-Mark Kashiihama

2 YAMAGUCHI
- Kikuya Warakuen
- Sanko
- Haru No Sato

3 EHIME
- Sawayaka Niihamakan

4 OKAYAMA
- Sompo no Ie Nakasyo

5 HYOGO
- More Habitation Akashi
- More Habitation Suma Rikyu
- More Habitation Kobe Kitano

6 OSAKA
- Fiore Senior Residence Hirakata
- Maison des Centenaire Ishizugawa
- Maison des Centenaire Haruki
- Iyashi no Takatsuki Kan
- Happy Life Toyonaka
- Maison des Centenaire Hannan
- Maison des Centenaire Ohhama
- Sunhill Miyako
- HIBISU Shirokita Koendori
- HIBISU Suita

7 WAKAYAMA
- Orange no Sato

8 MIE
- Sawayaka Seaside Toba

9 GIFU
- Hodaka no Niwa

10 AICHI
- Excellent Tenpaku Garden Hills

11 KANAGAWA
- Bon Sejour Yokohama Shin-Yamashita
- Hanadama no Ie Nakahara
- Ocean View Shonan Arasaki

12 NIIGATA
- Sawayaka Minatokan

13 SAITAMA
- Smiling Home Medis Musashi Urawa
- Smiling Home Medis Koshigaya Gamo
- As Heim Nakaurawa
- Konosu Nursing Home Kyoseien

14 AKITA
- Sawayaka Sakurakan

15 TOKYO
- Crea Adachi
- Assisted Living Edogawa

16 CHIBA
- Senior Chonaikai Makuhari Kan
- Habitation Wakaba
- Habitation Hakusho
- Group Home Hakusho
- Habitation Kamagaya
- Habitation Kisarazu Ichiban-kan
- Assisted Living Toke

17 HOKKAIDO
- Sawayaka Higashikagurakan
- Liverari Shiroishi Hana Ichigo-kan
- Liverari Shiroishi Hana Nigo-kan
- Sunny Spot Misono
- Silver Heights Hitsujigaoka (Ichibankan & Nibankan)
- Blue Rise Nopporo
- Blue Rise Taisetsu
- Blue Terrace Kagura

Property	HAPINE FUKUOKA NOKE	SAWAYAKA OBATAKE ICHIBANKAN	SAWAYAKA OBATAKE NIBANKAN	SAWAYAKA SHINMOJIKAN
				
Prefecture	FUKUOKA	FUKUOKA	FUKUOKA	FUKUOKA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	1,396	1,769	1,047	2,395
Floor Area (sq m)	2,912	3,491	1,538	5,094
Number of Units (Rooms)	64	78	26	112
Number of Storeys	5	5	3	6
Year of Completion	2006	2007	2007	2007
Name of Lessee (s)	Green Life Co. Ltd[4]	K.K. Sawayaka Club	K.K. Sawayaka Club	K.K. Sawayaka Club
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[5]	¥58.00 million	¥57.00 million	¥27.95 million	¥75.00 million
Gross Revenue (2022)[5]	¥58.00 million	¥57.00 million	¥27.95 million	¥75.00 million
Purchase Price[2]	¥723 million (S$11.15 million)	¥660 million (S$10.07 million)	¥276 million (S$4.21 million)	¥848 million (S$12.93 million)
Year of Purchase	2009	2010	2010	2010
Appraised Value[3] *(as at 31 December 2023)*	¥972 million (S$9.04 million)	¥848 million (S$7.89 million)	¥404 million (S$3.76 million)	¥1,110 million (S$10.32 million)
Name of Appraiser(s)	Enrix Co., Ltd	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.

1 Committed occupancy of each property for year 2022 and 2023 remain unchanged
2 Based on the exchange rate at point of acquisition
3 At an exchange rate of S$1.00:JPY107.53
4 Change of name with effect from 1 May 2013 due to organisational restructuring by Green Life Co., Ltd, parent company of Care Link Co., Ltd
5 Based on gross rental per annum, excluding C-Tax and other income

PROPERTY PORTFOLIO
– OUR PROPERTIES

JAPAN

Property	SAWAYAKA NOGATAKAN	SAWAYAKA FUKUFUKUKAN	SAWAYAKA MEKARI NIBANKAN	SAWAYAKA KIYOTAKAN
				
Prefecture	FUKUOKA	FUKUOKA	FUKUOKA	FUKUOKA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	2,702	1,842	1,354	2,597
Floor Area (sq m)	3,147	3,074	2,133	5,661
Number of Units (Rooms)	78	72	61	108
Number of Storeys	4+1 (basement)	4+1 (basement)	3	8
Year of Completion	2005	2008	2012	2013
Name of Lessee (s)	K.K. Sawayaka Club	K.K. Sawayaka Club	K.K. Sawayaka Club	K.K. Sawayaka Club
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[9]	¥57.00 million	¥50.00 million	¥24.80 million	¥72.06 million
Gross Revenue (2022)[9]	¥57.00 million	¥50.00 million	¥24.80 million	¥72.06 million
Purchase Price[2]	¥631 million (S$9.62 million)	¥564 million (S$8.74 million)	¥310 million (S$3.97 million)	¥860 million (S$11.01 million)
Year of Purchase	2010	2011	2013	2013
Appraised Value[3] *(as at 31 December 2023)*	¥828 million (S$7.70 million)	¥727 million (S$6.76 million)	¥356 million[8] (S$3.31 million)	¥1,060 million (S$9.86 million)
Name of Appraiser(s)	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.

1 Committed occupancy of each property for year 2022 and 2023 remain unchanged
2 Based on the exchange rate at point of acquisition
3 At an exchange rate of S$1.00:JPY107.53

Property	HABITATION JYOSUI	HABITATION HAKATA I, II, III	WILL-MARK KASHIIHAMA	KIKUYA WARAKUEN
				
Prefecture	FUKUOKA	FUKUOKA	FUKUOKA	YAMAGUCHI
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	3,259[4]	15,336	7,298	4,905
Floor Area (sq m)	6,076[5]	21,415	14,169	3,641
Number of Units (Rooms)	87	318	159	70
Number of Storeys	11	3 to 8[6]	11	2 to 4
Year of Completion	2005	1984 to 2003[7]	2005	Main Building 1 in 1964; Main Building 2 in 2004
Name of Lessee (s)	K.K. Habitation	K.K. Habitation	K. K. Habitation	K.K. M.C.S.
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[9]	¥245.00 million	¥276.00 million	¥195.00 million	¥60.64 million
Gross Revenue (2022)[9]	¥245.00 million	¥276.00 million	¥195.00 million	¥60.64 million
Purchase Price[2]	¥3,535 million (S$39.17 million)	¥3,705 million (S$42.61 million)	¥3,000 million (S$36.20 million)	¥781 million (S$9.75 million)
Year of Purchase	2014	2015	2021	2017
Appraised Value[3] *(as at 31 December 2023)*	¥3,650 million[8] (S$33.95 million)	¥4,180 million (S$38.87 million)	¥3,210 million[8] (S$29.85 million)	¥863 million (S$8.03 million)
Name of Appraiser(s)	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.

4 Total land area of the integrated development
5 Strata area of the Property owned by PLife REIT
6 5-storey for Hakata I, 8-storey for Hakata II, 3-storey for Hakata III
7 Hakata I in 1984, Hakata II in 1995, Hakata III in 2003
8 As at 31 December 2023, the property recorded depreciation on revaluation against corresponding value as at 31 December 2022
9 Based on gross rental per annum, excluding C-Tax and other income

PROPERTY PORTFOLIO

– OUR PROPERTIES

JAPAN

Property	SANKO	HARU NO SATO	SAWAYAKA NIIHAMAKAN	SOMPO NO LE NAKASYO[4]
				
Prefecture	YAMAGUCHI	YAMAGUCHI	EHIME	OKAYAMA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	1,680	4,241	4,197	2,901
Floor Area (sq m)	2,018	3,568	7,382	3,231
Number of Units (Rooms)	53	100	135	75
Number of Storeys	3	3	7	3
Year of Completion	2011	2000/2016	2012	2001
Name of Lessee (s)	K.K. M.C.S.	Medical Corporation Shojin-Kai	K.K. Sawayaka Club	Sompo Care Inc., Shakai Fukushi Houjin Keiyu-Kai
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[10]	¥38.64 million	¥91.80 million	¥104.28 million	¥48.60 million
Gross Revenue (2022)[10]	¥38.64 million	¥91.80 million	¥104.28 million	¥48.60 million
Purchase Price[2]	¥500 million (S$6.25 million)	¥1,200 million (S$15.00 million)	¥1,300 million (S$16.64 million)	¥555 million (S$8.56 million)
Year of Purchase	2017	2019	2013	2009
Appraised Value[3] *(as at 31 December 2023)*	¥558 million (S$5.19 million)	¥1,340 million[9] (S$12.46 million)	¥1,530 million (S$14.23 million)	¥732 million[9] (S$6.81 million)
Name of Appraiser(s)	Cushman & Wakefield K.K.	CBRE K.K.	CBRE K.K.	Enrix Co., Ltd

1 Committed occupancy of each property for year 2022 and 2023 remain unchanged
2 Based on the exchange rate at point of acquisition
3 At an exchange rate of S$1.00:JPY107.53
4 Formerly known as Amille Nakasyo

Property	MORE HABITATION AKASHI[5]	MORE HABITATION SUMA RIKYU[7]	MORE HABITATION KOBE KITANO[8]	FIORE SENIOR RESIDENCE HIRAKATA
				
Prefecture	HYOGO	HYOGO	HYOGO	OSAKA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	5,891	2,676	1,034	727
Floor Area (sq m)	6,562	4,539	3,964	1,155
Number of Units (Rooms)	91	59	70	40
Number of Storeys	6	5/6 + 1 (basement)	10 + 1 (basement)	3
Year of Completion	1987; Conversion works were completed in 2003	1989	1992; Conversion works were completed in 2003	2007
Name of Lessee (s)	K.K. AlphaBetta[6]	K.K. AlphaBetta[6]	K.K. AlphaBetta[6]	K.K. Vivac
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[10]	¥83.16 million	¥49.32 million	¥73.04 million	¥33.60 million
Gross Revenue (2022)[10]	¥37.80 million	¥22.42 million	¥33.20 million	¥33.60 million
Purchase Price[2]	¥1,456 million (S$19.62 million)	¥844 million (S$11.37 million)	¥1,310 million (S$16.70 million)	¥420 million (S$6.48 million)
Year of Purchase	2008	2008	2013	2009
Appraised Value[3] *(as at 31 December 2023)*	¥1,830 million (S$17.02 million)	¥1,070 million (S$9.95 million)	¥1,660 million (15.44 million)	¥559 million (S$5.20 million)
Name of Appraiser(s)	Enrix Co., Ltd	Enrix Co., Ltd	Enrix Co., Ltd	Enrix Co., Ltd

5 Formerly known as Palmary Inn Akashi
6 New lessee replacing K.K. Asset with effect from 1 September 2021
7 Formerly known as Palmary Inn Suma
8 Formerly known as Palmary Inn Shin-Kobe
9 As at 31 December 2023, the property recorded depreciation on revaluation against corresponding value as at 31 December 2022
10 Based on gross rental per annum, excluding C-Tax and other income

PROPERTY PORTFOLIO

– OUR PROPERTIES

JAPAN

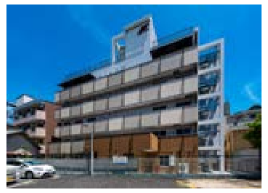
Property	MAISON DE CENTENAIRE ISHIZUGAWA	MAISON DE CENTENAIRE HARUKI	IYASHI NO TAKATSUKI KAN	HAPPY LIFE TOYONAKA
				
Prefecture	OSAKA	OSAKA	EHIME	OKAYAMA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	1,111	801	2,023	628
Floor Area (sq m)	2,129	1,263	3,956	1,254
Number of Units (Rooms)	52	36	87	42
Number of Storeys	5	4	6	4
Year of Completion	1988; Conversion works were completed in 2003	1996; Conversion works were completed in 2006	1997; Conversion works were completed in 2005	2007
Name of Lessee (s)	Miyako Kenkokai Medical Corporation	Miyako Kenkokai Medical Corporation	Riei Co., Ltd	K.K. Nihon Kaigo Iryo Center
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[4]	¥61.20 million	¥47.12 million	¥101.04 million	¥35.28 million
Gross Revenue (2022)[4]	¥61.20 million	¥47.12 million	¥101.04 million	¥35.28 million
Purchase Price[2]	¥671 million (S$10.35 million)	¥485 million (S$7.48 million)	¥1,107 million (S$17.07 million)	¥445 million (S$5.67 million)
Year of Purchase	2009	2009	2009	2013
Appraised Value[3] *(as at 31 December 2023)*	¥975 million (S$9.07 million)	¥720 million (S$6.70 million)	¥1,740 million (S$16.18 million)	¥559 million (S$5.20 million)
Name of Appraiser(s)	Enrix Co., Ltd	Enrix Co., Ltd	Enrix Co., Ltd	Enrix Co., Ltd

Property	MAISON DES CENTENAIRE HANNAN	MAISON DES CENTENAIRE OHHAMA	SUNHILL MIYAKO	HIBISU SHIROKITA KOENDORI
				
Prefecture	OSAKA	OSAKA	OSAKA	OSAKA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	7,827	1,281	10,867	723
Floor Area (sq m)	4,331	1,717	4,299	1,447
Number of Units (Rooms)	95	47	34	52
Number of Storeys	3	5	4	4
Year of Completion	2010	1990	1996	2022
Name of Lessee (s)	Miyako Enterprise Co., Ltd	Miyako Enterprise Co., Ltd	Miyako Enterprise Co., Ltd	K.K. BISCUSS
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[4]	¥124.65 million	¥49.00 million	¥67.00 million	¥7.87 million
Gross Revenue (2022)[4]	¥124.00 million	¥49.00 million	¥67.00 million	-
Purchase Price[2]	¥1,600 million (S$19.82 million)	¥600 million (S$7.43 million)	¥800 million (S$9.91 million)	¥832 million (S$7.6 million)
Year of Purchase	2014	2014	2014	2023
Appraised Value[3] *(as at 31 December 2023)*	¥1,960 million (S$18.23 million)	¥804 million (S$7.48 million)	¥964 million (S$8.97 million)	¥954 million (S$8.87 million)
Name of Appraiser(s)	JLL Morii	JLL Morii	JLL Morii	Enrix Co., Ltd

1 Committed occupancy of each property for year 2022 and 2023 remain unchanged
2 Based on the exchange rate at point of acquisition
3 At an exchange rate of S$1.00:JPY 107.53
4 Based on gross rental per annum, excluding C-Tax and other income

PROPERTY PORTFOLIO
– OUR PROPERTIES

JAPAN

Property	HIBISU SUITA	ORANGE NO SATO	SAWAYAKA SEASIDE TOBA	HODAKA NO NIWA
				
Prefecture	OSAKA	WAKAYAMA	MIE	GIFU
Land Tenure	Freehold	Leasehold[4]	Freehold	Freehold
Land Area (sq m)	637	2,377	2,803	39,955
Floor Area (sq m)	1,534	4,005	7,360	6,117
Number of Units (Rooms)	56	98	129	100
Number of Storeys	5	3	7	1
Year of Completion	2023	1997	2012	2004
Name of Lessee (s)	K.K. BISCUSS	Medical Corporation Kenko Chou-kai[5]	K.K. Sawayaka Club	Medical Corporation Kenko Choju-kai
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[11]	¥4.09 million	¥87.60 million	¥110.40 million	¥100.75 million
Gross Revenue (2022)[11]	–	¥87.60 million	¥110.40 million	¥100.75 million
Purchase Price[2]	¥934.4 million (S$8.5 million)	¥1,200 million (S$15.00 million)	¥1,380 million (S$17.66 million)	¥1,390 million (S$17.81 million)
Year of Purchase	2023	2019	2013	2019
Appraised Value[3] *(as at 31 December 2023)*	¥1,050 million (S$9.77 million)	¥1,210 million[10] (S$11.25 million)	¥1,610 million (S$14.97 million)	¥1,430 million[10] (S$13.30 million)
Name of Appraiser(s)	Enrix Co., Ltd	CBRE K.K.	CBRE K.K.	CBRE K.K.

Property	EXCELLENT TENPAKU GARDEN HILLS	BON SEJOUR YOKOHAMA SHIN-YAMASHITA	HANADAMA NO LE NAKAHARA[7]	OCEAN VIEW SHONAN ARASAKI
				
Prefecture	AICHI	KANAGAWA	KANAGAWA	KANAGAWA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	6,593	1,653	935	3,067
Floor Area (sq m)	4,000	3,273	1,847	5,304
Number of Units (Rooms)	94	74	47	79
Number of Storeys	4	5	4	6
Year of Completion	2013	2006	2006	2007
Name of Lessee (s)	K.K. Kokanomori	Benesse Style Care Co., Ltd[6]	K.K. Japan Amenity Life Association[8]	K.K. Japan Amenity Life Association[9]
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[11]	¥108.00 million	¥100.85 million	¥52.80 million	¥132.99 million
Gross Revenue (2022)[11]	¥108.00 million	¥100.85 million	¥52.80 million	¥132.99 million
Purchase Price[2]	¥1,645 million[3] (S$18.92 million)	¥1,394 million (S$18.36 million)	¥628 million (S$9.83 million)	¥1,700 million (S$18.72 million)
Year of Purchase	2015	2008	2010	2015
Appraised Value[3] *(as at 31 December 2023)*	¥1,850 million (S$17.21 million)	¥1,670 million (S$15.53 million)	¥934 million (S$8.69 million)	¥2,170 million (S$20.18 million)
Name of Appraiser(s)	CBRE K.K.	Enrix Co., Ltd	Enrix Co., Ltd	CBRE K.K.

1 Committed occupancy of each property for year 2022 and 2023 remain unchanged
2 Based on the exchange rate at point of acquisition
3 At an exchange rate of S$1.00:JPY107.53
4 Leasehold (Chijoken) 99 years with effect from 1 November 2019
5 Change of name with effect March 2021 due to merger of Medical Corporaton Misaki-kai and Medical Corporation Kenkou Choju-kai

6 On 1 April 2012, Benesse Style Care Co., Ltd merged as the surviving company with Bon Sejour Corporation
7 Formerly known as Furei no Sono Musashi Nakahara
8 Change of name with effect from 1 March 2020 due to acquisition of Y.K. Shonan Fureai no Sono's operations by K.K. Japan Amenity Life Association
9 Change of name with effect from 1 June 2019 due to acquisition of K.K. Ouekikaku by K.K. Japan Amenity Life Association
10 As at 31 December 2023, the property recorded depreciation on revaluation against corresponding value as at 31 December 2022
11 Based on gross rental per annum, excluding C-Tax and other income

PROPERTY PORTFOLIO
– OUR PROPERTIES

JAPAN

Property	SAWAYAKA MINATOKAN	SMILING HOME MEDIS MUSASHI URAWA	SMILING HOME MEDIS KOSHIGAYA GAMO	AS HEIM NAKAURAWA
				
Prefecture	NIGATA	SAITAMA	SAITAMA	SAITAMA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	3,551	802	1,993	1,762
Floor Area (sq m)	2,246	1,603	3,834	2,712
Number of Units (Rooms)	50	44	100	64
Number of Storeys	3	3	6	4 + 1 (basement)
Year of Completion	2010	1991; Conversion works were completed in 2004	1989; Conversion works were completed in 2005	2006
Name of Lessee (s)	K.K. Sawayaka Club	Green Life Higashi Nihon[4]	Green Life Higashi Nihon[4]	As Partners Co., Ltd
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[6]	¥52.00 million	¥44.82 million	¥91.26 million	¥60.00 million
Gross Revenue (2022)[6]	¥52.00 million	¥44.82 million	¥91.26 million	¥60.00 million
Purchase Price[2]	¥650 million (S$8.32 million)	¥612 million (S$8.24 million)	¥1,289 million (S$17.37 million)	¥812 million (S$12.72 million)
Year of Purchase	2013	2008	2008	2010
Appraised Value[3] *(as at 31 December 2023)*	¥774 million (S$7.20 million)	¥838 million (S$7.79 million)	¥1,650 million (S$15.35 million)	¥1,110 million (S$10.32 million)
Name of Appraiser(s)	CBRE K.K.	CBRE K.K.	CBRE K.K.	CBRE K.K.

Property	KONOSU NURSING HOME KYOSEIEN	SAWAYAKA SAKURAKAN	CREA ADACHI	ASSISTED LIVING EDOGAWA
				
Prefecture	SAITAMA	AKITA	TOKYO	TOKYO
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	8,715	6,276	1,694	1,832
Floor Area (sq m)	5,634	5,044	2,499	2,977
Number of Units (Rooms)	120	110	87	86
Number of Storeys	5	4	4	4
Year of Completion	2004/2005	2006	2015	2021
Name of Lessee (s)	Iryouhoujin Shadan Kouaikai	K.K. Sawayaka Club	K.K. Genki na Kaigo	Zen Wellness Co., Ltd.
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[6]	¥112.00 million	¥70.00 million	¥71.50 million	¥92.88 million
Gross Revenue (2022)[6]	¥112.00 million	¥70.00 million	¥71.50 million	¥23.99 million
Purchase Price[2]	¥1,500 million (S$17.80 million)	¥725 million (S$11.06 million)	¥1,100 million (S$13.20 million)	¥1,700 billion (S$17.34 million)
Year of Purchase	2018	2010	2021	2022
Appraised Value[3] *(as at 31 December 2023)*	¥1,770 million (S$16.46 million)	¥911 million (S$8.47 million)	¥1,350 million (S$12.56 million)	¥1,900 million[5] (S$17.67 million)
Name of Appraiser(s)	CBRE K.K.	Cushman & Wakefield K.K.	CBRE K.K.	Enrix Co., Ltd

1 Committed occupancy of each property for year 2022 and 2023 remain unchanged
2 Based on the exchange rate at point of acquisition
3 At an exchange rate of S$1.00:JPY107.53
4 Change of name with effect from 1 May 2013 due to organisational restructuring by GreenLife Co., Ltd, parent company of Medis Corporation
5 As at 31 December 2023, the property recorded depreciation on revaluation against corresponding value as at 31 December 2022
6 Based on gross rental per annum, excluding C-Tax and other income

PROPERTY PORTFOLIO
– OUR PROPERTIES

JAPAN

Property	SENIOR CHONAIKAI MAKUHARI KAN	HABITATION WAKABA[4]	HABITATION HAKUSHO[5]	GROUP HOME HAKUSHO
				
Prefecture	CHIBA	CHIBA	CHIBA	CHIBA
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	2,853	6,574	15,706	2,859
Floor Area (sq m)	4,361	5,431	6,959	416
Number of Units (Rooms)	108	135	124	9
Number of Storeys	5	3	3 + 1 (basement)	2
Year of Completion	1992; Conversion works were completed in 2004	1993	1986	2004
Name of Lessee (s)	Riei Co., Ltd	K.K. Taijyu	K.K. Hakusho	K.K. Hakusho
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[7]	¥101.50 million	¥129.60 million	¥119.68 million	¥8.00 million
Gross Revenue (2022)[7]	¥101.50 million	¥129.60 million	¥119.68 million	¥8.00 million
Purchase Price[2]	¥1,403 million (S$18.9 million)	¥1,766 million (S$22.06 million)	¥1,607 million (S$20.07 million)	¥105 million (S$1.31 million)
Year of Purchase	2008	2017	2017	2017
Appraised Value[3] *(as at 31 December 2023)*	¥1,860 million (S$17.30 million)	¥2,230 million (S$20.74 million)	¥1,670 million (S$15.53 million)	¥107 million[6] (S$1.00 million)
Name of Appraiser(s)	CBRE K.K.	CBRE K.K.	CBRE K.K.	CBRE K.K.

1 Committed occupancy of each property for year 2022 and 2023 remain unchanged
2 Based on the exchange rate at point of acquisition
3 At an exchange rate of S$1.00:JPY107.53
4 Formerly known as Wakaba no Oka
5 Formerly known as Hakusho no Sato

Property	HABITATION KAMAGAYA	HABITATION KISARAZU ICHIBAN-KAN	ASSISTED LIVING TOKE	SAWAYAKA HIGASHIKAGURAKAN
				
Prefecture	CHIBA	CHIBA	CHIBA	HOKKAIDO
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	1,996	5,096	2,293	4,813
Floor Area (sq m)	5,118	7,065	2,824	5,467
Number of Units (Rooms)	100	150	80	110
Number of Storeys	6 + 1 (basement)	4	3	4
Year of Completion	2006	2017	2021	2010
Name of Lessee (s)	Fuyo Shoji K.K.	K.K. Fuyo Shoji	Zen Wellness Co., Ltd.	K.K. Sawayaka Club
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[7]	¥115.50 million	¥197.20 million	¥72.00 million	¥81.09 million
Gross Revenue (2022)[7]	¥115.50 million	¥197.20 million	¥18.60 million	¥81.09 million
Purchase Price[2]	¥1,650 million (S$21.20 million)	¥3,200 million (S$37.90 million)	¥1,180 million (S$12.00 million)	¥866 million (S$13.36 million)
Year of Purchase	2020	2021	2022	2012
Appraised Value[3] *(as at 31 December 2023)*	¥1,870 million (S$17.39 million)	¥3,650 million (S$33.95 million)	¥1,300 million[6] (S$12.09 million)	¥1,050 million (S$9.77million)
Name of Appraiser(s)	CBRE K.K.	Cushman & Wakefield K.K.	Enrix Co., Ltd	Cushman & Wakefield K.K.

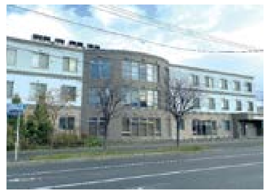
6 As at 31 December 2023, the property recorded depreciation on revaluation against corresponding value as at 31 December 2022
7 Based on gross rental per annum, excluding C-Tax and other income

PROPERTY PORTFOLIO
– OUR PROPERTIES

JAPAN

Property	LIVERARI SHIROISHI HANA ICHIGO-KAN[4]	LIVERARI SHIROISHI HANA NIGO-KAN[5]	SUNNY SPOT MISONO[6]	SILVER HEIGHTS HITSUJIGAOKA (ICHIBANKAN & NIBANKAN)
				
Prefecture	HOKKAIDO	HOKKAIDO	HOKKAIDO	HOKKAIDO
Land Tenure	Freehold	Freehold	Freehold	Freehold
Land Area (sq m)	628	436	429	5,694
Floor Area (sq m)	1,051	747	724	9,013
Number of Units (Rooms)	48	24	18	123
Number of Storeys	3	3 + 1 (basement)	3	5 to 6
Year of Completion	2011	1990	1993	Ichibankan in 1987; Nibankan in 1991
Name of Lessee (s)	K.K. Living Platform Care[7]	K.K. Living Platform Care[7]	K.K. Challenge Platform[7]	K.K. Silver Heights Sapporo
Committed Occupancy[1]	100%	100%	100%	100%
Gross Revenue (2023)[9]	¥24.00 million	¥12.00 million	¥14.40 million	¥88.77 million
Gross Revenue (2022)[9]	¥24.00 million	¥12.00 million	¥14.40 million	¥88.77 million
Purchase Price[2]	¥298 million (S$3.43 million)	¥152 million (S$1.75 million)	¥177 million (S$2.04 million)	¥1,100 million (S$13.23 million)
Year of Purchase	2015	2015	2015	2016
Appraised Value[3] *(as at 31 December 2023)*	¥372 million (S$3.46 million)	¥186 million (S$1.73 million)	¥215 million (S$2.00 million)	¥1,330 million (S$12.37 million)
Name of Appraiser(s)	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.	Cushman & Wakefield K.K.

1 Committed occupancy of each property for year 2022 and 2023 remain unchanged
2 Based on the exchange rate at point of acquisition
3 At an exchange rate of S$1.00:JPY107.53
4 Formerly known as Hana Kitago
5 Formerly known as Hana Kita 13 Jyo
6 Formerly known as Liverari Misono

Property	BLUE RISE NOPPORO	BLUE TERRACE TAISETSU	BLUE TERRACE KAGURA
			
Prefecture	HOKKAIDO	HOKKAIDO	HOKKAIDO
Land Tenure	Freehold	Freehold	Freehold
Land Area (sq m)	1,921	1,269	2,061
Floor Area (sq m)	2,663	2,608	3,770
Number of Units (Rooms)	70	80	100
Number of Storeys	5	3	3
Year of Completion	2007	2010	2016
Name of Lessee (s)	K.K. Blue Care	K.K. Blue Care	K.K. Blue Care
Committed Occupancy[1]	100%	100%	100%
Gross Revenue (2023)[9]	¥51.91 million	¥49.96 million	¥79.20 million
Gross Revenue (2022)[9]	¥14.42 million	¥13.88 million	¥22.00 million
Purchase Price[2]	¥699million (S$7.13million)	¥679 million (S$6.93 million)	¥1,180 million (S$12.00 million)
Year of Purchase	2022	2022	2022
Appraised Value[3] *(as at 31 December 2023)*	¥797 million (S$7.41 million)	¥769 million (S$7.15 million)	¥1,320 million[8] (S$12.28 million)
Name of Appraiser(s)	Enrix Co., Ltd	Enrix Co., Ltd	Enrix Co., Ltd

7 Change of name due to Corporate Split with effect from 1 Oct 2020 (Formerly K.K. Living Platform)
8 As at 31 December 2023, the property recorded depreciation on revaluation against corresponding value as at 31 December 2022
9 Based on gross rental per annum, excluding C-Tax and other income

INVESTOR RELATIONS

TRANSPARENT COMMUNICATIONS AND PROACTIVE ENGAGEMENTS WITH THE INVESTMENT COMMUNITY

The Manager of PLife REIT ("Manager") is committed to providing a fair representation and assessment of PLife REIT's performance, position and prospect to Unitholders and the investment community. It adopts a culture of open and transparent communication that is in line with its investor relations policy and has put in place an investor relations' programme to engage with all stakeholders to keep them informed and updated regularly. This includes timely disclosure about the REIT's operations and development, ensuring that all information is provided in a clear, concise and accurate manner for investors to make well-informed decisions.

MULTI-CHANNEL COMMUNICATIONS

Throughout FY2023, the Manager communicated with existing and potential investors, analysts, media and unitholders to enhance their understanding of PLife REIT via its multi-channel communications:

CORPORATE WEBSITE

The corporate website of PLife REIT (www.plifereit.com) provides quick access to detailed information on the REIT. Stock data, SGXNet announcements, financial statements, press releases, business updates, presentation slides, annual reports, and other corporate developments are updated regularly to keep Unitholders and the investment community informed and provide insight into its growth plan and recent developments. Through the corporate website, the Manager is able to receive feedback and enquiries from investors and provide better understanding of the REIT. Investors can also subscribe to email alerts for all announcements and press releases issued by PLife REIT on its corporate website.

ANNUAL GENERAL MEETING ("AGM") / EXTRAORDINARY GENERAL MEETING ("EGM")

Through AGMs and EGMs, Unitholders can communicate with the Board of Directors and management of the REIT Manager to have their questions or concerns addressed. Every year, the REIT holds its AGM in April in Singapore. An EGM may also be held, if necessary, to discuss specific issues. In 2023, PLife REIT's AGM was held on 24 April at Gleneagles Hospital. The resumption of holding a physical AGM provided our Unitholders, Board of Directors and Management the opportunity to meet and have direct engagement that were missed out since the onset of the Covid-19 pandemic in 2020.

CORPORATE LITERATURE

Following its release on SGXNet, all announcements on corporate developments, financial statements, press releases and presentation slides are posted on the corporate website promptly. This ensures swift dissemination of information to Unitholders. To ensure understanding of its corporate developments, the REIT regularly publishes updates on its financials and operations in a coherent and informative manner.

INVESTOR OUTREACH PROGRAMME

The Manager has an investor outreach programme that it is committed to throughout the year. It holds regular face-to-face meetings with key investors and analysts, participates in investment and industry conferences and organises non-deal roadshows in key financial centres. Through regular engagements with investors, analysts and the media, the REIT seeks to inform and articulate its strategies and plans. To help these stakeholders gain better understanding of the REIT's portfolios, periodic site visits to key properties in Singapore and overseas are arranged.

Today, PLife REIT is among one of the S-REITs recommended for its reliable and stable performance by a host of Singaporean financial blogs such as The Smart Investor and Small Cap Asia. In addition, significant developments such as PLife REIT's acquisition of nursing homes in Japan and consistent DPU growth, are regularly picked up by established news outlets such as The Business Times, The Edge Singapore and Singapore Business Review.

In 2023, PLife REIT clinched the inaugural Singapore Corporate Sustainability Award at Securities Investors Association Singapore's Investor's Choice Awards. This award is testament to the REIT's corporate transparency and timely integration of progressive Environmental, Social and Governance practices to safeguard Unitholders' interests.

PLife REIT is also included in several indices which enhance trading liquidity as well as visibility to investors and index funds worldwide. The indices include:

- FTSE ST All Share Index
- FTSE ST Mid Cap Index
- FTSE ST Real Estate Investment Trust Index
- FTSE Global Equity Index Series
- iEdge S-Reit Index
- FTSE EPRA NAREIT Global Developed Index

INVESTOR RELATIONS KEY ACTIVITIES IN FY2023

1st Quarter
Investors' Meeting
Non-deal Roadshow with UOB Hay Hian Research in Bangkok
2nd Quarter
Investors' Meeting
Non-deal Roadshow with DBS Research in USA
UBS One ASEAN Conference 2023
Citi Asia Pacific Property Conference 2023 in Hong Kong
3rd Quarter
Investors' Meeting
Maybank-REITAS S-REIT Day in Kuala Lumpur
4th Quarter
Investors' Meeting

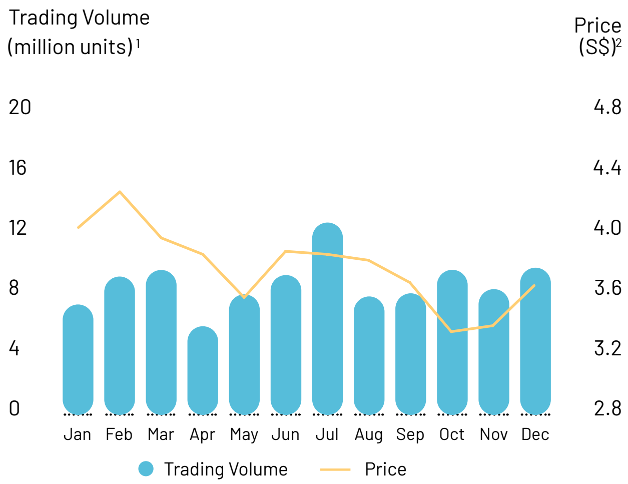
ANALYST COVERAGE

The following brokerage houses provided research coverage on PLife REIT as of 31 December 2023:

- CGS-CIMB Research
- Citi Investment Research
- DBS Group Research
- UOB Kay Hian Research
- BofA Securities

Note: On 2 February 2024, OCBC Investment Research initiated coverage on PLife REIT

PLIFE REIT MONTHLY TRADING PERFORMANCE IN FY2023



Source: Bloomberg

PLIFE REIT UNIT PRICE PERFORMANCE IN FY2023

	2022	2023
Opening price (S$)	5.20	**3.78**
Closing price (S$)	3.76	**3.67**
High (S$)[3]	5.22	**4.30**
Low (S$)[4]	3.67	**3.34**
Trading volume (million units)[5]	142.01	**106.55**
% of S-REIT Trading Volume	0.32	**0.27**
Market Capitalisation (S$ million)[6]	2,274.81	**2,220.36**

Source: Bloomberg

1 Sum of trading volume in the respective months
2 Based on the closing price at the end of the month
3 Based on the Intra-day high price
4 Based on the Intra-day low price
5 Total trading volume for the respective financial year
6 Based on last trading price of the respective financial year

ENTERPRISE RISK MANAGEMENT REPORT

Proactive and effective risk management plays a critical role in PLife REIT's operations. While all operations are aligned to PLife REIT's focus on generating rental income to deliver regular and stable distributions and achieve long-term growth for our Unitholders, the Board of Directors ("Board") of the Manager is cognisant of the risks entailed, be it inherent or operational, and endeavours to maintain a robust internal controls and risk management system to safeguard the interest of Unitholders and the business and assets of PLife REIT and its subsidiaries (the "Group"). The internal controls system incorporates the risk management and this system encompasses 3 key principles that facilitate an effective and efficient operation, enabling the Manager and the Group to respond to a variety of operational, financial, compliance, environmental, human capital and information technology risks. These principles include:

- **Corporate Culture** – Build a strong risk management and controls culture by setting the appropriate tone at the top, promoting awareness, ownership and proactive management of key risks.

- **Organisation Structure** – Put in place an organisation structure that ensures proper segregation of duties, where possible, defines risk management responsibility and authority and promotes ownership and accountability of risk management.

- **Process** – Implement robust and effective processes and systems for identifying, monitoring and controls of risk. The following outlines the key aspects and approaches of the risk management process of PLife REIT:

1) GOVERNANCE

The Board has the ultimate overall responsibility for the internal controls and risk management systems. The Board is supported by the Audit and Risk Committee which provides dedicated oversight of internal controls and risk management system of the Group.

2) ERM FRAMEWORK AND POLICIES

The Manager maintains a robust risk management system to assess, mitigate and monitor risks through an Enterprise Risk Management ("ERM") programme. An ERM committee has also been established to assist the Board and the Audit and Risk Committee ("ARC") in the oversight and monitoring of risks and the corresponding risk countermeasures. The overall ERM framework is documented in the Manager's Risk Management Policy including the roles and responsibilities of the Board, ARC and ERM committee in the ERM programme. The ERM Committee comprises Heads of Department of the Manager from the operational, financial and technical areas, and is responsible for managing risks in their respective areas by identifying key risks that may affect the risk exposure of the Manager and the Group, and for evaluating the relevance and adequacy of existing controls and mitigating factors associated with the risks.

The ERM process entails assessment of key risks that are relevant to the Manager and the Group based on the business and macro conditions of the current year, taking into consideration the strategic goals and broad value drivers of PLife REIT. An external risk consultant is engaged to facilitate the ERM reporting process and the Manager works closely with the external risk consultant to conduct regular risk workshops for a structured approach of identification and assessment of risks and the risk appetite of the Group. The external risk consultant also validates the sufficiency and adequacy of the internal controls and the mitigating factors associated with the key risks identified on an annual basis by reviewing Control Self-Assessment ("CSA") questionnaires signed by the respective process owners. CSA questionnaires are based on the controls and mitigating measures to address the key risks identified and assessed from the ERM process. For rigorous monitoring and control, the Manager has established internal key risk indicators that serve as an early-warning system to highlight risks that might escalate beyond agreed tolerance levels. The Group's risk profile is reviewed on a semi-annual basis and the identified key risks are reported to the Audit and Risk Committee annually. If any material non-compliance and internal control weaknesses are identified during the ERM assessment, the recommendations to address them will also be reported to the Audit and Risk Committee and the Board accordingly.

3) RISKS IDENTIFICATION AND ASSESSMENT

The Manager identifies key risks, assesses their likelihood and materiality to the Group's businesses and documents their corresponding controls and mitigating factors in a risk register. The key risks identified include but are not limited to:

Project Management

Following Unitholders' approval on 30 September 2021 for the lease renewal transaction of the Singapore Hospitals which included a renewal capex agreement, the physical construction of the renewal capex works at Mount Elizabeth Hospital ("RCW") has commenced in January 2023 and progressed smoothly into its second year of works. Established procedures relating to project management have since been put in place. As the RCW entails additions and alterations works involving major retrofitting and reconfiguration within a "live" hospital environment, it is important to ensure that the works are executed appropriately. Several key risks are identified from the safety and health, quality, time and budget aspects and the Manager has set up a series of countermeasures to mitigate the respective risks. The safety and health aspects shall be prioritised given the nature of the working environment, a "live" operating hospital. The appointed contractor shall conduct extensive risk assessments and develop a workable action plan to overcome the risks identified. Furthermore, all relevant stakeholders are made aware of their respective roles and responsibilities in the project and shall be committed to cooperate in order to cover the risks identified from all aspects so that preventive and corrective measures, if necessary, would be implemented. In addition, clauses pertaining to charges for any breach or non-compliance by the appointed consultants and contractor are included as part of the work agreement. By doing so, it serves as a deterrent to prevent the appointed consultants and contractor from being negligent in terms of the site work and to strictly adhere to the rules, regulations and requirements put forth for executing and undertaking the RCW. In terms of time and budget, all approvals, procurements and significant milestones will be closely tracked to ensure completion of the RCW within the targeted schedule and predetermined budget.

Business Model / Strategy

Investment or making an acquisition can expose PLife REIT to external events and impacts. Such external events and impacts may arise from the macro related factors which include but not limited to geo-political tension, financial and economic environment as well as industry specific risks associated with local government, related sectorial and real estate market conditions, such as changes in local regulations, fluctuation of capital values of properties and change in demand and supply of the healthcare and healthcare-related industry. Increase in demand of quality healthcare, aged care and healthcare related assets from real estate investors, developers, private equity funds, REITs and other alternative and ESG (Environmental, Social and Governance) investors, can heighten the competition for PLife REIT. Black-swan event such as the Covid-19 pandemic which has adversely affected worldwide economies will in turn impact the sub markets which PLife REIT has currently invested in or plans to invest into.

To mitigate such risks, PLife REIT carries out various measures as part of its business and investment model/strategy:

- Diversify into new markets/countries
- Work closely with Sponsor and third parties to identify alternative opportunities and growth platforms
- Monitor asset class and tenants' concentration
- Focus on mature healthcare/aged care markets
- Observe established quantitative and qualitative investment criteria
- Monitor, evaluate and assess the macro event impacted environment and its risk implications to the Group's business and sectors.

The business and investment model/strategy encompasses the whole investment eco-system, from the high level investment strategy and planning to the detailed operational pre and post investment evaluation of the opportunities/projects. In addition, all investment proposals are subject to rigorous and disciplined assessment/evaluation of the available information obtained by the Manager to assess whether the proposals satisfy the Group's investment criteria before making a recommendation to the Board. The Manager adheres to a stringent set of policies and procedures and conducts comprehensive due diligence reviews to address the legal, financial, tax, environmental related and physical aspects of the property to mitigate the relevant investment risks.

ENTERPRISE RISK MANAGEMENT REPORT

Interest Rate and Foreign Exchange

To maintain stable distribution and steady net asset value of PLife REIT, the Manager exercises prudent financial risk management to manage the exposure to interest rate volatility on its borrowings and foreign exchange risk on foreign investments. The Manager constantly monitors the exposure and utilises various financial instruments, such as interest rate swap, interest rate cap and cross currency interest rate swap etc. to hedge against the market fluctuations. The Group adopts a natural hedge strategy for its Japanese investments to maintain a stable net asset value and has also entered into foreign currency forward exchange contracts to hedge the net foreign income from Japan. Our policy is to hedge at least 50% (up to 100%) of all financial risks. As of 31 December 2023, the Group has put in place JPY forward exchange contracts till the first quarter of 2029. The Group has also executed several interest rate swaps (including forward-starting swaps) and will increase its proportion of fixed-rate interest bearing borrowings to about 90% by end of the first quarter of 2024.

Funding / Loan

The ability to raise funds from both banks and capital markets has enabled PLife REIT to diversify its sources of funding to avoid over-reliance on any single source of funding. To mitigate refinancing risks post acquisition, the Manager is mindful to put in place long-term financing (at least 3 years or more). In addition, the Manager is constantly monitoring the market to extend debt maturities and typically pre-emptively refinance maturing loan ahead of its maturity. PLife REIT aims to have no more than 30% of the total debts due in a single year, to avoid bunching effect. The Manager has also put in place policies and assigned designated personnel to observe the compliance of financial covenants in loan agreements and the leverage limit regulated under the MAS' Property Funds Appendix. The Board is kept apprised of PLife REIT's debt and capital management at every meeting held quarterly. There is no long-term debt refinancing need till March 2025.

Leadership Development and Retention

The Manager has put in place a framework for management succession planning, with the key objective to identify and groom potential successors for business critical roles of the Manager, and to mitigate any disruption to business operations due to attrition of key personnel. Assessment was performed to identify the business critical roles within the organisation as well as to identify potential successors and implement development plans. The Manager reviewed the management succession plan from time to time and will provide leadership development training for the business critical roles and their successors accordingly with the objective to expedite the readiness of the successors and also to increase staff retention. The Manager conducts review of staff performance and career progression opportunities for all staff on an annual basis. The head of departments of the Manager is tasked with the human resource matters and the career development plan of the staff. The Manager also conducts salary benchmarking exercise regularly to ensure that its staff is remunerated competitively vis-à-vis the market and that the salary adjustments are based on performance. The Manager also promotes a conducive family-like working environment which has led to lower staff attrition rate.

Natural Disasters

The Group reviews the insurance procurement of PLife REIT's assets on an annual basis, to ensure that the entire portfolio is adequately insured. On the whole, PLife REIT's portfolio is secured with standard insurance covers such as property damage, business interruption as well as public liability. Recognising specific risk associated with the respective portfolios, additional insurance covers are also procured, where deemed appropriate, to mitigate such risk. In consideration of the heightened security against terrorist attacks worldwide, PLife REIT consulted with the respective MCSTs to secure terrorism insurance covers for two of its Singapore hospital properties, Mount Elizabeth Hospital and Gleneagles Hospital, which are centrally located and within a vicinity deemed to be of higher terrorism risks.

For the Japan portfolio, earthquake insurance is procured on a "Policy Limit" basis, to reasonably manage the inherent risk associated with the Japan properties. PLife REIT's Japan portfolio is well diversified across various prefectures lowering the concentration risk. In assessing the sum insured for the earthquake insurance, a fine balance was sought between costs and coverage. With all its Japan properties built in accordance with strict seismic compliance and as earthquake tends to impact the properties within the same region, the basis of determining the EQ sum insured is to ensure that the amount is at least sufficient to cover the total estimated loss of its most concentrated region on probable maximum loss basis. In addition, Business Continuity Plan ("BCP") has been established for PLife REIT's entire portfolio, to minimise the potential impact of disruptions to critical businesses from events such as terrorism, pandemics and natural disasters. Service providers, as well as tenants, are required to ensure effective communication channels are in place and to establish disaster prevention (Fire, Earthquake etc) measures / drills to ensure operational preparedness.

Debtor Management

The Group has put in place procedures to assess the credit worthiness of the lessees to safeguard its cashflow stability. Periodic review of the existing lessees are conducted which includes checks on their financial status to assess the likelihood of potential rent default. Overseas revenue is further secured through the following means:

- Security deposits (ranging from 3 to 6 months) are collected in advance for most of the Japan properties;
- Some property operators are required to pay an additional security deposit should the occupancy rate not meet the required threshold; and
- Rental and lease guarantees have also been secured for some properties.

Emerging Risks

The Group monitors evolving or emerging risks and such risks when identified will be kept on close watch and actions will be taken to mitigate the risks, when necessary. Climate change and potentially catastrophic weather events may expose the Group to environmental and sustainability risk. Climate change has been identified as one of the key risks for the Group in support of the national sustainability effort and in responding to the increased regulatory and compliance requirements on climate reporting and related disclosures.

CORPORATE GOVERNANCE

Parkway Trust Management Limited, in its capacity as the manager of PLife REIT ("Manager") recognises that an effective corporate governance culture is critical to the performance of the Manager and consequently, the success of PLife REIT. The Manager is firmly committed to good corporate governance and has adopted a comprehensive corporate governance framework that meets best practice principles. In particular, the Manager has an obligation to act with due care and diligence, and in the best interests of the unitholders of PLife REIT ("Unitholders").

The following sections describe the Manager's main corporate governance policies and practices with reference to the Code of Corporate Governance 2018 (as amended, "CG Code"). The Manager confirms that it has complied with the CG Code in all material respects and to the extent that there are any deviations from the CG Code, the Manager will provide explanation for such deviation and details of the alternative practices which have been adopted by the company which are consistent with the intent of the relevant principle of the CG Code.

THE MANAGER OF PLIFE REIT

PLife REIT, constituted as a trust and has no personnel of its own, is externally managed by the Manager in accordance with the terms of the trust deed constituting PLife REIT dated 12 July 2007 (as amended, the "Trust Deed"). The Manager appoints experienced and well-qualified management personnel to handle its day-to-day operations. All directors and employees of the Manager are remunerated by the Manager, and not PLife REIT.

The Manager has general powers of management over the assets of PLife REIT. The Manager's main responsibility is to manage PLife REIT's assets and liabilities for the benefit of Unitholders.

The Manager sets the strategic direction of PLife REIT and makes recommendations to the trustee of PLife REIT ("Trustee") on the acquisition, divestment and enhancement of assets of PLife REIT in accordance with its investment strategy.

Other main functions and responsibilities of the Manager are as follows:

1. using its best endeavours to carry on and conduct its business in a proper and efficient manner, to ensure that the business of PLife REIT is carried on and conducted in a proper and efficient manner, and to conduct all transactions with or for PLife REIT at arm's length and on normal commercial terms;

2. ensuring compliance with the applicable laws and regulations, including the Securities and Futures Act 2001 of Singapore ("SFA"), the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Code on Collective Investment Schemes ("CIS Code") issued by the Monetary Authority of Singapore ("MAS") which includes the Property Funds Appendix in Appendix 6 of the CIS Code (the "Property Funds Appendix"), the tax ruling issued by the Inland Revenue Authority of Singapore on the taxation of PLife REIT and its Unitholders, as well as the Trust Deed; and

3. attending to all regular communications with Unitholders.

The Trust Deed outlines certain circumstances under which the Manager can retire in favour of a corporation approved by the Trustee to act as the manager of PLife REIT or the Manager can be removed by notice given in writing by the Trustee upon the occurrence of certain events. A copy of the Trust Deed is available for inspection by the Unitholders at the registered office of the Manager during usual office hours[1].

1 Prior appointment with the Manager is appreciated.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The board of directors of the Manager ("Board") is responsible for the overall leadership and oversight of the management and corporate governance of the Manager, including setting strategic corporate strategy and directions of the Manager, overseeing the proper conduct of the Manager and ensuring that senior management provides business leadership and demonstrates the highest quality of management skills with integrity and enterprise. All Board members participate in matters relating to corporate governance, business operations and risk management, financial performance and the nomination and review of directors. The Board has approved a framework for the management of the Manager including a system of internal controls and business risk management process which enables risks to be assessed and managed.

The Board meets regularly, at least once every quarter, to deliberate the strategic objectives and policies of PLife REIT. Matters requiring the Board's decision and approval include investments, acquisitions and disposals, major leases and assets enhancement works, operating/capital expenditure, loan or debt financing or refinancing taking into consideration PLife REIT's commitment in terms of capital and other resources, the annual budget, the release of the quarterly business updates, semi-annual and full year results, the appointment of directors and other material transactions. Such matters have been clearly communicated to the management in writing. The Board also reviews the financial performance of PLife REIT against approved budget, assesses the material risks to the assets and business operations of PLife REIT, examines liability management, and acts upon any comments from the auditors of PLife REIT. Where necessary, additional Board meetings are held to address significant transactions or issues.

In discharge of its functions, the Board is supported by an Audit and Risk Committee ("ARC") that provides independent oversight of the Manager. The Board is also supported by a Nominating and Remuneration Committee ("NRC") which oversees the remuneration matters of the directors and key management personnel of the Manager, nomination of directors and the effectiveness of the Board. Each of these Board committees operates under delegated authority of the Board and is governed by its respective terms of reference approved by the Board.

The Board has adopted a set of internal controls which it believes is adequate in safeguarding Unitholders' interests and PLife REIT's assets. Appropriate delegation of authority has been provided to management to facilitate operational efficiency.

The Board recognises that all directors of the Manager have fiduciary duties to act objectively in the best interest of PLife REIT and hold the management accountable for performance. As such, any director who has or appears to have direct or indirect interest which may conflict with any subject matter under discussion by the Board shall declare his interest and recuse himself from the information flow and discussion of the subject matter. He shall also abstain from any decision-making on the subject matter. The Manager has in place a code of conduct which core basic values include upholding of ethical standards of professional practice, treating all internal and external parties with mutual respect and without prejudice, prohibition on any form of bribery and corruption, maintaining the confidentiality relating to its business and avoiding conflict of interest. All Manager's employees are required to abide by the code of conduct, policies and guidelines pertaining to employment and accountability.

CORPORATE GOVERNANCE

The number of Board and Board committee meetings during the financial year ended 31 December 2023 ("FY2023"), as well as the attendance of each Board member at these meetings, are set out below.

Director	Board Meetings	Audit and Risk Committee Meetings	Nominating and Remuneration Committee Meetings	Annual General Meeting
Mr. Ho Kian Guan	4	4	–	1
Dr. Jennifer Lee Gek Choo	4	4	1	1
Ms. Cheah Sui Ling	4	4	1	1
Mr. Takeshi Saito(1)	–	–	–	–
Dr. Kelvin Loh Chi-Keon(2)	1	–	1	–
Mr. Sim Heng Joo Joe(3)	3	–	–	1
Mr. Joerg Ayrle(4)	3	–	–	1
Dato' Sri Muthanna Bin Abdullah(5)	–	–	–	–
Mr. Tomo Nagahiro(5)	–	–	–	–
Dr. Prem Kumar Nair(5)(6)	–	–	–	–
Dr. Chow Chorng Ann Peter(7)	–	–	–	–
Mr. Yong Yean Chau	4	–	–	1
No. of Meetings held in FY2023	**4**	**4**	**1**	**1**

Notes:
(1) Resigned as a director on 13 February 2023.
(2) Resigned as a director and member of NRC on 22 February 2023.
(3) Resigned as a director and member of NRC on 28 September 2023.
(4) Resigned as a director on 2 October 2023.
(5) Appointed as a director on 17 November 2023.
(6) Appointed as a member of NRC on 17 November 2023.
(7) Appointed as a director on 5 December 2023.

Changes to laws, regulations, accounting standards and commercial risks are monitored closely. To keep pace with regulatory changes where these changes have an important bearing on the Manager's or directors' obligations, the directors will be briefed either during Board meetings or at specially-convened sessions involving the relevant professionals. The directors are also encouraged to participate in seminars and/or trainings to keep abreast of the latest developments which are relevant to the Manager and PLife REIT. During FY2023, the directors were briefed on the updates to the sustainability regulatory requirements by the sustainability consultant engaged by the Manager; and the ARC was briefed on the updates to the accounting requirements (such as IESBA Code of Ethics) by the external auditors of the Manager.

All newly-appointed directors receive letter of appointment setting out their roles, duties and obligations as a director of the Manager. Orientation and induction programme will be conducted to provide each new director with information on the Board structure and responsibilities, the overall strategic business plans and direction of PLife REIT, as well as duties and statutory obligations as a director of the Manager. Newly-appointed director who has no prior experience as a director of Singapore listed company ("First-time Director") shall also attend mandatory training prescribed under the Listing Manual within a year from his appointment date. Dr. Prem Kumar Nair and Dr. Chow Chorng Ann Peter who are First-time Directors will complete the training programme prescribed under the Listing Manual by 16 November 2024 and 4 December 2024 respectively. Four (4) new directors who were appointed in FY2023 were provided with an overview of PLife REIT and the Manager by the management as part of the orientation and induction programme.

The management provides the Board with complete and adequate information on the business and operations of PLife REIT and the Manager, on a regular and quarterly basis, at Board meetings.

The annual calendar of the Board meetings is scheduled in advance. Board papers are circulated to directors approximately 5 days in advance before the scheduled meetings so that directors have sufficient time to review and consider matters which are being tabled and discussed at the meetings. The senior executives are also invited to attend the Board meetings to provide insights into matters which are being discussed and to respond to any queries from the directors.

The Board has separate and independent access to management and the company secretary at all times. The Board is entitled to request from management and is provided with such additional information in a timely manner as needed to make informed decisions. The company secretary attends to corporate secretarial administration, ensures that procedural matters relating to the Board are adhered to and that applicable rules and regulations are complied with. The company secretary also attends all Board meetings. The appointment and removal of the company secretary is a Board reserved matter. The Board also has access to independent professional advice where appropriate, at the Manager's expense.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board presently consists of eight members, seven of whom are non-executive directors (including three independent directors). The Chairman of the Board is Mr. Ho Kian Guan. None of the directors has entered into any service contract directly with PLife REIT.

Current Director's Appointment and Membership on Board Committees

Director	Board membership	Audit and Risk Committee	Nominating and Remuneration Committee
Mr. Ho Kian Guan	Chairman and Independent Director	Member	–
Dr. Jennifer Lee Gek Choo	Independent Director	Member	Chairman
Ms. Cheah Sui Ling	Independent Director	Chairman	Member
Dato' Sri Muthanna Bin Abdullah(1)	Non-Executive Director	–	–
Mr. Tomo Nagahiro(1)	Non-Executive Director	–	–
Dr. Prem Kumar Nair(1)(2)	Non-Executive Director	–	Member
Dr. Chow Chorng Ann Peter(3)	Non-Executive Director	–	–
Mr. Yong Yean Chau	Executive Director	–	–

Notes:
(1) Appointed as a director on 17 November 2023.
(2) Appointed as a member of NRC on 17 November 2023.
(3) Appointed as a director on 5 December 2023.

The composition of the Board is determined using the following principles:

1. the Chairman of the Board and Chief Executive Officer ("CEO") should in principle be separate persons;

2. the Board should comprise directors with a broad range of expertise and commercial experience (including expertise in funds management and the property industry), and knowledge of PLife REIT; and

3. at least one-third of the Board should comprise independent directors.

Independent Directors

The Board has three independent directors, namely Mr. Ho Kian Guan, Dr. Jennifer Lee Gek Choo and Ms. Cheah Sui Ling. None of the independent directors has served beyond nine years on the Board.

When evaluating the independence of the directors, the Board takes into account the guidance in the CG Code where an "independent" director is defined as one who is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of a director's independent business judgement in the best interests of the Manager and PLife REIT. Further, additional independence requirements are imposed under Regulations 13D to 13H of the Securities and Futures (Licensing and Conduct of Business) Regulations ("SFLCB Regulations"). Under the SFLCB Regulations, a director is considered to be independent if the director (i) is independent from the management of the Manager and PLife REIT; (ii) is independent from any business relationship with the Manager and PLife REIT; (iii) is independent from every substantial shareholder of the Manager and every substantial unitholder of PLife REIT; (iv) is not a substantial shareholder of the Manager or a substantial unitholder of PLife REIT; and (v) has not served as a director on the Board for a continuous period of 9 years or longer. The Chairman of the Board shall also not be an executive director or a person who is a member of the immediate family of the CEO.

As part of the annual review process, each independent director is required to provide declaration of independence with regard to the independence criterion set out in the CG Code and the SFLCB Regulations, and these declarations are provided to the NRC and the Board for review. The NRC and the Board will also take into consideration each independent director's view and conduct at both Board meetings and Board committee meetings in their assessment, as to whether such independent director possesses personal attributes such as independent thinking and keen observation, and demonstrated the ability to maintain integrity and strong principles, the ability to question management and to exercise constructive skepticism and judgment.

For FY2023, the NRC has conducted an annual review of the directors' independence taking into consideration the independence criterion given in the CG Code and the SFLCB Regulations. The NRC considered that Mr. Ho Kian Guan, Dr. Jennifer Lee Gek Choo and Ms. Cheah Sui Ling are independent as they have each demonstrated independence of view and conduct at both Board meetings and Board committee meetings and have been exercising independent judgment in the best interests of PLife REIT. Based on the review and recommendation of the NRC, the Board concurred that Mr. Ho, Dr. Lee and Ms. Cheah are considered independent. In view of the above, at least one-third of the Board comprises independent directors.

The Board has considered the relevant requirements under the SFLCB Regulations and its views in respect of each of the directors as follows:

Name of Director	(i) had been independent from the management of the Manager and PLife REIT during FY2023	(ii) had been independent from any business relationship with the Manager and PLife REIT during FY2023	(iii) had been independent from every substantial shareholder of the Manager and every substantial unitholder of PLife REIT during FY2023	(iv) had not been a substantial shareholder of the Manager or a substantial unitholder of PLife REIT during FY2023	(v) has not served as a director of the Manager for a continuous period of 9 years or longer as at the last day of FY2023
Mr. Ho Kian Guan	✓	✓	✓	✓	✓
Dr. Jennifer Lee Gek Choo	✓	✓	✓	✓	✓
Ms. Cheah Sui Ling	✓	✓	✓	✓	✓
Dato' Sri Muthanna Bin Abdullah[1][3]		✓		✓	✓
Mr. Tomo Nagahiro[1][3]		✓		✓	✓
Dr. Prem Kumar Nair[1][3]		✓		✓	✓
Dr. Chow Chorng Ann Peter[2][3]		✓		✓	✓
Mr. Yong Yean Chau[3]		✓		✓	

Notes:
(1) Appointed as a director on 17 November 2023.
(2) Appointed as a director on 5 December 2023.
(3) Dr. Prem Kumar Nair and Dr. Chow Chorng Ann Peter are currently employed by related corporation of the Manager and each of them is a director of various subsidiaries or associated companies of IHH Healthcare Berhad ("IHH"), which wholly-owns the Manager and is a substantial unitholder of PLife REIT. Mr. Tomo Nagahiro and Dato' Sri Muthanna Bin Abdullah are directors on the board of IHH and are accustomed to act in the accordance with the directions, instructions and wishes of IHH. Mr. Yong Yean Chau is the Executive Director and Chief Executive Officer of the Manager. As such, during FY2023, each of them is deemed (a) to have a management relationship with the Manager and PLife REIT; and (b) connected to a substantial shareholder of the Manager and substantial unitholder of PLife REIT.

The Board of the Manager is satisfied that, as at 31 December 2023, each of them was able to act in the best interests of all Unitholders of PLife REIT as a whole. For the purposes of Regulation 13E(b)(ii) of the SFLCB Regulations, as at 31 December 2023, each of the abovementioned directors was able to act in the best interests of all the Unitholders as a whole.

The Board has not appointed a lead independent director given that the Chairman is an independent director who is not part of the management team, as described under section of "Chairman and CEO" below.

Non-executive Directors

Non-executive directors exercise no management functions in the Manager or PLife REIT or any of its subsidiaries. Although all the directors have equal responsibility for the performance of the Manager and PLife REIT, the role of the non-executive directors is particularly important in ensuring that the performance of management in meeting agreed goals and objectives is reviewed and the reporting of performance is monitored; and the strategies proposed by management are fully discussed, rigorously examined and developed, taking into account the long-term interests of PLife REIT's assets and the Unitholders. The non-executive and/or independent directors meet regularly without the presence of the management on a need-to basis, and feedback will be communicated by the chairman of such meetings to the Chairman of the Board or the Board, as appropriate.

The majority of the directors are non-executive and/or independent of the management. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of roles of the Chairman and CEO described below, provides a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate the business activities of the Manager.

CORPORATE GOVERNANCE

Board Diversity

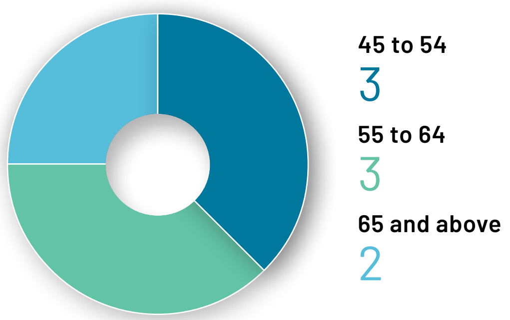
The Manager recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Board has adopted, with the recommendation of the NRC, a board diversity policy, which sets out the approach to diversity on the Board including gender, age, cultural background and ethnic diversity. The Board Diversity Policy is considered in determining the optimum composition of the Board with appropriate balance, when possible. All Board appointments are made on merit, in the context of skills and experience, and the Board recognises that Board diversity is an essential element in contributing to the sustainable development of the Manager and emphasises on Board diversity so as to cope with the diversified portfolio of the Manager's and/or PLife REIT's businesses. The Board takes the necessary measures to ensure that in every possible event, Board diversity will be taken into consideration in Board appointment(s) as well as annual assessment.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience and is of the appropriate size. In carrying out this review, the Board looks to achieve a balance in matters such as skill representation, experience, age, cultural background and gender on the Board.

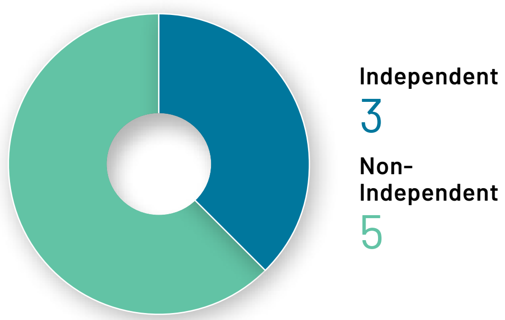
The current Board comprises eight members with two female directors, and the Board members have varied backgrounds, expertise and experience including in finance, banking, investment, legal, real estate, healthcare business and operations, business and general management. For Board appointment, the Board will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. At the recommendation of the NRC, the Board has committed to maintaining at least 25% women directors on the Board with best effort and with a view to increasing to 30% over time to achieve greater gender parity, and to work towards having appropriate age diversity and ethnic and cultural background diversity on the Board. The measures set to achieve the appropriate Board diversity will be reviewed from time to time, and the NRC will recommend changes to the Board where appropriate.

The Board composition in terms of age group, independence, tenure and gender as at 31 December 2023 are as follows:-

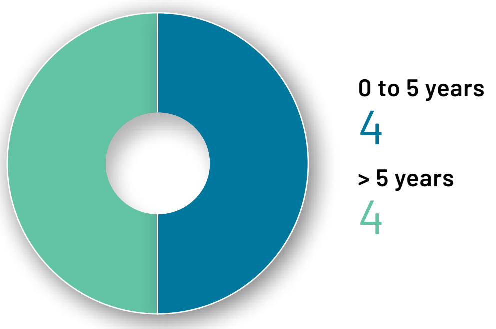
Age Spread



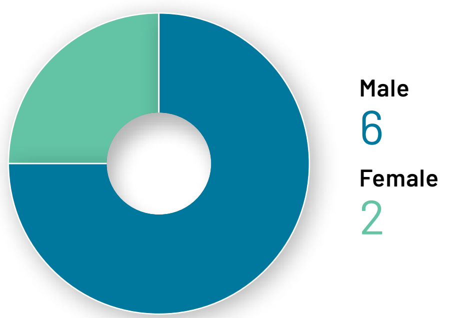
Board Independence



Tenure Mix



Board Gender Diversity



During FY2023, the Board has reviewed its composition, the level of independence and diversity of the Board and is satisfied that the existing size and composition is appropriate in facilitating effective decision-making and constructive debate, taking into account the scope and nature of operations of the Manager and PLife REIT, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and its committees.

The profiles of the directors are set out on pages 16 to 21 of this Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.

The positions of Chairman and CEO are separately held by two persons in order to maintain an effective check and balance and ensure increased accountability and greater capacity for the Board for independent decision making. The Chairman of the Board, Mr. Ho Kian Guan is an independent director. The CEO is Mr. Yong Yean Chau who is also an executive director of the Manager. The Chairman and the CEO are not immediate family members and are not related to each other.

There is a clear and written separation of the roles and responsibilities between the Chairman and the CEO. The Chairman is responsible for the overall management of the Board as well as ensuring that the directors and the management work together with integrity and competency, and that the Board engages the management in constructive debate on strategy, business operations, enterprise risk and other plans. The Chairman also ensures effective communication with the Unitholders and takes a leading role in promoting high standards of corporate governance with support of the Board and the management.

The CEO has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Manager and PLife REIT.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The Board has a formal and transparent process for appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board. The Board is supported by the NRC on matters relating to Board members' appointment and succession, Board effectiveness and directors' independence.

The NRC of the Manager currently comprises Dr. Jennifer Lee Gek Choo (Chairman of the NRC) and Ms. Cheah Sui Ling, both of whom are non-executive and independent directors, and Dr. Prem Kumar Nair, a non-executive director. The NRC members meet, at least once every year to deliberate the remuneration matters and matters relating to Board members' appointment and succession, Board performance evaluation and directors' independence.

The NRC has a set of terms of reference defining its scope of responsibility and authority, which includes the following:

(a) reviewing and recommending to the Board a framework of remuneration for key management personnel, and to determine specific remuneration packages for the Board and key management personnel covering all aspects of remuneration including but not limited to director's fees, salaries, allowances, bonuses, options, unit-based incentives, awards and benefits-in-kind;

(b) reviewing the appropriateness of remuneration awarded to attract, retain and motivate the executive director and key management personnel needed to manage the Manager and PLife REIT successfully;

(c) reviewing the remuneration and employment conditions within the industry and those of the peer companies to ensure that the executive director and key management personnel are adequately remunerated;

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(d) reviewing the adequacy and form of remuneration to the directors and key management personnel to ensure that the remuneration realistically commensurate with the responsibilities and risks involved in being an effective member, as well as corporate and individual performance;

(e) considering the eligibility of the executive director and key management personnel for benefits under long-term incentive schemes and the administration thereof;

(f) reviewing the use of long-term incentives, including share schemes, for the executive director and key management personnel;

(g) recommending to the Board on the selection, appointment and re-appointment of directors (including alternate directors, if applicable);

(h) recommending to the Board the review of the Board succession plans for the directors, in particular, the Chairman and the CEO;

(i) undertaking the assessment of effectiveness of the Board as a whole and the Board committees and assessing the contribution by the Chairman and each individual director to the effectiveness of the Board;

(j) recommending the training and professional development programs for the Board; and

(k) determining the independence of each director annually, and as and when circumstances require, and to provide its views to the Board for Board's consideration.

The appointment of director is a matter reserved for Board approval. The search for candidates is conducted through contacts and recommendations. The NRC will evaluate and assess the candidate based on the directors' criteria approved by the Board, candidate's academic and professional qualifications, expertise, commercial experience and knowledge, taking into account the scope and nature of operations of the Manager and PLife REIT. Suitable candidates are recommended by the NRC to the Board for approval. The Board will deliberate and review the proposed appointment of a new director taking into account the recommendation by the NRC. Such appointment is subject to the approval of MAS. A formal letter setting out the director's duties and responsibilities will be given to the new director upon his/her appointment to the Board.

As the Manager is not a listed company, directors of the Manager are not subject to periodic retirement by rotation. Pursuant to an undertaking given by Parkway Holdings Limited as the sole shareholder of the Manager to the Trustee on 16 March 2017 ("Undertaking"), Unitholders are given the right to endorse the appointment of the directors of the Manager by way of ordinary resolution at the annual general meetings ("AGM") of Unitholders. Accordingly, one-third of the directors of the Manager are put forth for the Unitholders' endorsement of appointment during PLife REIT's AGM since 2017. If any director's appointment is not being endorsed by the Unitholders at the AGM, such director shall resign from the Board either (i) within 21 days from the date of the relevant AGM or (ii) in the event that the Board determines that a replacement director has to be appointed, no later than the date when such replacement director is appointed. Pursuant to Rule 720(6) of the Listing Manual, information relating to the directors who will be subject to Unitholders' endorsement or re-endorsement at the upcoming AGM is provided on pages 82 to 91 of this Annual Report.

The Board, through the NRC, reviews the succession plans of the Board and the management on annual basis, in particular the succession planning for the independent directors of the Manager. In view of the regulatory requirement that an independent director of the Manager shall not be appointed for a continuous period of 9 years or longer on the Board, the NRC has set an internal timeline to commence the search of the replacement independent director as early as one year before the retirement of the existing independent director, to ensure sufficient time be allocated to search for a suitable replacement director such that the Board continuity and sustainability are maintained.

The management continuity is also a key priority to the Board for business continuity and sustainability of the Manager. As part of the management succession plan, the business critical roles ("BCR") of the Manager and their successors are identified. The BCR and the identified successors have been undergoing on-going on-the-job development assigned with increased job responsibilities and are given wider exposure to the Board. In addition to the on-going job development, a leadership development plan approved by the NRC is also in place to enhance the readiness of the identified successors for the BCR. The leadership development plan comprises short courses focus in specific area such as leadership skill, people management and business management, and also executive or advanced management programme offered by well-established universities or service providers.

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

A review of the Board's performance is conducted annually to assess the effectiveness of the Board and the Board committees. The review of the Board's performance includes the Board composition, directors' contribution and commitment at board meetings, access to information, procedures, accountability and standards of conduct, skills and any specific areas where improvement may be made by an individual director and the Board collectively. Attendance at meetings as well as the contributions of each director to the Board are also considered. The Board has not engaged any external facilitator to facilitate the assessment. Each of the directors are required to complete a questionnaire evaluating the Board and the Board committees for the financial year under review. A summary of the feedbacks and recommendations from the directors was prepared and presented to the NRC and the Board respectively. The NRC has reviewed the summary and put forward its comments and recommendations, if any, to the Board for approval.

The Board has also set a general policy that a director should not have more than five listed company board representations taking into account the market practices and the level of commitment required. This helps to ensure that the Board is effective as a whole and that each director is capable of contributing time and attention to the affairs of PLife REIT and the Manager, including attendance and contribution at Board meetings.

The Board and the NRC assessed the effectiveness and performance of the Board and the Board committees on an annual basis. Based on the attendance and level of participation at the meetings of the Board and the Board committees held during the financial year, the Board is satisfied with the effectiveness of the Board and that all directors have demonstrated commitment to their roles and contributed effectively to the Board, and that all directors were able to adequately and diligently carry out their duties.

REMUNERATION MATTERS

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

As highlighted above, the NRC reviews and recommends to the Board a general framework of remuneration for the Board and the key management personnel. Based on current practice, the NRC reviews and recommends to the Board the specific remuneration packages for each director and key management personnel to ensure that the remuneration payable is in line with the objectives of the Manager's remuneration guidelines. For the avoidance of doubt, the NRC members do not participate in any decisions concerning their own remuneration.

The directors' fees and remuneration of employees of the Manager are paid in its own capacity using its own funds and fees received from PLife REIT and not from the funds of PLife REIT.

The Manager advocates a performance based remuneration system for the CEO/executive director and key management personnel (collectively, "KMP"). The NRC, which has an independent majority, helps to ensure that there is an effective and formal process to establish the remuneration system. The remuneration of the KMP is reviewed by the NRC on an annual basis based on the financial and non-financial key performance indicators ("KPIs") linked to the performance of PLife REIT for the financial year under review, and individual performance of each of the KMP in contribution to the long-term strategic goals of PLife REIT and the Manager. The financial KPI entails distributable income of PLife REIT and the non-financial KPIs entail analyst coverage, tenant satisfaction, retention of key employees and regulatory compliance ("Performance Criteria").

The remuneration for the KMP comprises fixed pay and short-term and long-term incentives. The fixed pay component includes fixed salary and allowances. The short-term and long-term incentives are tied to the individual performance based on their value creation capability, being the ability in contributing and achieving the Performance Criteria in their respective roles, and the overall performance of PLife REIT for the financial year.

The Performance Criteria and its target were approved by the Board prior to each financial year. Under the long-term incentive plan ("LTI Plan"), the eligible employee will be awarded with the PLife REIT's units owned by the Manager based on the achievement of the Performance Criteria for the financial year under review.

The LTI Plan is designed to enhance executive performance, encourage talent retention and provide eligible employees with a personal direct interest in PLife REIT, so as to create better alignment of the interest between management and the interest of the Unitholders. The LTI Plan will also serve to motivate eligible employees to achieve the performance targets of PLife REIT. The Manager believes that the LTI Plan will make the Manager's remuneration package sufficiently competitive to recruit, reward, retain and motivate outstanding employees which are paramount to the Manager's long-term objective of achieving sustainable returns for the Unitholders.

The non-executive directors receive their directors' fees in accordance with their various levels of contributions, taking into account factors such as their responsibilities, effort and time spent for serving on the Board and the Board committees, and their value creation capability, being the directors' ability to provide valuable experiences and expertise in various aspects of PLife REIT's operations and providing stewardship to PLife REIT and the management of the Manager. The fees received by non-executive directors are at fixed rates and determined by the shareholder of the Manager on an annual basis. In addition to their basic fee, the non-executive directors who hold the position of chairman in the Board and any Board committee will be paid an additional fee. For the avoidance of doubt, the CEO of the Manager who is also an executive director does not receive any director's fee. None of the directors was involved in any decisions concerning their own remuneration. The NRC also ensures that non-executive directors are not over-compensated to the extent that their independence may be compromised. In discharging their duties, the NRC may seek advice from external consultants, whenever it deems necessary.

During the financial year under review, an external independent remuneration consultant, HR Guru Pte. Ltd. was engaged to review the competitiveness of the remuneration payable to the Manager's employees. The remuneration consultant does not have any relationship with the Manager and its directors which would affect its independence and objectivity.

Directors' Fees

The current directors' fee structure of the Manager is as shown in the table below:-

	Chairman (S$ per annum)	Member (S$ per annum)
Board of Directors	110,000	55,000
Audit and Risk Committee	38,000	16,000
Nominating and Remuneration Committee	28,000	12,000

The director's remuneration paid to the following non-executive directors for FY2023 is as follows:

Name of Director	Director's Fee (%)	Base/ Fixed Salary (%)	Variable/ Performance-Related Income/ Bonuses (%)	Benefits-in-kind (%)	Stock Options granted (%)	Share-based incentives & awards (%)	Other long-term incentives (%)	Total (S$)
Mr. Ho Kian Guan	100	–	–	–	–	–	–	126,000
Dr. Jennifer Lee Gek Choo	100	–	–	–	–	–	–	99,000
Ms. Cheah Sui Ling	100	–	–	–	–	–	–	105,000
Mr. Takeshi Saito(1)	100	–	–	–	–	–	–	6,479
Dr. Kelvin Loh Chi-Keon(2)	100	–	–	–	–	–	–	9,545
Mr. Sim Heng Joo Joe(2)	100	–	–	–	–	–	–	47,819
Mr. Joerg Ayrle(2)	100	–	–	–	–	–	–	41,288
Dato' Sri Muthanna Bin Abdullah	100	–	–	–	–	–	–	6,781
Mr. Tomo Nagahiro(1)	100	–	–	–	–	–	–	6,781
Dr. Prem Kumar Nair(3)	100	–	–	–	–	–	–	8,260
Dr. Chow Chorng Ann Peter(3)	100	–	–	–	–	–	–	4,068

Notes:
(1) Director's fees were paid to Mitsui & Co., Ltd.
(2) Director's fees were paid to Parkway Group Healthcare Pte. Ltd.
(3) Director's fees were paid to Parkway Holdings Limited.

The Board has assessed and decided against the disclosure of (a) the breakdown (in percentage or dollar terms) of the CEO/executive director's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives, (b) the breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits-in-kind, stock options granted, share-based incentives and awards, and other long-term incentives, and (c) the total remuneration paid to the top five key management personnel (who are not directors or the CEO), on a named basis whether in exact quantum or in bands of S$250,000, for the following reasons:

1. The remuneration of directors and employees of the Manager are not paid out of the deposited property of PLife REIT (which is the listed entity), but is remunerated directly by the Manager from the fees that it receives.

2. The Manager is of the view that disclosure of specific remuneration information may give rise to recruitment and talent retention issues in light of the competitiveness between REIT managers in Singapore because there are relatively few REIT manager companies compared to the number of listed companies in Singapore so there are competitiveness issues in recruiting and retaining competent personnel in this limited space.

3. There is already full disclosure of the total amount of fees payable to the Manager on page 184 of this Annual Report.

The Manager does not consider it prejudicial to unitholders' interests if the remuneration of the KMP is not specifically disclosed. Instead, the Manager believes that such disclosure would be disadvantageous given the highly competitive conditions in the REIT industry where poaching of executives is commonplace. As the retention of the KMP is crucial for continuity and a stable management platform for the interest of PLife REIT, the Manager does not wish to disclose such specific remuneration information.

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No director or KMP of the Manager is paid in the form of shares or interests in the Manager's controlling shareholder or its related entities.

The NRC considers all aspects of remuneration, including termination terms, to ensure they are fair. For FY2023, there were no termination, retirement and post-employment benefits granted to directors and the KMP other than the payment in lieu of notice in the event of termination in the employment contract of the KMP.

No employee of the Manager was a substantial unitholder of PLife REIT or an immediate family member of a director and CEO/executive director and whose remuneration exceeded S$100,000 during the FY2023. "Immediate family member" means the spouse, child, adopted child, stepchild, sibling and parent.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board acknowledges that it is responsible for the overall internal control framework and the maintenance of a sound system of internal controls. The system includes, *inter alia*, enterprise risk management and internal auditing. However, the Board recognises that no cost-effective internal control system and risk management will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Manager and PLife REIT. In assessing business risks, the Board will consider the economic environment and risks relevant to the property and healthcare industry. It reviews management reports and feasibility studies on investment risks prior to approving all investment decisions. The Board meets regularly to review the operations of the Manager, the business risks of PLife REIT, examine liability management and will act upon any comments from the auditors of PLife REIT.

To ensure a robust risk management system is maintained, the Manager has put in place an Enterprise Risk Management ("ERM") framework and policies to determine the nature and the extent of the significant financial, operational, compliance and information technology risks in order to achieve strategic objectives and value creation of PLife REIT. An outline of the Manager's ERM framework and policies is set out on pages 56 to 59 of this Annual Report. Any material non-compliance and internal control weakness, together with the recommendations to address them, the mitigating controls or gaps (if any) are also presented to the ARC and the Board accordingly.

The system of risk management is embedded in the internal control system of the Manager to address on-going changes and challenges and to reduce uncertainties to PLife REIT. The ARC, through the assistance of internal and external auditors and the external risk consultant, reviews and reports to the Board on the adequacy and effectiveness of the Manager's internal control systems, including financial, compliance, operational and information technology controls.

The ARC and the Board review the adequacy and efficiency of the risk management system and internal controls on an annual basis. Based on the up-to-date evaluation of the controls conducted by the internal and external auditors and the external risk consultant, the CEO and the Chief Financial Officer ("CFO") of the Manager have provided written assurance to the Board that the financial records of PLife REIT have been properly maintained and the financial statements give a true and fair view of the operations and finances of PLife REIT for FY2023. The CEO, the CFO and the Chief Investment Officer (acting also as cover for the Chief Portfolio Officer who resigned in FY2023) (collectively, the "KMP") have also provided the Board with written assurance that the Manager's internal controls and risk management systems are effective and adequate for the year under review.

Nonetheless, the ARC will:

(a) satisfy itself, by such means as it shall consider appropriate, that adequate counter measures (i.e. mechanisms and processes, such as sound internal control systems) are in place to identify and mitigate any material business risks associated with the Manager and PLife REIT;

(b) ensure that a review of the effectiveness and adequacy of the Manager's internal controls, including financial, operational, compliance and information technology controls, and risk management policies and systems, is conducted at least annually. Such review can be carried out by internal auditors, external auditors and/or the ERM committee;

(c) ensure that the internal control recommendations made by internal auditors, external auditors and/or the ERM committee have been implemented by the Manager; and

(d) ensure that the Board is in a position to comment on the adequacy of the internal controls of the Manager.

The Board believes that the ERM framework is adequate and effective taking into account the size of PLife REIT and the business environment it operates in. The Board has also observed that the management, being familiar with the ERM framework, implements it effectively and provides the ARC and the Board with timely updates on risk management activities. In relation to the Manager's internal controls, the Board derives comfort that such internal controls are being audited by both internal and external auditors on an annual basis and any lapses in internal controls are promptly brought to the attention of the Board in order for corrective measures to be implemented as soon as practicable.

Taking into account the abovementioned evaluation of the controls conducted by the internal and external auditors and the external risk consultant, the review performed by the Manager's ERM committee, and the assurance received from the KMP of the Manager, the Board is of the opinion that PLife REIT's internal controls (including financial, operational, compliance and information technology controls) and risk management systems in place were adequate and effective as at 31 December 2023. The ARC concurs with the Board's comment regarding PLife REIT's internal controls (including financial, operational, compliance and information technology controls) and risk management systems provided in the foregoing. For the financial year ended 31 December 2023, the Board and the ARC have not identified any material weaknesses in the Manager's internal controls and risk management systems.

AUDIT AND RISK COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Audit and Risk Committee ("ARC") of the Manager comprises Ms. Cheah Sui Ling (Chairman of the ARC), Dr. Jennifer Lee Gek Choo and Mr. Ho Kian Guan, all of whom are independent non-executive directors. The members of the ARC collectively have recent and relevant expertise or experience in financial management and are appropriately qualified to discharge their responsibilities.

The ARC have oversight responsibilities in the key areas including, financial reporting process and integrity, risk management and internal controls (including financial, operational, compliance and information technology controls), management of financial and fraud risks, internal and external audit process (including scope, resources effectiveness and independence), whistle-blowing policies, processes and reporting, interested parties transactions and reporting and the Manager's process for monitoring compliance with the laws and regulations and its code of business conduct. The ARC members meet, at least once every quarter to deliberate matters under its responsibility.

The ARC has a set of terms of reference defining its scope of responsibility and authority, which includes the following:

(a) reviewing the adequacy and effectiveness of the internal controls and risk management systems, including financial, operational, compliance and information technology controls, at least annually;

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(b) reviewing with the management the effectiveness of the system for monitoring compliance with laws and regulations (including the Listing Manual and the Property Funds Appendix) and the results of the management's investigation and follow-up (including disciplinary action) of any fraudulent acts or non-compliance;

(c) reviewing the policy and arrangements for concerns about possible improprieties in matters of financial reporting or other matters to be safely raised, and ensuring that arrangements are in place for such concerns to be safely raised, independently investigated, and for appropriate follow-up action to be taken;

(d) monitoring the procedures established to regulate related party transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transactions" and the provisions of the Property Funds Appendix relating to "interested party transactions";

(e) reviewing the assurance from the CEO and the CFO on the financial records and financial statements and the assurance from the KMP on the adequacy and effectiveness of the risk management and internal control systems;

(f) reviewing the adequacy, effectiveness, independence and objectivity, scope and results of the external auditors;

(g) reviewing external audit reports to ensure that where deficiencies in internal controls or significant findings have been identified, recommendations made by external auditors are received and discussed, and to ensure that appropriate and prompt remedial action is taken by the management;

(h) reviewing the nature and extent of non-audit services performed by external auditors;

(i) making recommendations to the Board on the appointment, re-appointment and removal of the external auditors and the remuneration and terms of engagement of the external auditors;

(j) reviewing, on an annual basis, the adequacy, effectiveness, independence, scopes and results of the internal audit function by ensuring that the internal audit function is adequately resourced and staffed with persons with the relevant qualifications and experience and has unfettered access to all documents, records, properties and personnel, including access to the ARC;

(k) reviewing internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor related party transactions have been complied with;

(l) meeting with external and internal auditors, without presence of the KMP annually;

(m) investigating any matters within the ARC's terms of reference, whenever it deems necessary;

(n) reporting to the Board on material matters, findings and recommendations; and

(o) assisting the Board in the review of the Manager's sustainability issues and approach to sustainability reporting, reviewing the Manager's environmental, social and governance ("ESG") framework, monitoring and managing the ESG factors identified as material to the business, overseeing and managing the standards, management processes and strategies to achieve the sustainability practices with the management, and assisting the Board in ensuring the management establishes and maintains a sound system of sustainability governance and an appropriate sustainability framework, and reporting to the Board and providing appropriate updates and recommendations on the sustainability issues.

The ARC has authority to investigate any matter within its terms of reference. It also has full access to and co-operation of the management and full discretion to invite any director or executive officer to attend its meetings.

During the year under review, the ARC has reviewed:

- quarterly business updates, half-yearly and full-year financial statements of PLife REIT before its announcement;
- reports on audit findings reported by the internal and external auditors;
- reports on material business risks of PLife REIT reported by the external risk consultant;
- sustainability report of PLife REIT;
- compliance work plan and updates reported by the compliance officer; and
- related party transactions of PLife REIT.

In addition, the ARC has conducted a review of all non-audit services provided by the external auditors and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. For FY2023, the aggregate amount of fees paid and payable by PLife REIT to the external auditors was S$345,000, comprising non-audit service fees of S$66,000 and audit service fees of S$279,000. In appointing the audit firms for the Group, the ARC is satisfied that PLife REIT has complied with the Listing Rules 712 and 715 of the Listing Manual.

The ARC meets with the external auditors, without the presence of management, at least once a year.

The ARC is briefed regularly on the impact of the new accounting standards on PLife REIT's financial statements by the external auditors.

The ARC does not comprise former partners or directors of the Manager's and PLife REIT's external auditors, within a period of two years, or who holds any financial interest in the existing auditors engaged by PLife REIT and the Manager.

INTERNAL AUDIT

The Manager has put in place a system of internal controls of procedures, including financial, operational, compliance and information technology controls, and risk management systems to safeguard PLife REIT's assets, Unitholders' interests as well as to manage risk.

The internal audit function of the Manager is outsourced to an independent assurance service provider, BDO LLP, Singapore, a member of the BDO International Limited, United Kingdom and forms part of the international BDO network of independent member firms. BDO conducts their internal audits based on the BDO Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing adopted by The Institute of Internal Auditors. The internal audit team is well-resourced and is led by an engagement partner who is also the Head of Risk Advisory Services in BDO Singapore with more than 20 years of audit and advisory experience and is a Chartered Accountant (Singapore), Certified Internal Auditor and Certified Information System Auditor.

The ARC reviews the adequacy and effectiveness of the internal auditor at least once a year. The ARC is satisfied that the internal auditor has the relevant qualifications and experience and has met the standards established by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The internal auditor reports directly to the ARC on audit matters and the ARC approves the hiring, removal, evaluation and fees of the internal auditor. The internal auditor has unfettered access to all documents, records, properties and personnel in the Manager, including unrestricted access to the ARC, the Board and the management. The ARC also reviews and approves the annual internal audit plan and reviews the internal audit reports and activities. The ARC meets with the internal auditor, without the presence of management, at least once a year.

For FY2023, the ARC has reviewed the adequacy and effectiveness of the internal audit function performed by BDO LLP and is satisfied that the internal audit function is independent, effective and adequately resourced.

WHISTLE-BLOWING POLICY

The Manager has put in place a fraud and whistle-blowing policy (the "Whistle-Blowing Policy") which reflects the Manager's commitment to conduct its business within a framework that fosters the highest ethical and legal standards. In line with this commitment and PLife REIT's commitment to open communications, the Whistle-Blowing Policy provides for procedures and mechanisms by which employees and external parties may, in confidence, raise their concerns about possible improprieties in financial reporting or other matters relating to the Manager and its staff. The Whistle-Blowing Policy aims to foster and maintain an environment where employees of the Manager and external parties can act appropriately, without fear of retaliation, and provides reassurance that the report will be independently investigated and the whistle-blower will be protected from reprisals or victimisation for whistle-blowing in good faith.

Whistle-blowers may report any matters of concern by email at whistleblow@parkwaylifereit.com. The report submitted through this channel would be received by the ARC who has the absolute discretion to set up an investigation team independent from the alleged person to investigate the report. The investigation team shall investigate the alleged misconduct and report the findings directly to the Chairman of the ARC. The ARC, who is responsible for oversight and monitoring the implementation of the Whistle-Blowing Policy, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out.

The Manager is committed to ensuring that whistle-blowers in good faith will be treated fairly and protected from reprisals and victimisation. All reports and related communications, including the identity of the whistle-blower will be documented and kept in confidence provided that it does not hinder or frustrate the investigations, and except where disclosure is required to the relevant authorities. The whistle-blow report should be as precise as possible so as to allow for proper investigation to be made. The whistle-blower shall provide contact details so that the investigation team may contact for more information if need be.

The ARC reviewed the Whistle-Blowing Policy and was satisfied that the arrangements are in place for the independent investigation of such matters and for appropriate follow-up action. All employees of the Manager are informed of the Whistle-Blowing Policy and are required to confirm their understanding of the Whistle-Blowing Policy.

UNITHOLDER RIGHTS AND RESPONSIBILITIES

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Communication with Unitholders
The Listing Manual of the SGX-ST requires that a listed entity discloses to the market, among others, matters that would likely have a material effect on the price or value of the entity's securities. The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders, various stakeholders and the investing community, and has put in place an investor relations policy which sets out the policies and practices which the Manager adopted. Investors can also subscribe to email alert of all announcements and press releases issued by PLife REIT or submit questions at their convenience via an enquiry form on PLife REIT's corporate website.

The investor relations function is headed by the CEO and the CFO of the Manager. The Manager adopts a proactive approach in reaching out to the Unitholders, existing and potential investors, analyst and media through various communication channels and programmes such as the corporate website, corporate literature, annual general meeting and investor outreach programmes, throughout the year. The sustainability report of PLife REIT set out on pages 96 to 116 of this Annual Report provide PLife REIT's approach to address stakeholders' concerns and methods of engagement and also set out the key areas of focus in relation to the management of stakeholders for the financial year ended 31 December 2023.

In line with the Manager's objective of transparent communication, timely and full disclosure of all material information relating to PLife REIT are disclosed by way of public releases or announcements through the SGX-ST via SGXNET at first instance and uploaded on PLife REIT's website at https://www.plifereit.com thereafter. The Manager ensures that unpublished price sensitive information are not disclosed selectively, and in the event of any inadvertent disclosure of such information, the Manager shall make necessary disclosure to the public via SGXNET and release on PLife REIT's website promptly.

It is the aim of the Board to provide the Unitholders with a balanced and comprehensive assessment of PLife REIT's performance, position and prospects.

The Unitholders are encouraged to attend the annual general meeting ("AGM") of PLife REIT to ensure a high level of accountability and to stay informed of the strategies and goals of PLife REIT. All Unitholders are entitled to attend and vote at general meetings in person or by proxy. During the AGM held in 2023, all directors of the Manager attended the AGM and the external auditors were also present to address Unitholders' queries.

The notice of AGM is dispatched to the Unitholders in the manner set out in the Listing Manual. The Board welcomes questions from the Unitholders who have an opportunity to raise issues either informally or formally before or at the AGM.

Each item of special business included in the notice of AGM is accompanied, where appropriate, by an explanation for the proposed resolution and a proxy form with instructions on the appointment of proxies. Separate resolutions are prepared for substantially separate issues at the AGM. The resolutions approved in the AGM will be announced on or after the day AGM is held. The minutes of general meetings, which include substantial comments or queries raised by Unitholders and the responses from the Board and management are published on the SGXNET and made available on PLife REIT's corporate website within one month from the date of the AGM.

In support of greater transparency of voting in AGM and good corporate governance, the Manager employed electronic polling whereby all resolutions are voted by poll and detailed results showing the number of votes cast for and against each resolution and the respective percentage are published at the meeting. Prior to voting at the AGM, the voting procedures will be made known to the Unitholders. The votes cast by each Unitholder are in direct proportion to their respective unitholdings in PLife REIT. If any Unitholder is unable to attend the AGM, the Trust Deed allows for a Unitholder to appoint up to two proxies to attend, speak and vote on his/her behalf at the general meeting.

Distributions
PLife REIT has a distribution policy, with more information of the distribution policy is set out on page 167 of this Annual Report and the "Distribution Statements" are provided on pages 127 and 128 of this Annual Report.

DEALINGS IN PLIFE REIT'S UNITS

The Trust Deed requires each director to give notice to the Manager of his acquisition of units or of changes in the number of units which he holds or in which he has an interest, within two business days after such acquisition or the occurrence of the event giving rise to changes in the number of units which he holds or in which he has an interest. This is in line with the requirements of Section 137Y of the SFA (*relating to notification of unitholdings by directors and CEO of the Manager*). The CEO of the Manager is also required to give similar notice under the section.

All dealings in units by the directors and the CEO will be announced via SGXNET, with the announcement to be posted on the SGX-ST website at https://www.sgx.com.

Further, Section 137ZC of the SFA (*relating to notification of unitholdings by responsible persons*) requires the Manager to, *inter alia*, announce via SGXNET the particulars of any acquisition or disposal of interest in PLife REIT's units by the Manager no later than the end of the business day following the day on which the Manager became aware of the acquisition or disposal.

CORPORATE GOVERNANCE

The Manager has put in place a securities dealing policy for its directors and employees. As a matter of internal policy, the directors and employees are subject to pre-trade approval for any dealing of PLife REIT units. The directors and employees of the Manager are encouraged to hold units and not deal with the units on short-term considerations. The directors and employees are prohibited from dealing in the units:

(a) in the period commencing one month before the public announcement of PLife REIT's semi-annual and annual results and (where applicable) property valuations, and ending on the date of announcement of the relevant results or as the case may be, property valuations; and

(b) at any time while in possession of unpublished price sensitive information.

For better corporate governance, the Manager has voluntary adopted a prohibition period of two weeks before the public announcement of PLife REIT's quarterly business updates, and ending on the date of announcement of the relevant business updates.

DEALINGS WITH CONFLICTS OF INTEREST

The Manager has instituted the following procedures to deal with potential conflicts of interest issues:

(a) The Manager will be a dedicated manager to PLife REIT and will not manage any other REIT which invests in the same type of properties as PLife REIT.

(b) All resolutions in writing of the Board in relation to matters concerning PLife REIT must be approved by a majority of the directors, including at least one independent director.

(c) At least one-third of the Board shall comprise independent directors.

(d) All related party transactions are reviewed by the ARC. Where a related party transaction is subject to approval by ARC, majority approval of ARC is required. If a member of the ARC has an interest in a transaction, he or she will abstain from voting.

(e) In respect of matters in which Parkway Holdings Limited, the sponsor of PLife REIT ("Sponsor") and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interest will abstain from voting and recuse from meetings and decisions in respect of such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude the nominee directors of the Sponsor and/or its subsidiaries.

(f) In respect of matters in which a director or his associates have an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the Board and must exclude such interested director.

(g) Under the Trust Deed, the Manager and its associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its associates has a material interest. For so long as the Manager is the manager of PLife REIT, the controlling shareholders (as defined in the Listing Manual) of the Manager and their respective associates are prohibited from being counted in the quorum for or voting at any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholders of the Manager and/or their associates have a material interest.

(h) It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of PLife REIT with a related party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of PLife REIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Board (including its independent directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of PLife REIT with a related party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

PLife REIT's properties are located in Singapore, Japan and Malaysia and its strategy 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. The Sponsor has interests in several healthcare and/or healthcare-related properties in the Asia-Pacific region such as those located in Malaysia. Potential conflicts of interest between the Sponsor and PLife REIT may arise in respect of acquisition and ownership of healthcare and/or healthcare-related assets in the Asia-Pacific region, including Singapore where PLife REIT's initial properties are located, and where PLife REIT's investment strategy is to invest in healthcare and/or healthcare-related properties located therein.

In order to mitigate any conflict of interest between the Sponsor and PLife REIT in the Asia-Pacific region, the ARC will, during the course of its review of transactions to be entered into by PLife REIT in the future, take into account the expiry of the right of first refusal granted by the Sponsor, together with any other relevant factors that may arise during the assessment process and arrive at its view based on all relevant factors. The existing internal control systems on dealings with conflict of interest will be reviewed periodically to ascertain its effectiveness and suitability and further measures will be considered and implemented to fine-tune the internal control procedures to deal with potential conflicts of interest issues.

In addition, the nominee directors appointed by the Sponsor to the Board are committed not to disclose to the Sponsor information concerning offers to PLife REIT in respect of potential acquisition of new properties as well as offers made by PLife REIT in respect of the potential acquisition of new properties, save for properties which the nominee directors are in a position to confirm that the Sponsor has no intention of acquiring.

The Manager has also put in place a conflict of interest policy applicable to all its employees to ensure that any conflict of interest or potential conflicts of interest are disclosed and necessary approvals are sought where required.

CORPORATE GOVERNANCE

RELATED PARTY TRANSACTIONS

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all future related party transactions (which term includes an "interested person transaction" as defined under the Listing Manual and an "interested party transaction" under the Property Funds Appendix) will be undertaken on normal commercial terms and will not be prejudicial to the interests of PLife REIT or the Unitholders. As a general rule, the Manager must demonstrate to the ARC that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The Manager maintains a register to record all related party transactions which are entered into by PLife REIT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered. The Manager also incorporates into its internal audit plan a review of all related party transactions entered into by PLife REIT. The ARC reviews the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor related party transactions have been complied with. In addition, the Trustee also have the right to review such audit report to ascertain that the Property Funds Appendix have been complied with. Further, the following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) below 3.0% of the value of PLife REIT's net tangible assets will be subject to review by the ARC at regular intervals;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of PLife REIT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of the value of PLife REIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the ARC which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning PLife REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of PLife REIT with a related party of the Manager or PLife REIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on an arm's length basis and on normal commercial terms, are not prejudicial to the interests of PLife REIT or the Unitholders, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or PLife REIT. If the Trustee is to sign any contract with a related party of the Manager or PLife REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

PLife REIT will, in compliance with Rule 905 of the Listing Manual, announce any interested person transaction if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3.0% or more of PLife REIT's latest audited net tangible assets.

The Manager also discloses in the Annual Report the aggregate value of the related party transactions entered during the relevant financial year as required under the Listing Manual and the Property Funds Appendix. See page 213 of this Annual Report for the disclosure.

Role of the Audit and Risk Committee for Related Party Transactions

All related party transactions must be reviewed by the ARC and where applicable, approved by a majority of the ARC to ensure compliance with the Manager's internal control system and with the relevant provisions of the Listing Manual as well as the Property Funds Appendix. The review will include the examination of the nature of the transactions and its supporting documents or such other data deemed necessary to the ARC.

CORPORATE GOVERNANCE

Additional Information on Endorsement or Re-Endorsement of Appointment of Directors (as the case may be)
(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Ms. Cheah Sui Ling	Dato' Sri Muthanna Bin Abdullah	Mr. Tomo Nagahiro	Dr. Prem Kumar Nair	Dr. Chow Chorng Ann Peter
Date of Appointment	24 April 2017	17 November 2023	17 November 2023	17 November 2023	5 December 2023
Date of last endorsement or re-endorsement of appointment (as the case may be)	22 April 2021	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Age	52	64	48	63	49
Country of principal residence	Singapore	Malaysia	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	At the recommendation of the Manager's NRC, the Board has reviewed and considered the background and experience of Ms. Cheah. The Board approved the appointment of Ms. Cheah as Independent Director, Chairman of the ARC and a member of the NRC of the Manager.	Dato' Sri Muthanna was nominated by Parkway Holdings Limited, the holding company of the Manager. The NRC has reviewed the qualification and experience of Dato' Sri Muthanna and recommended to the Board the appointment of Dato' Sri Muthanna as a Non-Executive Director of the Manager. The Board considered the recommendation of NRC and approved the appointment of Dato' Sri Muthanna.	Mr. Nagahiro was nominated by Parkway Holdings Limited, the holding company of the Manager. The NRC has reviewed the qualification and experience of Mr. Nagahiro and recommended to the Board the appointment of Mr. Nagahiro as a Non-Executive Director of the Manager. The Board considered the recommendation of NRC and approved the appointment of Mr. Nagahiro.	Dr. Nair was nominated by Parkway Holdings Limited, the holding company of the Manager. The NRC has reviewed the qualification and experience of Dr. Nair and recommended to the Board the appointment of Dr. Nair as a Non-Executive Director and member of the NRC of the Manager. The Board considered the recommendation of NRC and approved the appointment of Dr. Nair.	Dr. Chow was nominated by Parkway Holdings Limited, the holding company of the Manager. The NRC has reviewed the qualification and experience of Dr. Chow and recommended to the Board the appointment of Dr. Chow as a Non-Executive Director of the Manager. The Board considered the recommendation of NRC and approved the appointment of Dr. Chow.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Non-executive	Non-executive	Non-executive
Job Title	Independent Director, Chairman of the Audit and Risk Committee and member of Nominating and Remuneration Committee	Non-Executive Director	Non-Executive Director	Non-Executive Director and member of Nominating and Remuneration Committee	Non-Executive Director
Professional qualifications	• BA, Economics and French, Wellesley College, Massachusetts, USA	• Bachelor of Law, University of Buckingham, England • Barrister-at-Law, Honourable Society of Middle Temple (England)	• Bachelor of Arts in Law (concentration in Administrative Law), The University of Tokyo, Japan • U.S. Certified Public Accountant, State of Delaware, U.S.A • Master of Business Administration, Kellogg School of Management, Northwestern University, U.S.A.	• Bachelor of Medicine & Bachelor of Surgery, National University of Singapore • Master of Business Administration (Distinction), Manchester Business School, United Kingdom	• Bachelor of Dental Surgery, National University of Singapore • Master of Health Science (Management), University of Sydney, Australia

Additional Information on Endorsement or Re-Endorsement of Appointment of Directors (as the case may be)
(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Ms. Cheah Sui Ling	Dato' Sri Muthanna Bin Abdullah	Mr. Tomo Nagahiro	Dr. Prem Kumar Nair	Dr. Chow Chorng Ann Peter
Working experience and occupation(s) during the past 10 years	• October 2016 to Present – Operation Partner, Wavemaker Partners, Singapore • October 2014 to September 2016 – Vice Chairman (Non-Executive), Avista Advisory Group, Singapore • November 2009 to June 2013 – Co-head of Corporate Finance SEA, BNP Paribas, Singapore	• 2018 to Present – Consultant of Abdullah Chan & Co (Advocates & Solicitors) • 2012 to 2017 – Managing Partner of Abdullah Chan & Co (Advocates & Solicitors)	• 2023 to Present – General Manager of Healthcare Services & Data Business Department (Wellness Business Unit), Mitsui & Co., Ltd • 2019 to 2023 – General Manager of Strategic Planning Department (Wellness Business Unit), Mitsui & Co., Ltd • 2019 to 2021 – General Manager of Healthcare Business 1st Department (Healthcare Business Division), Mitsui & Co., Ltd • 2015 to 2018 – Chief Operating Officer of MIMS Pte. Ltd. • 2013 to 2015 – Assistant Vice President of Strategic Planning and Business Development, Parkway Group Healthcare Pte. Ltd. • 2012 to 2013 – Manager of Business Development, Medical Healthcare Business Division 1, Mitsui & Co., Ltd	• October 2023 to Present – Group Chief Executive Officer, IHH Healthcare Berhad • 2020 to September 2023 – Chief Executive Officer, Singapore of IHH Healthcare Berhad • 2018 to 2020 – Associate Professor of National University of Singapore • 1990 to 2017 – Chief Corporate Officer/Managing Director, Singapore Healthcare of Raffles Medical Group Ltd	• October 2023 to Present – Acting Chief Executive Officer, IHH Healthcare Singapore • March 2020 to September 2023 – Chief Executive Officer, Mount Elizabeth Novena Hospital • January 2019 to February 2020 – Chief Operating Officer, Mount Elizabeth Novena Hospital • July 2018 to December 2018 – Acting Chief Operating Officer, Mount Elizabeth Novena Hospital • January 2018 to June 2018 – AVP Operations, Mount Elizabeth Novena Hospital • March 2015 to October 2017 – Chief Operating Officer, NHG Polyclinics • January 2015 to February 2015 – Acting Chief Operating Officer, NHG Polyclinics • May 2011 to August 2015 – Director, Corporate Development & Communications (overlap with role as Chief Operating Officer), NHG Polyclinics
Shareholding interest in the listed issuer and its subsidiaries	No	No	No	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Dato' Sri Muthanna is an Independent and Non-Executive Director of IHH Healthcare Berhad, a substantial shareholder of Parkway Life REIT	Mr. Nagahiro is a Non-Independent and Non-Executive Director of IHH Healthcare Berhad and a CEO & Director of MBK Healthcare Management Pte. Ltd., both of which are substantial shareholders of Parkway Life REIT	Dr. Nair is the Group Chief Executive Officer of IHH Healthcare Berhad, a substantial shareholder of Parkway Life REIT	Dr. Chow is the Acting Chief Executive Officer, IHH Healthcare Singapore, a subsidiary of IHH Healthcare Berhad which is a substantial shareholder of Parkway Life REIT
Conflict of Interest (including any competing business)	Nil	Nil, except for the directorship held by Dato' Sri Muthanna in IHH Healthcare Berhad	Nil, except for the directorships held by Mr. Nagahiro in Fortis Healthcare Limited, IHH Healthcare Berhad and MBK Healthcare Management Pte. Ltd.	Nil, except for the position of Group Chief Executive Officer held by Dr. Nair in IHH Healthcare Berhad and various directorships in subsidiaries of IHH Healthcare Berhad	Nil, except for the position of Acting Chief Executive Officer held by Dr. Chow in IHH Healthcare Singapore and various directorships in subsidiaries of IHH Healthcare Berhad
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes

CORPORATE GOVERNANCE

Additional Information on Endorsement or Re-Endorsement of Appointment of Directors (as the case may be)
(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Ms. Cheah Sui Ling	Dato' Sri Muthanna Bin Abdullah	Mr. Tomo Nagahiro	Dr. Prem Kumar Nair	Dr. Chow Chorng Ann Peter
Other Principal Commitments Including Directorships					
Past (for the last 5 years)	• Non-Executive Director of Leap201	• Independent Non-Executive Director of Sapura Resources Berhad • Independent Non-Executive Director of Digital Nasional Berhad • Independent Non-Executive Director of KPJ Healthcare Berhad • Director of IA Synergy Sdn Bhd • Independent Non-Executive Director of Malaysia Rating Corporation Berhad • Director of Opcom Cables Sdn Bhd • Director of Integrasi Hub Sdn Bhd	• Nil	• Director of Cennery Pharmaceuticals Ltd • Director of Asia Renal Care (Katong) Pte Ltd • Director of Asia Renal Care Mt Elizabeth Pte Ltd • Chief Executive Officer, Singapore of IHH Healthcare Berhad	• Chief Executive Officer, Mount Elizabeth Novena Hospital
Present	• Executive Board Chair of ecoSPIRITS Pte Ltd • Independent Non-Executive Director of Pathology Asia Holdings Pte Ltd • Independent Non-Executive Director of TeleChoice International Limited • Independent Non-Executive Director of M&C REIT Management Limited • Independent Non-Executive Director of M&C Business Trust Management Limited • Venture Partner of Wavemaker Partners	• Independent Non-Executive Director of Malaysian Life Reinsurance Group Berhad • Independent Non-Executive Director of MSM Malaysia Holdings Berhad • Trustee of Yayasan Siti Sapura Husin • Board member of Kuala Lumpur Business Club • Chairman, Independent Non-Executive Director of MSIG Insurance (Malaysia) Bhd • Independent Non-Executive Director of IHH Healthcare Berhad • Director of Abdullah & Esah Sdn Bhd • Director of Quarry Ventures Sdn Bhd • Director of Quarry Ventures Holdings Sdn Bhd • Director of Scenic Waters Sdn Bhd • Director of Siglo Sdn Bhd • Director of Inderapura Holdings Sdn Bhd • Director of Motion Effort Sdn Bhd • Director of Enggang Holdings Sdn Bhd • Director of Enggang (Pekan) Sdn Bhd • Director of Memerang Strategik Sdn Bhd	• Non-Executive Director of Tomopiia Co., Ltd. • Non-Executive Director of Fortis Healthcare Limited • Non-Executive Director of IHH Healthcare Berhad • CEO & Director of MBK Healthcare Management Pte. Ltd.	• Group Chief Executive Officer of IHH Healthcare Berhad • Director of Gleneagles Medical Holdings Limited • Director of Mount Elizabeth Medical Holdings Ltd • Director of M & P Investments Pte Ltd • Director of Medi-Rad Associates Ltd • Director of Parkway Promotions Pte Ltd • Director of Parkway Laboratory Services Ltd • Director of Gleneagles Medical Centre Ltd • Director of Radiology Consultants Pte Ltd • Director of Shenton Family Medical Clinics Pte Ltd • Director of Gleneagles Development Pte Ltd • Director of Gleneagles Pharmacy Pte Ltd • Director of iXchange Pte Ltd • Director of Medical Resources International Pte Ltd • Director of Parkway Shenton Pte Ltd • Director of Nippon Medical Care Pte Ltd • Director of Parkway Shenton International Holdings Pte Ltd • Director of Parkway Hospitals Singapore Pte Ltd	• Acting Chief Executive Officer, IHH Healthcare Singapore • Director of Gleneagles Pharmacy Pte Ltd • Director of Parkway Hospitals Singapore Pte Ltd • Director of Mount Elizabeth Medical Holdings Ltd • Director of Medi-Rad Associates Ltd • Director of Parkway Promotions Pte Ltd • Director of Gleneagles Medical Centre Ltd • Director of Radiology Consultants Pte Ltd • Director of Shenton Family Medical Clinics Pte Ltd • Director of iXchange Pte Ltd • Director of Parkway Shenton Pte Ltd • Director of Nippon Medical Care Pte Ltd • Director of Parkway Shenton International Holdings Pte Ltd • Director of Parkway Investments Pte Ltd • Director of Parkway College of Nursing & Allied Health Pte Ltd • Director of Parkway Novena Pte Ltd • Director of Parkway Irrawaddy Pte Ltd • Director of Gleneagles JPMC Sdn Bhd

Additional Information on Endorsement or Re-Endorsement of Appointment of Directors (as the case may be)
(Information required pursuant to Appendix 7.4.1 of the Listing Manual)

	Ms. Cheah Sui Ling	Dato' Sri Muthanna Bin Abdullah	Mr. Tomo Nagahiro	Dr. Prem Kumar Nair	Dr. Chow Chorng Ann Peter
Other Principal Commitments Including Directorships					
Present (continued)	[Intentionally left blank]	[Intentionally left blank]	[Intentionally left blank]	• Director of NorthLight School • Director of Parkway Investments Pte Ltd • Director of Parkway College of Nursing & Allied Health Pte Ltd • Director of Parkway Novena Pte Ltd • Director of Parkway Irrawaddy Pte Ltd • Director of Gleneagles JPMC Sdn Bhd • Director of Gleneagles Management Services Pte Ltd • Director of Parkway Pantai Limited • Director of Parkway Holdings Limited • Director of Parkway Group Healthcare Pte Ltd • Director of PCH Holding Pte Ltd • Director of GHK Hospital Limited • Director of Parkway HK Holdings Limited • Director of Parkway Medical Services (Hong Kong) Limited • Director of IHH Financial Services Pte Ltd • Director of Northern TK Venture Pte Ltd	[Intentionally left blank]

CORPORATE GOVERNANCE

	Ms. Cheah Sui Ling	Dato' Sri Muthanna Bin Abdullah	Mr. Tomo Nagahiro	Dr. Prem Kumar Nair	Dr. Chow Chorng Ann Peter
INFORMATION REQUIRED PURSUANT TO APPENDIX 7.4.1 OF THE LISTING MANUAL					
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No	No
c) Whether there is any unsatisfied judgment against him?	No	No	No	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No	No

	Ms. Cheah Sui Ling	Dato' Sri Muthanna Bin Abdullah	Mr. Tomo Nagahiro	Dr. Prem Kumar Nair	Dr. Chow Chorng Ann Peter
INFORMATION REQUIRED PURSUANT TO APPENDIX 7.4.1 OF THE LISTING MANUAL					
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–					
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No	No
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No	No

DISCLOSURE ON FEES

FEES PAYABLE BY PLIFE REIT

The trust deed constituting PLife REIT dated 12 July 2007 (as amended, the "Trust Deed") is binding on each unitholder of PLife REIT ("Unitholder") (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed, and an authorisation by each Unitholder to do all such acts and things as the Trust Deed may require Parkway Trust Management Limited (the "Manager") and/or HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") to do.

The Manager has covenanted in the Trust Deed to use its best endeavours to carry on and conduct its business in a proper and efficient manner, ensure that PLife REIT is carried on and conducted in a proper and efficient manner, and to conduct all transactions with or for PLife REIT at arm's length and on normal commercial terms.

Under Clauses 15.1, 15.3, 15.4, 15.5 and 15.6 of the Trust Deed, the Manager is entitled to the following fees in return for its services:

	Fees payable by PLife REIT	Amount payable to the Manager
1	Management fee	**Base Fee** 0.3% per annum of the value of all the assets of PLife REIT, including all its authorised investments for the time being held or deemed to be held upon the trusts of the Trust Deed ("Deposited Property"). **Performance Fee** 4.5% per annum of the net property income of PLife REIT for that financial year. Subject to the guidelines for real estate investment trusts issued by the Monetary Authority of Singapore as Appendix 6 ("Property Funds Appendix") to the Code on Collective Investment Schemes ("CIS Code"), the Base Fee and Performance Fee shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect prior to each payment) out of the Deposited Property and in such proportion as may be determined by the Manager. If in the form of Units, the Manager shall be entitled to receive such number of units as may be purchased with the relevant amount of the management fee attributable to the relevant period at an issue price set out in accordance with the Trust Deed.
2	Fee for acquisition of properties	**Acquisition Fee** 1.0% of the Enterprise Value of any real estate or real estate related asset acquired directly or indirectly by PLife REIT, pro-rated, if applicable, to the proportion of PLife REIT's interest. For this purpose, where the assets acquired by PLife REIT are shares in a special purpose vehicle whose primary purpose is to hold/own real estate (directly or indirectly), "Enterprise Value" shall mean the sum of the equity value and the total net debt attributable to the shares being acquired by PLife REIT and where the asset acquired by PLife REIT is a real estate, "Enterprise Value" shall mean the value of the real estate. In the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the Deposited Property. Unless required under the Property Funds Appendix to be paid in the form of Units only, the Manager may opt to receive such Acquisition Fee in the form of cash or Units or a combination of cash and Units as it may determine. Units representing the Acquisition Fee or any part thereof will be issued at an issue price on a similar basis as that for the management fee. In the event the Manager receives Acquisition Fee in connection with a transaction with a related party, any such Acquisition Fee shall be paid in the form of Units.

	Fees payable by PLife REIT	Amount payable to the Manager
3	Fee for divestment of properties	**Divestment Fee** 0.5% of the Enterprise Value of any real estate or real estate related asset sold or divested directly or indirectly by PLife REIT, pro-rated, if applicable, to the proportion of PLife REIT's interest. Unless required under the Property Funds Appendix to be paid in the form of Units only, the Manager may opt to receive such Divestment Fee in the form of cash or Units or a combination of cash and Units as it may determine. Units representing the Divestment Fee or any part thereof will be issued at an issue price on a similar basis as that for the management fee. Any payment to third party agents or brokers in connection with the divestment of any real estate or real estate related assets of PLife REIT shall be paid by PLife REIT. In the event the Manager receives Divestment Fee in connection with a transaction with a related party, any such Divestment Fee shall be paid in the form of Units.
4	Fee for lease management	**Lease Management Fee** 1.0% per annum of the revenue of the real estate held directly or indirectly by PLife REIT and managed by the Manager (excluding the Hospital Properties for the duration of the master lease arrangements). "Hospital Properties" shall mean the three private hospitals in Singapore owned by PLife REIT, comprising The Mount Elizabeth Hospital Property, The Gleneagles Hospital Property and The Parkway East Hospital Property. For the avoidance of doubt, no Lease Management Fee shall be payable to the Manager in respect of the Hospital Properties for the duration of the master lease agreements.
5	Fee for marketing services	**Marketing Services Commission** (i) One month's gross rent inclusive of service charge, for securing a lease of three years or less; (ii) Two months' gross rent inclusive of service charge, for securing a lease of more than three years; (iii) Half month's gross rent inclusive of service charge, for securing a renewal of lease of three years or less; and (iv) One month's gross rent inclusive of service charge, for securing a renewal of lease of more than three years. If a third party agent secures a lease, the Manager will be responsible for any marketing services commission payable to such third party agent, and the Manager will be entitled to a marketing services commission of: (i) 1.2 months' gross rent inclusive of service charge for securing or renewal of a lease of three years or less; and (ii) 2.4 months' gross rent inclusive of service charge for securing or renewal of a lease of more than three years. The marketing services commission may be adjusted accordingly at the time of securing or renewal of a lease by the Manager or a third party agent, to be consistent with and no higher than the prevailing market rates of such marketing services commission in the country where the real estate is located.
6	Fee for property management	**Property Management Fee** 2.0% per annum of the revenue of the real estate held directly or indirectly by PLife REIT and managed by the Manager (excluding the Hospital Properties for the duration of the master lease agreements). For the avoidance of doubt, no Property Management Fee shall be payable to the Manager in respect of the Hospital Properties for the duration of the master lease agreements.

DISCLOSURE ON FEES

The Manager is of the view that the fee structure of PLife REIT promotes alignment of interests between the Manager and the long-term interests of Unitholders. The rationale for each fee component is elaborated upon below:

Base Fee

As an external manager, the Manager manages the assets and liabilities of PLife REIT for the benefit of its Unitholders and should be fairly compensated for conducting the overall management of PLife REIT's various affairs, which includes, among others, formulation of business plans, execution of PLife REIT's strategies, performing data analytics, monitoring operating costs, evaluating asset enhancement initiatives and investment opportunities. Another key responsibility is ensuring that PLife REIT complies with the applicable provisions of the Securities and Futures Act 2001 ("SFA") and all other relevant laws and regulations, such as the listing manual of Singapore Exchange Securities Trading Limited ("Listing Manual"), the CIS Code (including the Property Funds Appendix), the Trust Deed, the tax ruling issued by Inland Revenue Authority of Singapore on the taxation of PLife REIT and its Unitholders and all relevant contracts entered on behalf of PLife REIT. The Base Fee compensates the Manager for establishing a core team of representatives who are appointed in accordance with the SFA to execute its responsibilities as manager of a real estate investment trust.

The Base Fee is linked to the value of all the assets of PLife REIT as the complexity and scope of work is commensurate to the size of PLife REIT's portfolio. In the event that the portfolio of PLife REIT grows, the degree and complexity of the Manager's responsibilities will correspondingly increase and the Manager has to be amply remunerated. This ensures that the Manager is able to dedicate its efforts to the growth of PLife REIT.

Performance Fee

With effect from 1 January 2016, the Performance Fee in respect of every calendar year shall be paid in arrears, no more frequent than once a year. The Performance Fee structure of PLife REIT will incentivise the Manager to seek continuous growth opportunities and encourage the Manager to act in the interests of Unitholders by increasing the rental income generated from the real estate held directly or indirectly by PLife REIT (the "Properties of PLife REIT") while reducing property level expenses. Accordingly, the Performance Fee incentivises the Manager to take a holistic and double-pronged approach towards the management of PLife REIT to improve the operating performance of PLife REIT so that the Manager may, together with Unitholders, enjoy a higher net property income.

Acquisition Fee and Divestment Fee

The Acquisition Fee and Divestment Fee are structured in order to incentivise the Manager to source for inorganic growth, as well as to realise mature assets where suitable in the interests of Unitholders, in accordance with the acquisition growth and active asset management strategies of PLife REIT. Bearing in mind that the Manager has to undertake an extensive scope of work over and above the overall management of PLife REIT when undertaking acquisition or divestment opportunities (including but not limited to compliance with the applicable laws, rules and regulations relating to the acquisition or divestment, exploring shortlisting and monitoring investment opportunities, conduct of due diligence, evaluation and in depth assessment of the acquisition or divestment opportunity, negotiations with counterparties, conduct of board meetings and as the case may be, preparation of circulars and announcements), the Manager should be compensated fairly to reflect the effort expended and the costs incurred during such undertakings. It should be noted that the Acquisition Fee and Divestment Fee are only payable where the acquisition or divestment has been successfully completed.

Lease Management Fee

The Manager is entitled to the Lease Management Fee for provision of lease management services to the Properties of PLife REIT (excluding the Hospital Properties for the duration of the master lease agreements) which includes coordinating tenant's fitting-out requirements, administration of rental collection, management of rental arrears and administration of all property tax matters. In consideration for the provision of such lease management services, the Manager should be entitled to fair remuneration. For avoidance of doubt, the Manager does not earn any Lease Management Fee for the Properties of PLife REIT located in Japan whereby the related services are carried out by the Japan asset managers under the *Tokumei Kumiai* ("TK") structure. The Manager has also excluded the Hospital Properties for the duration of the master lease agreements to avoid any double counting of fees.

Marketing Services Commission

The Marketing Services Commission is structured to incentivise the Manager to secure longer term leases which in turn provides stability in the income stream of PLife REIT. Accordingly, the Manager is entitled to a higher commission where the term of the lease is longer than three years. Higher commissions are payable for securing leases with new tenants as compared to renewals of existing leases due to the increased effort which has to be expended by the Manager to market, source for, attract and negotiate with new tenants. The Marketing Services Commission payable to the Manager if a third party agent secures a lease is higher to take into account the Manager's expenses as the Manager is responsible for paying such third party agent. The Manager has to liaise, instruct and oversee the marketing activities of such third party agent and should be fairly compensated for its efforts. The Marketing Services Commission will serve to ensure that the Manager secures leases in the interests of PLife REIT and Unitholders.

Property Management Fee

The Manager is entitled to the Property Management Fee for provision of property management services to the Properties of PLife REIT (excluding the Hospital Properties for the duration of the master lease agreements). Generally, when providing property management services, the Manager has to ensure compliance with the local regulations, manage relations with many counterparties, and constantly review and assess the Properties of PLife REIT to ensure that there is minimal disruption to existing operations. The Manager has to co-ordinate and plan to manage the Properties of PLife REIT and also ensure that Properties of PLife REIT are well-managed so as to maximise returns for Unitholders.

In return for providing property management services which are beyond the ordinary scope of the Manager's overall management services, the Manager should be compensated fairly for its expertise. In addition, the Property Management Fee has been structured so that the Manager is incentivised to improve the performance of the Properties of PLife REIT managed by the Manager as these fees are pegged to the gross revenue of the real estate. For avoidance of doubt, the Manager does not earn any Property Management Fee for the Properties of PLife REIT located in Japan whereby the related services are carried out by the Japan asset managers under the TK structure. The Manager has also excluded the Hospital Properties for the duration of the master lease agreements to avoid any double counting of fees.

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors ("the Board") of Parkway Trust Management Limited, the Manager of Parkway Life Real Estate Investment Trust ("PLife REIT" or "the REIT") are pleased to present our Financial Year 2023 ("FY2023") Sustainability Report. Guided by our mission to weave sustainability into PLife REIT's operations, the Board is collectively responsible for the long-term success of PLife REIT. The Board's role includes setting strategic objectives, with a focus on sustainability. The Board determined the ESG factors identified as material to the business and see to it that they are monitored and managed. This year, we have expanded our material matters to include Stakeholder Engagement, Cyber-Readiness, Security and Data Privacy, and Ethics, Compliance and Reporting, with the material matters identified previously remaining relevant. In addition, the Board works with management to ensure that the ESG factors are monitored on an ongoing basis and properly managed.

This year, we continue to collaborate with the IHH Group to address greenhouse gas ("GHG") emissions from our Singapore portfolio. We also partnered with our Japan asset managers on energy & emissions data collection for reporting. Our reporting boundaries are based on GHG Protocol methodology, allowing us to present our emissions data more accurately and ensuring alignment across the Group. We are guided by IHH Group and target net zero carbon emissions by 2050, and have been actively engaging with our stakeholders in reducing our carbon footprint through our on-going capital expenditure ("CAPEX") initiatives.

Taking reference from MAS's Environmental Risk Management Guidelines for Asset Managers, we have rigorously evaluated environmental risks and incorporated them into PLife REIT's risk management framework. This report follows the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)'s recommendations and World Health Organisation (WHO)'s guidance on sustainable healthcare facilities.

ABOUT THIS REPORT

PLife REIT's Sustainability Report outlines our sustainability approach and its implementation within the operations of PLife REIT and the Manager, alongside our collaborative efforts with tenants/operators in this field. This publication underscores our steadfast commitment to transparency and accountability in our actions. Covering the sustainability performance of properties within PLife REIT's portfolio from January 1, 2023, to December 31, 2023[1], this report adheres to the financial year ending December 31, 2023, and complies with SGX-ST Listing Rules 711A and 711B, the Sustainability Reporting Guide outlined in Practice Note 7.6 of the SGX-ST Listing Rules and has been prepared with reference to the Global Reporting Initiative (GRI) Standards 2021. The GRI Standards have been selected because they provide a globally recognised and comprehensive framework for reporting on economic, environmental, social and governance performance.

We have conducted a materiality refreshment exercise this year to update our reporting. Building upon our inaugural environmental risk assessment in 2021, we have meticulously reviewed and updated the assessment this year, aligning with the Guidelines on Environmental Risk Management for Asset Managers issued by the MAS. Our climate risk assessment results are written with reference to the recommendations of the TCFD. PLife REIT has engaged our internal auditor to perform an internal review of our sustainability reporting process. External assurance has not been sought for the information contained herein, although consideration will be given to this aspect for future reports.

REPORTING SCOPE

PLife REIT owns a curated portfolio of 63 properties as of 31 December 2023, spanning across different geographical locations and serving diversified roles within the healthcare industry. In Singapore, it owns the largest portfolio of strategically-located private hospitals comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In Japan, it has 59 high quality nursing home and care facility properties in various prefectures. It also owns strata-titled units/lots at MOB Specialist Clinics, Kuala Lumpur in Malaysia. More details on our Portfolio can be found on page 34 of this Annual Report.

The primary focus of this sustainability report is on the activities of PLife REIT and the Manager for our Singapore and Japan portfolios, which collectively account for more than 99% of PLife REIT's total portfolio value as of 31 December 2023. Our Malaysia portfolio has been assessed to be immaterial and scoped out as it represents less than 1% portfolio value for the same period. The REIT's Singapore hospitals are leased out on master lease arrangement to the subsidiary of IHH Healthcare Berhad ("IHH"), wherein IHH is the ultimate holding company of the Manager; and properties in Japan are leased out to various registered care home operators. To promote sustainability at the property level, we work closely with the tenants/ operators with a focus of creating a positive influence in their operations to enhance ESG practices.

This sustainability report is prepared in conjunction with FY2023 Annual Report. Please refer to page 28 of FY2023 Annual Report, under the Financial Highlights section for a summary of PLife REIT's economic performance.

Feedback

We welcome your feedback to assist us in the continual improvement in our sustainability journey. Please direct any enquiries, comments or feedback on both our sustainability performance and sustainability report to contact@plifereit.com.

[1] To accommodate different reporting cycle for a complete 12-month data collection, we have adopted a 12-month period from October 2022 to September 2023 for our Japan properties' energy figures reported on pages 106 to 107.

SUSTAINABILITY HIGHLIGHTS

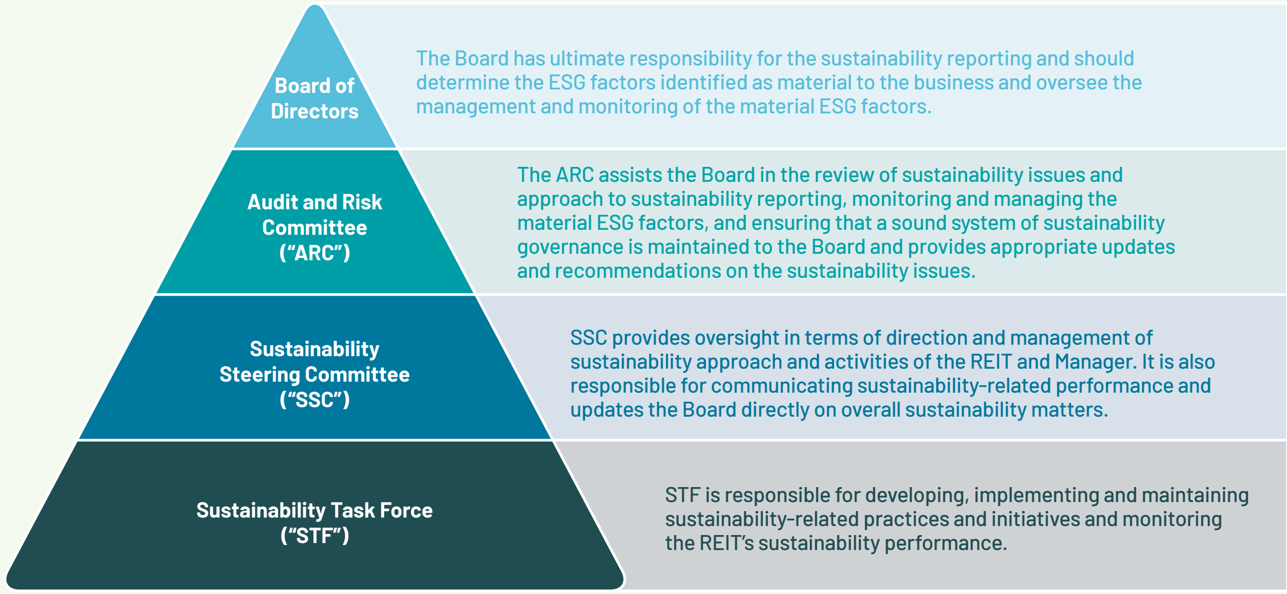
Economic	Environment	Social	Governance
Supported the local authority at Akita Prefecture in their flood improvement works along Kawashita River	Upgraded lifts with variable voltage and variable frequency (VVVF) drives	Diversity, Inclusion & Non-Discrimination: • 74% of the total workforce are women • 54% of management are women in FY23 • Zero cases of discrimination	Zero incidents of significant fines and non-monetary sanctions against PLife REIT and the Manager
100% of our acquisitions in the last 12 months were screened according to our Operating Policy	Replaced Direct Current (DC) motors with Electronically Communicated (EC) motors	Zero incidents of serious office injuries	Conducted a materiality refresh exercise and identified 3 new material topics included in this report
100% of our assets have a 10-year CAPEX projection in place	Replaced hot water systems with energy-efficient air source heat pumps	Training and Development: Average 27.8 hours of training per employee	
100% of our assets were checked for enhancement opportunities in the last year	Added sleep mode features to equipment in Singapore hospitals		

We are pleased to share that PLife REIT has bagged the Singapore Corporate Sustainability Award ("SCSA") under the REITs & Business Trusts Category, a newly introduced award from SIAS' Investors' Choice Awards 2023. The new SCSA scorecard and methodology are driven by investor-centrism and a holistic sustainability lens, in collaboration with NUS Centre for Governance and Sustainability and its industry partners. This award recognises companies that have integrated sustainability into their business models and showcase demonstrable commitment when evaluated through quantitative and qualitative metrics. This award validated PLife REIT's commitment and effort in our ESG journey.

SUSTAINABILITY GOVERNANCE

In 2017, the Manager formed the Sustainability Steering Committee ("SSC") to direct the sustainability efforts of the REIT and Manager. The SSC is made up of senior management staff from the Manager, comprising Heads of Department. This allows PLife REIT to anchor its sustainability vision and ensure its incorporation in managerial decisions. The SSC is responsible for communicating sustainability-related performance. It provides reports to the Audit and Risk Committee about managing environmental risks and aids the Board in terms of sustainability issues. They receive assistance from the Sustainability Task Force ("STF") who is responsible for developing, implementing and maintaining sustainability-related practices and initiatives, and monitoring the sustainability performance of the REIT and Manager. It consists of personnel from various departments such as the Heads of Function from Investment Management, Asset Management and Projects, Legal and Compliance, Finance, and Admin & IT.

Our sustainability governance structure is shown as below:



ASSESSMENT OF OUR ESG FACTORS

Material ESG factors are identified, evaluated and updated on a regular basis by the STF and SSC, drawing upon knowledge gained from daily interactions with the stakeholders and the evolving business environment. Where required, this process is facilitated by an external consultant to ensure material topics are up to date with the changing business landscape and priorities of stakeholders.

In FY2023, we conducted a materiality refresh exercise in determining the prevalent material topics, building on the material topics arising from the materiality assessment, which was initially undertaken in 2017. This materiality refresh exercise was performed with careful consideration of the significance to stakeholders and the impacts on the business, allowing us to present a comprehensive list of relevant topics.

Our methodology for this exercise aligns with the GRI Materiality and Stakeholder Engagement Reporting Principles, as outlined below:

IDENTIFICATION

- A comprehensive list of material topics was identified by undertaking a wide-ranging desktop research process. This included examining global sustainability trends, regulatory frameworks and policies, and peer comparisons
- Identified 16 ESG topics deemed most relevant to PLife REIT through the review, inclusive of material topics reported last year that were still deemed relevant

ENGAGEMENT

- Disseminated to key internal stakeholders online survey to rate the 16 ESG topics on the basis of importance to stakeholders and impact to PLife REIT's business
- Our materiality survey garnered responses from internal stakeholders comprising the senior and middle management (acting as proxies for external stakeholders) that made up approximately 50% of the Manager's headcount

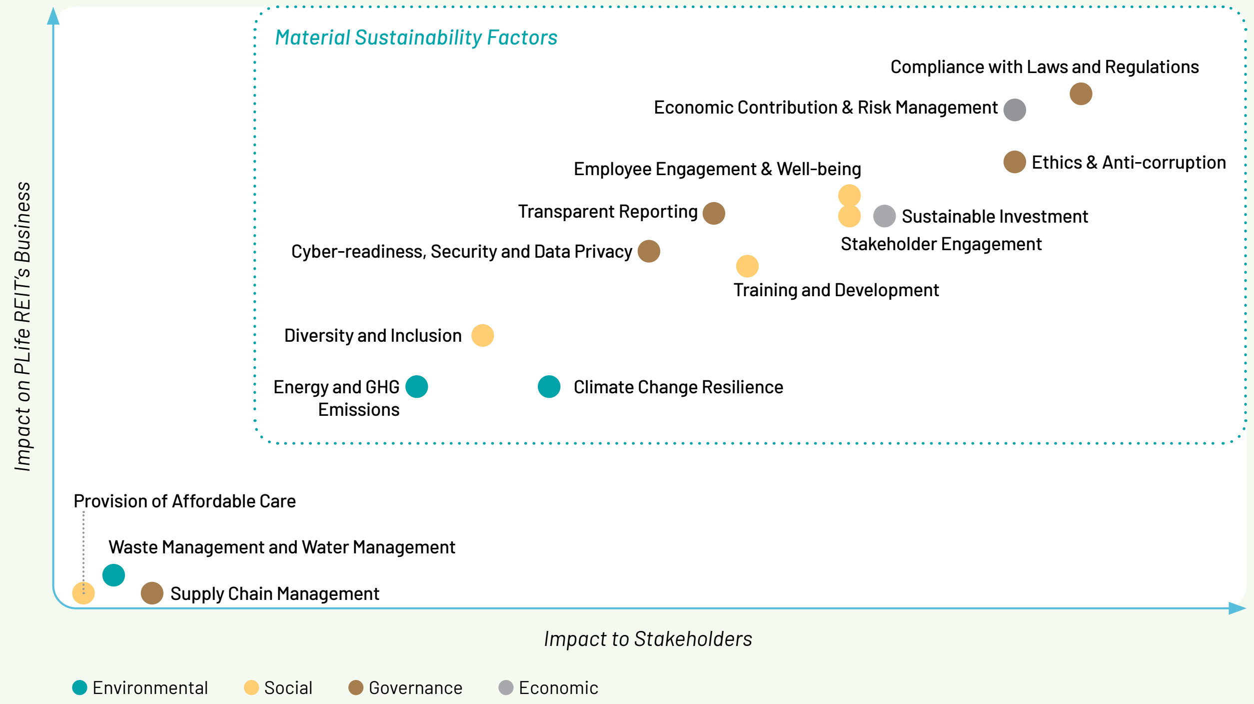
PRIORITISATION

- For clear visualisation of the results from the online survey exercise, an interim materiality matrix was prepared
- This resulted in a clear distinction on 12 ESG topics deemed most material to PLife REIT
- 7 of these top ranked ESG topics were combined into 3 on the basis of synergies and relevance, resulting in a final list of 8 ESG material topics

VALIDATION

- The Manager's management and the Board reviewed and validated the prioritisation and combination of ESG material topics

As a result of the materiality refresh exercise, three new material topics (Stakeholder Engagement, Transparent Reporting and Cyber-Readiness, Security and Data Privacy) have been introduced in this year's Sustainability Report. All material topics addressed in our previous year's Sustainability Report were still considered to be relevant.



These material topics have been further streamlined based on synergies and relevance, and subsequently realigned under the four pillars: Economic, Environmental, Social, and Governance.

- "Employee Engagement and Well-being" and "Training and Development" are grouped into "People and Learning"
- "Compliance with Laws and Regulations", "Ethics and Anti-Corruption" and "Transparent Reporting" are grouped into "Ethics, Compliance and Reporting"
- "Energy and GHG emissions" and "Climate Change Resilience" are grouped into "Climate Change and Resource Management"

Category	Material Sustainability Factors
Economic	Economic Contribution and Risk Management Sustainable Investment
Environment	Climate Change and Resource Management
Social	Diversity and Inclusion People and Learning Stakeholder Engagement (NEW)
Governance	Cyber-Readiness, Security and Data Privacy (NEW) Ethics, Compliance and Reporting (NEW)

SUSTAINABILITY REPORT

OVERVIEW OF 2023 TARGETS AND PERFORMANCE

To do our part to create a future that is sustainable, while taking guidance from the United Nations Sustainable Development Goals (UN SDGs), we have outlined our targets and consolidated how we measure up against these goals in the following table.

Category	Material Sustainability Factors	Our Targets	FY23 Performance
Economic	Economic Contribution and Risk Management	• 100% of our new acquisitions to be screened in accordance with the Operating Policy • 100% of our assets to have a 10-year CAPEX projection • 100% of our assets to be regularly checked for enhancement opportunities	• Target met • Target met • Target met
	Sustainable Investment		
Environment	Climate Change and Resource Management (Energy, Emissions)	• Annual review and update of environmental risk register reassessment of transitional and physical risk • Partnership for energy intensity improvements across investments	• Target met • Target met
Social	People and Learning	• Zero incidents resulting in employee fatality or permanent disability (refers to employees of the Manager, in office and on-site) • 100% of employees continue to meet all mandatory training requirements for their role	• Target met • Target met
	Diversity and Inclusion	• Zero validated incidents of discrimination • Maintain at least 25% women directors on the Board with best effort and with a view to increasing to 30% over time to achieve greater gender parity	• Target met • Target met
Governance	Ethics, Compliance, and Reporting	• Zero incidents of significant fines and non-monetary sanctions against PLife REIT and the Manager	• Target met

ECONOMIC

We demonstrate our commitment to delivering long-term growth and value creation for our Unitholders through real estate investments in healthcare and healthcare-related purposes. In addition, our skills in capital and property management also play a key role in achieving our economic objective. The combinations of these fundamental elements shape a robust business strategy that consistently delivers sustainable income for Unitholders, as well as contribute to economic progression within the society and support the transition towards a low-carbon economy.

ECONOMIC CONTRIBUTION AND RISK MANAGEMENT

Economic performance impacts the availability and accessibility of resources to our facilities, access to employment, and general working conditions. The Manager is committed to delivering regular and stable distributions and achieving long-term growth for our Unitholders. To achieve this commitment, firm partnership with credible operators is prioritised to ensure sustainable long-term value creation.

Economic contribution is key to the success of the REIT and our practices and performance in this area are detailed in our financial statements. Please refer to Message to Unitholders on pages 4 to 7, Financial Highlights on pages 28 to 30, and Financial Statements on pages 125 to 212, of this Annual Report for more details.

A solid enterprise risk management framework is key to PLife REIT's ability to maintain a comprehensive risk management system and enables assessment and management of financial, operational and technical risks. We have integrated environmental risk assessment and management into our enterprise risk management framework to better manage potential financial, reputational and regulatory risks associated with our operations. The detailed FY2023 Enterprise Risk Management Report can be found on pages 56 to 59.

SUSTAINABLE INVESTMENT

Investment and asset management decisions and activities are crucial in driving the growth of the REIT, which makes formulating and executing investment and asset management strategic plans critical to delivering long-term sustainable returns for PLife REIT. There are several policies and practices put in place to ensure acquisitions, divestments and asset management activities are carried out in accordance with our strategic direction and with proper levels of due diligence. These evaluation procedures and processes are governed by our internal investment guidelines and the Manager's Operating Policy – Investment / Divestment ("Operating Policy"), which ensures that acquisitions and divestments are in compliance with relevant regulatory requirements and in line with the investment / divestment objectives of the REIT. With the adoption of TCFD disclosures, we have integrated environmental risk assessment into our investment policy. For the evaluation of new investments, we will ensure the acquisitions fulfil the REIT's investment criteria and considerations.

In FY2023, PLife REIT strengthened its presence in Japan's aged care market via the acquisition of two Building-Housing Energy-efficiency Labelling System (BELS)[2] certified nursing homes. These acquisitions were completed in compliance with our Operating Policy. Post-acquisition, we continue to actively assess our assets and operators.

Policies and Guides:	2023 Performance:	2024 Target:
Operating Policy	**Target met** – 100% of our acquisitions in the last 12 months were screened in accordance with the Operating Policy	100% of our new acquisitions to be screened in accordance with the Operating Policy
Operating Policy on Asset Management	**Target met** – 100% of our assets have a 10-year CAPEX projection in place	100% of our assets to have a 10-year CAPEX projection
	Target met – 100% of our assets were checked for enhancement opportunities in the last year	100% of our assets to be regularly checked for enhancement opportunities

[2] BELS is a third party certification system in Japan that evaluates the energy saving performance of buildings based on the Building Energy Efficiency Act.

SUSTAINABILITY REPORT

Asset Stewardship

The REIT's portfolio of assets largely consists of long-term lease arrangements; therefore, day-to-day operation and maintenance falls under the responsibility of and are performed by tenants and operators. Nonetheless, as part of our active ownership strategy, we regularly review and manage Capital Expenditure ("CAPEX") requirements of our assets to ensure that they maintain their long-term value and usage. A 10-year CAPEX projection tailored to the specific needs of each asset was developed and shall be reviewed periodically to ensure relevancy. Since 2018, we have expanded our review to include assessment of environmental, social and governance factors. The specialised nature of healthcare assets makes it critical for us to foster strong relationships with our operators. We work closely with them and seek to support their operational needs through implementation of collaborative asset enhancement initiatives ("AEI") for the assets. As part of our joint efforts with tenants/ operators to drive sustainability, we have conducted AEIs for the REIT's portfolio, including the installation of energy efficient equipment at various properties as well as refurbishment works to maintain the competitiveness of older properties.

In FY2023, we reached out to our operators to seek potential areas to improve sustainability and competitiveness of the assets. We successfully collaborated with one of our operators in Japan to complete an AEI to replace the existing lighting system at their property (Maison des Centenaire Hannan) with a new energy efficient light-emitting diode ("LED") system. As part of the on-going sustainability efforts, we are working closely with our operators on initiatives such as replacement of existing fluorescent light fittings with LED lightings which would improve the overall energy efficiency of our properties. During the year, the operator for Sawayaka Kiyota-kan had replaced their aging lighting system with energy efficient LED lighting.

During the year, we supported the local authority at Akita Prefecture in their flood prevention improvement works along Kawashita River, which is located beside the Sawayaka Sakurakan property. As the surrounding areas are prone to flooding during the rainy season, the authorities bought a small strip of unused vacant land (approximately 183 square metres) at the Sawayaka Sakurakan property to construct an embankment as a flood control safety measure.

As part of the lease renewal arrangement for the Singapore hospitals approved by Unitholders in FY2021, PLife REIT will be injecting a one-time capital expenditure of up to S$150 million to conduct certain capital expenditure works on the applicable Singapore hospitals ("Renewal Capex Works").

It was subsequently announced on 29 November 2022 that the Renewal Capex Works shall be entirely carried out at Mount Elizabeth Hospital ("MEH"). In FY2022, we completed the appointment of the main contractor, nominated sub-contractors ("NSC") for mechanical and electrical works, and NSC for lifts. The Renewal Capex Works as awarded under the Construction Contract comprise:

- Major upgrade of building infrastructure and systems (in compliance to latest building fire code) for improved building safety and future-proofing;
- Obtaining Green Mark Platinum status (including compliance with BCA Green Mark 2021 code) and installation of building management system for the hospital block to enhance the building performance with eco-friendly and sustainability features as well as technological advances;
- Addressing patient demand and evolving healthcare trends through the overall updating of hospital service mix such as expansion and upgrade of endoscopy and dayward, re-organisation of radiology including nuclear medicine and refreshment of intensive care unit;
- Improving the safety, operational flows and functional layout of MEH Property with the provision of dedicated routes and creation of new link bridge corridors to improve and segregate patient, staff and service access from public areas. Addition of new lifts at the hospital block to ease congestion and reduce waiting time. Creation of new drop-off point(s) at the hospital block to improve accessibility to services; and
- Redefining the "Mount Elizabeth" patient experience with the new premium Mount Elizabeth brand through refurbishment works to most parts of the hospital block.

The physical construction of the Renewal Capex Works at MEH remains on track, having commenced in January 2023 with an estimated completion date of December 2025. Throughout the entire process of the Renewal Capex Works, PLife REIT will work closely with the tenant/ operator to ensure patient safety and minimise disruptions to operations. Upon the completion of the Renewal Capex Works, the competitiveness of the parties and the sustainability and value of MEH will be enhanced.

During the year, we have also dedicated CAPEX investments to enhance the safety, reliability and environmental sustainability of properties, believing that we can make a real contribution in accelerating the transition towards a net-zero future while making a meaningful shift by:

- Replacement of all direct current (DC) motor to electronically communicated (EC) motor for the air-conditioning and mechanical ventilation (ACMV) equipment for the Singapore hospitals, where possible;
- Replacement of all lifts with variable voltage and variable frequency (VVVF) drive and enhanced with sleep mode features for the Singapore hospitals;
- Replacement of the hot water systems with energy efficient air source heat pumps for the Singapore hospitals;
- Considering sustainable design and planning in replacement of existing equipment, where feasible;
- Achieving Green Mark Platinum for MEH and exploring Green Mark initiatives with the hospital operator for the other hospitals; and
- Exploring installation of Photovoltaics system and electric vehicle charging stations in the hospital.

ENVIRONMENTAL

In our commitment to sustainability, we place a significant emphasis on the environmental aspect. We acknowledge the indispensable role of environmental factors in shaping our relationships with key stakeholders - employees, investors, tenants - and in influencing our reputation, financial performance, and regulatory compliance. Part of our ethical responsibility and integral to the thriving of our business is the pursuit of long-term environmental sustainability.

In line with the Singapore Government's aim to have at least 80% of buildings (by gross floor area) to be green over the next decade as part of the Singapore Green Plan 2030 initiatives, we are committed to working closely with our tenants/ operators in supporting their efforts towards energy efficiency across all our properties in Singapore.

CLIMATE CHANGE RESILIENCE

In FY2021, we conducted a climate risk assessment in accordance with the Monetary Authority of Singapore-issued guidelines on environmental risk management ("MAS Guidelines"), and set out our response to meeting these requirements, aligned with the disclosure recommendations by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and World Health Organisation (WHO)'s guidance on climate resilient and environmentally sustainable health care facilities. Following the assessment, periodic reviews of our response and risk register were conducted to enhance our environmental risk management framework and the ability to withstand and adapt to disruptions or challenges.

Our TCFD response highlights the steps that PLife REIT has taken in proactively identifying and managing climate issues and risks, integrated these risks into our risk management system, and our ability to report on our carbon emissions across our multiple properties.

SUSTAINABILITY REPORT

TCFD Pillar	TCFD Recommendations	PLife REIT's response
Governance	Board oversight Management's role	• The Board takes overall responsibility for climate-related risks and opportunities. Sustainability and climate-related performance are reviewed and updated at least once a year. The Board and Management ensure evaluation of the potential and actual impact of climate-related risks and opportunities on PLife REIT's strategies, business plans and properties. • The Sustainability Steering Committee (SSC) has been delegated by the Board to design, implement, and monitor internal controls and risk management systems, develop tools and metrics to monitor exposures to environmental risk. The SSC has responsibility for identifying, assessing, mitigating, monitoring, and reporting such environmental risks to the ARC as well as the Board. Climate-related issues are monitored by the STF on a regular basis and reported to the SSC as and when needed. Please refer to pages 97 to 98 on "Sustainability Governance" for more information.
Strategy	Climate-related risks and opportunities Impact on the organisation's business, strategy and financial planning Resilience of the organisation's strategy	• The Manager has identified climate-related risks, assessed the impact of climate-related risks, and integrated environmental risk management into current Risk Management Policy and Investment Policy to ensure that environmental risks are considered and appropriately managed during research and portfolio construction. • The Manager has also conducted a qualitative assessment of climate-related transition and physical risks for all its properties, considering short-term, medium-term to 2030 and long-term to 2050. Please refer to page 105 for more information about the climate-related risks identified and assessed impact under different scenarios. • During the year, the Manager has identified potential climate-related opportunities that could have an effect on the business. Moving forward, the Manager has plans to assess the potential impact of these climate-related opportunities on the business, across the different time horizons. • These climate-related opportunities include Resource Efficiency – which is the increased value of investment properties and lower operating costs resulting from the transition to more efficient buildings, as well as Resilience – the increased market valuation of assets through resilience planning, and acquisition of high quality assets taking into consideration climate-related risks.
Risk Management	Risk identification and assessment processes Risk management process Integration in overall risk management	• The Manager has integrated a set of Environmental Risk Management guidelines into its existing Risk Management Policy to introduce process and systems to identify, monitor, assess and manage the potential and actual impact of environmental risk. • With the refinement of Risk Management Policy, the Manager will assess and implement collaborative AEIs to improve the environmental performance of its properties where feasible. • Moreover, the Manager will introduce training to upskill in environmental and climate-related risk and will consider collaborating with other asset managers where such opportunities arise. Please refer to page 105 for more information on how PLife REIT has identified and assessed our climate-related risks, and the applicable mitigation measures.
Metrics and Targets	Climate-related metrics in line with strategy and risk management process Scope 1,2,3 GHG metrics and the related risks Climate-related targets and performance against targets	• Climate-related and environmental metrics such as energy consumption and intensity, Scope 1, 2 and material Scope 3 GHG emissions and intensity are disclosed in this sustainability report. Please refer to pages 106 to 107 for more information on PLife REIT's target for "Energy & GHG Emissions". • Moving forward, PLife REIT is also exploring longer-term targets of environmental risk and opportunities such as exploring Green Mark initiatives with the hospital operator.

As part of the climate risk assessment, PLife REIT conducted our first qualitative environmental risk assessment and scenario analysis exercise in FY2021 to identify and assess the potential impacts of transition risks[3] under a Net Zero scenario[4] and a Business-as-usual (BAU)[5] scenario, and physical risks[6] under a BAU scenario. This year, we have conducted a review of the identified risks across our properties in Singapore, Japan, and Malaysia and revised our risk register to ensure that it reflects the most current information and stay vigilant of any emerging risks that may arise. The identified transition and physical risks were assessed for short-term, medium-term and long-term time periods, as aligned with our capital planning and investment time horizons of 5 to 10 years or more. Our risk review identified that most of our risks remained the same as last year being low and medium risk across the medium- and long-term horizon. We will continue working on mitigating measures for identified medium risks as identified in the table below, which will be developed via our strategy, portfolio and risk management policies and processes in response to the results of the assessment.

As most of our properties have long-term lease arrangements with tenants/ operators, we work closely with them to establish feasible targets in tackling climate change. We have collaborated with the IHH Group to devise a plan which would allow PLife REIT to attain our objective of achieving net zero by 2050, in line with Singapore's updated nationally determined contributions and the Paris Agreement. For our Japan portfolio, we continue to work closely with our operators to keep updated on relevant decarbonisation and sustainability initiatives, with a view to actively address and manage climate-related risks.

[3] Transition risks arise from the process of shifts towards a low-carbon economy, and can include regulatory changes, disruptive technological developments, and shifts in consumer and investor preferences.

[4] The Net Zero scenario assumes that the global mean temperature increase by 2100 from pre-industrial levels would be 1.5°C or less, and will attract higher transition risks arising from the regulatory, market, and technological changes in a lower-carbon and more environmentally-sustainable economy.

[5] The BAU scenario assumes that the global mean temperature increase by 2100 would be more than 4°C, with higher physical risks arising from changes in the physical environment and climate.

[6] Physical risks arise from the impact of weather events and long-term or widespread environmental changes and can include increased severity of extreme weather events such as floods, and rising mean temperatures, sea levels, and weather patterns.

Climate-related risk

TRANSITION RISK

Risk Type & Description	Examples of Possible Impacts	Key Mitigation Measures	Risk Rating				
				Medium 2030		Long 2050	
			Short 2025	Net Zero	BAU	Net Zero	BAU
World Health Organisation ("WHO") requirements The risk of increased cost of facilities enhancement to achieve climate-resilient and environmental sustainability.	WHO-issued guidance for health care sector covers environmental suitability of healthcare facilities and enhances the capacity to protect communities amidst changing climate and empower facilities to be environmentally stable and minimising release of waste into the environment	• Carry out environmental risk assessment for entire portfolio to understand the climate-related risk that we are facing. • Assess and implement collaborative asset enhancement initiatives to improve the environmental performance of its properties where feasible. • Explore Green Mark initiatives with tenants/ operators. • Committed S$150 million Renewal Capex Works to upgrade the Singapore hospitals.	🟢	🟡	🟡	🟡	🟡
Regulatory and policy The risk of increased expenditure resulting from • failure to comply with laws, regulations, contracts or court decisions relating to the impacts of climate change • regulations that affect energy efficiency and conservation	Mandatory climate-related disclosures (and stricter sustainability reporting requirements) would result in additional cost as regulated companies create and maintain processes for carbon emission monitoring. Capital financing may be affected by non-compliance disclosure of GHG emissions if a company's collection and management of basic data and information is not timely and robust.	• Collaborate with tenants/ operators to establish a green building roadmap for its portfolio on energy efficiency measures and towards net zero buildings. • Identify relevant green building programmes to actively leverage governmental grant schemes/ sustainable financing as part of the green building roadmap. • Maintain the transitional risk register to continue monitoring the developments of various ESG regulations • Committed S$150 million Renewal Capex Works to upgrade the Singapore hospitals.	🟡	🟡	🟡	🟡	🟡
Reputational The risk of damage to an organisation's image and brand as a result of its actions or perceived inaction on climate-related issues.	Failure to meet increasing stakeholder expectations in relation to climate change and emissions reduction, reporting disclosures obligations, green building certifications may lead to adverse reputational impacts, resulting in difficulties securing investment capital, insurance and approvals, affecting talent retention and attraction, and leading to potential unitholder divestment. Reports where performance does not meet stakeholder expectations could worsen investor confidence and cause reductions in company valuations.	• Adopted and maintained sustainable investment policy • Closely communicate with stakeholders through stakeholder survey • Conduct regular scans to understand stakeholders' ESG demands.	🟢	🟡	🟢	🟡	🟢
Market The risk of financial loss resulting from changes in tenants' and unitholder's behavior.	Less desirable properties in locations vulnerable to climate change may lead to reduced occupier/tenant demand, reduction in customer base, and reduced asset value. There could also be potential for increased real estate taxes.		🟢	🟡	🟢	🟡	🟢
Technology The risk of obsolescence or reduced competitiveness resulting from the failure to adopt new technologies or business practices that address the impacts of climate change.	Failure to implement new technologies that have the potential to address energy/ emissions/water/waste demands in the buildings' operations may lead to loss in market share and stranded assets. The usage of innovative green technologies could increase the cost of construction material and the maintenance cost of buildings.	• Regular review and management of capital expenditure requirements of our assets to ensure that they maintain their long-term value and usage • Committed S$150 million Renewal Capex Works to upgrade the Singapore hospitals such as installation of BMS.	🟢	🟢	🟢	🟢	🟢

PHYSICAL RISK

Risk Type & Description	Examples of Possible Impacts	Key Mitigation Measures	Short 2025	Medium 2030 BAU	Long 2050 BAU
Acute Extreme weather such as flooding, fire index caused property damage and business disruption.	Flooding and fire events lead to damaged properties and disruption of the use of facilities. Although it is not a TCFD risk, we have taken into account the possibility of earthquakes in Japan because of its relatively high likelihood when assessing properties.	• Regularly review the portfolio constitution and ensure diversification. • Put in place a business continuity plan to minimise operational disruptions. • Conduct periodic scans of exposure to physical risks of existing properties and take relevant actions to minimise damage to properties. • Regularly review the insurance coverage to ensure the properties are adequately insured. • Included environmental risk considerations in the investment due diligence process. • Regularly monitor updates by government statutory boards.	🟢	🟡	🟡
Chronic Long-term, persistent impacts of climate change on an organisation's assets, operations, and supply chains.	For example, drought/water stress leads to higher water costs. Extreme weather and rising temperature lead to higher cost of refurbishments and expense of up-front countermeasures and property insurance premium		🟢	🟡	🟡

Note: Green and yellow dots represent low and medium risk rating respectively. Risk ratings are determined on the basis of combining likelihood and potential financial impact.

SUSTAINABILITY REPORT

Guidelines:	2023 Performance:	2024 Target:
Adopted the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD")	**Target met –** Annual review and update of environmental risk register has been completed in FY2023	Annual review and update of environmental risk register – reassessment of transitional and physical risk Complete relevant climate risk assessment on at least 30% of current portfolio by 2025 and 100% by 2030

ENERGY & GHG EMISSIONS

While the day-to-day operation and maintenance of the bulk of PLife REIT's portfolio falls under the responsibility of and is performed by our tenants/ operators, we recognise that energy consumption contributes a significant portion of a property's operating expenses and carbon footprint. In our execution of the CAPEX works, we will consider sustainable design and planning in the replacement of existing equipment, where feasible, to enhance the safety, reliability and environmental sustainability of our properties. We also remain committed to working closely with our tenants/ operators to support our partners' sustainability efforts and explore opportunities for collaboration to reduce the energy consumption and carbon emission of the properties, allowing us to fulfil our aim of collectively creating a positive influence in the area of sustainability.

For this year's disclosure on energy consumption and GHG emissions, we continued to collaborate with the IHH Group to address emissions regarding Singapore portfolio, and established targets for reducing emissions based on their typical operational practices. We also partnered with our Japan asset managers on collection of energy data for the Japan portfolio.

To better present our emission data and ensure the alignment across the organisation, we have revised our reporting boundaries based on GHG protocol methodology in FY2022. As we continue to adopt the operational control approach in FY2023[7], our total carbon emissions[8] from our Singapore hospitals and Japan portfolios for FY2023 were 27,413.2 tonnes of CO_2e. Of these emissions, 42.7% were attributed to our Japan portfolios.

The emissions that we are accountable for fall under Scope 3, and include the energy use and emissions from our leased properties in Singapore and Japan. This encompasses purchased electricity, fuel consumption, as well as anesthesia used in hospitals which are illustrated in the chart below. The total emission from Singapore properties is 15,706.3 tonnes of CO_2e, with 92.1% of Singapore properties emission coming from purchased electricity used by hospitals and tenants. We will continue to track our carbon footprint as part of our efforts to decrease our emissions.

To facilitate the comparison of carbon emissions for our Singapore properties, we performed a like-for-like[9] (LFL) carbon emission and intensity comparison for our Singapore properties between 2022 and 2023. The LFL comparison revealed a 1.7% increase in energy intensity compared to the previous year. The primary reasons of increased energy consumption include increase in electricity consumption due to ramping up of hospital activities for Gleneagles Hospital (GEH) and Parkway East Hospital (PEH). Comparatively, energy consumption for Mount Elizabeth Hospital has decreased marginally as the hospital embarked on its 3-year asset enhancement initiative (Project Renaissance).

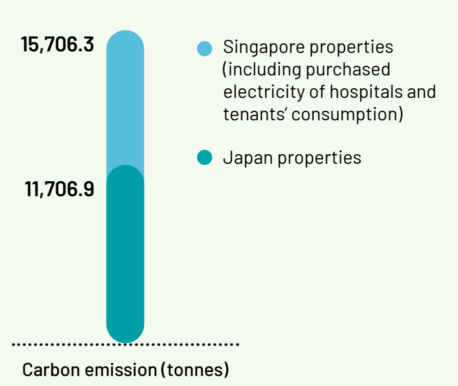
Other attributes for the higher energy consumption came from the installation of additional new air-handling units (AHUs) for operating theatres (OTs) at PEH in 2023 to improve air quality in OTs. Several mitigation measures were underway, such as optimisation of ACMV system with building management system (BMS) control at GEH and new chillers for PEH, and they are expected to drive down consumption through system efficiency in the coming year.

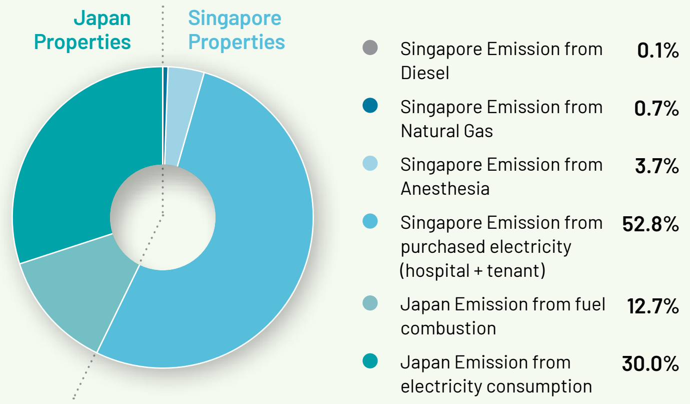
[7] To accommodate different reporting cycle for a complete 12-month data collection, we have adopted a 12-month period from October 2022 to September 2023 for our Japan properties' energy figures reported.

[8] The carbon emission calculation comprises 55 (93%) properties in Japan. Emissions calculations utilised the latest global warming potential (GWP) published by Intergovernmental Panel on Climate Change (IPCC) in the Sixth Assessment Report (AR6). We will continue to collaborate with our property managers in Japan to expand our reporting scope in the upcoming reporting year.

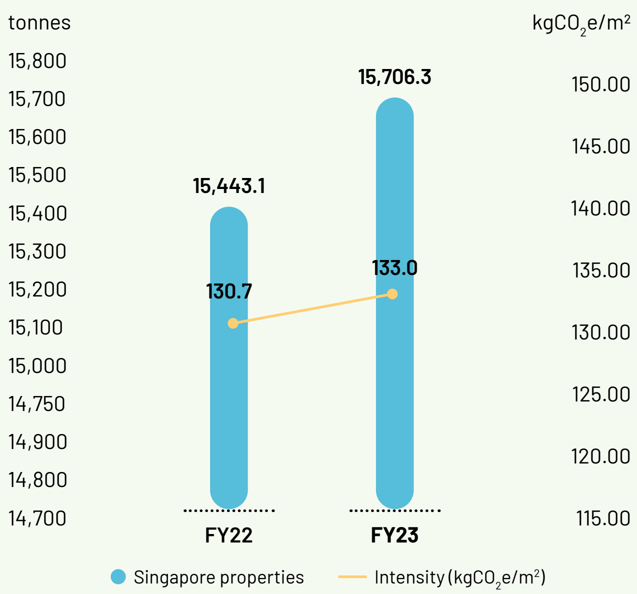
[9] The comparison between FY22 and FY23 is on a like-for-like basis and scoped to purchased electricity, diesel consumption, natural gas and anesthesia of Singapore properties. Carbon emissions and intensity reported for FY22 has also been restated due to an update in emission factors used.

FY23 SCOPE 3 CARBON EMISSIONS





FY23 CARBON EMISSION (tonnes) AND INTENSITY LIKE-FOR-LIKE COMPARISON ($kgCO_2e/m^2$)



We strive to reduce our carbon footprint through various emission reduction initiatives in deploying our CAPEX and adjusted our energy reduction targets to align with our current operations status. As stated in preceding sections, throughout the year, we undertook several measures to achieve this decrease, including replacing DC motors with EC motors and upgrading the lifts with VVVF drives, and adding sleep mode features to equipment in Singapore hospitals. We also replaced hot water systems with energy-efficient air source heat pumps in these hospitals. We will continue to explore and invest in more initiatives to reduce our carbon footprint in future years.

Guidelines:	2023 Performance:	2024 Target:
• IHH Group's roadmap towards net zero • Taking guidance from Singapore's Green Plan	**In progress -** Energy intensity increased by 1.7% of LFL compared to FY2022 due to improvement of facilities to provide better care for patients	Initiate energy efficiency improvements for up to 10% of investment properties annually, with the intention to cover 100% of our portfolio by 2050 Align and support IHH Healthcare Berhad's (Group) target to cap carbon growth by 2025 and achieve Net-Zero by 2050

SUSTAINABILITY REPORT

SOCIAL

In our dedication to sustainable progress, the social aspect holds substantial importance. As a healthcare REIT, we are at the intersection of two sectors that play critical roles in society - healthcare and real estate. Our operations inherently impact the communities we operate in, our employees, tenants, and the broader public. The emphasis on social factors aligns with our commitment to foster positive relationships with these stakeholders, uphold exemplary ethical standards, and contribute positively to society.

Diversity and Inclusion

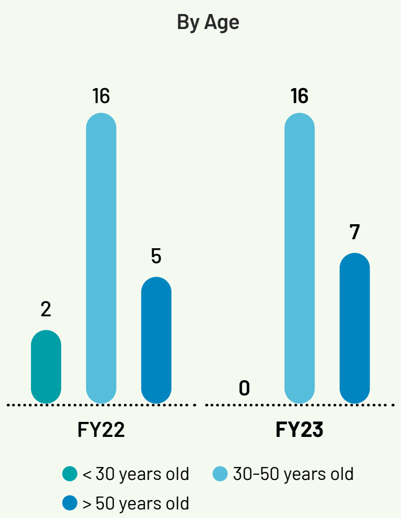
A diverse and inclusive workforce can positively impact our productivity, innovation, and overall success. As such, the Manager is committed to fostering an inclusive culture that respects individual differences and creating a conducive workplace for all staff to successfully use their talents in achieving business results, thus driving shareholder value in the longer term. As a subsidiary of IHH, the Manager adheres to IHH Group's policy on Diversity and Inclusion which embraces diversity at the workplace, where all employees are granted equal opportunities regardless of any differences amongst individuals or groups.

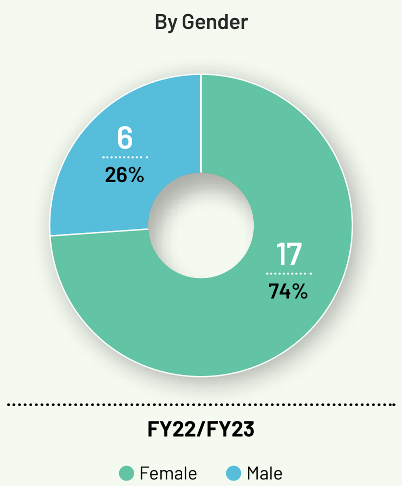
Staff hiring is based solely on merit and potential, with prospective candidates being assessed based on their skills and competencies that best fit to the specific role requirements. During the year, the manager experienced significant staffing challenges with the departure of 5 female staff, comprising 1 senior management and 4 managers and below. 4 of the departed staff were between 30 and 50 years old and one was under 30 years old, constituting 21.7% of our entire workforce. This year, we have engaged 1 contract staff for 3 months to assist the Investment and Asset Management teams. To address the stiff hiring market competition, the Manager has conducted a salary benchmarking exercise and made necessary salary adjustments to ensure our staff is remunerated competitively vis-à-vis the market, to increase staff retention rates.

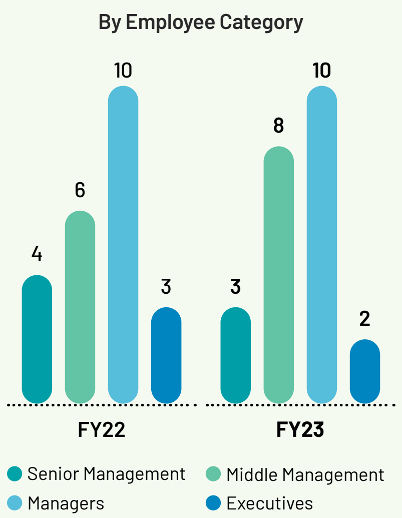
The Manager successfully hired 5 new employees during the year, which maintained our total headcount at 23. The newly recruited staff members are all female with one aged under 30 years old and the remaining aged between 30 and 50 years old. The majority of employees are aged between 30 and 50 years old, which constitutes approximately 70% of the Manager's workforce. The total workforce is made up of about 74% females and 26% males, with women making up 54% of the management team. Gender diversity is also maintained at the Board level, with 25% of our board members being female. The Board has committed to maintaining at least 25% women directors on the Board with best effort and with a view to increasing to 30% over time to achieve greater gender parity.

In our ongoing effort to enhance our reporting process, we have revised our employee categories for the FY2023 Sustainability Report to offer a more detailed insight into our employee data, as follows - Senior Management refers to Heads of Department or Sustainability Steering Committee (SSC). Middle Management refers to Heads of Function or Sustainability Task Force (STF). Managers refer to managerial positions that are not Heads of Department or Function (reported in FY2022 as Executives). Executives refer to all roles below managerial level (reported in FY2022 as Non-Executives).

EMPLOYEE PROFILE







Policy and Guides:	2023 Performance:	2024 Target:
Adheres to IHH Group's policy on Diversity and Inclusion	**Target met -** Zero incidents of discrimination	Zero validated incidents of discrimination
Board Diversity Policy	**Target met** – Maintain at least 25% women directors on the Board with best effort and with view to increasing to 30% over time to achieve greater gender parity	Maintain at least 25% women directors on the Board with best effort and with a view to increasing to 30% over time to achieve greater gender parity

People and Learning

Fostering employee engagement and well-being can positively increase job satisfaction, reduce turnover, and improve overall performance. Given the Manager's lean team, the health and safety of every employee is of utmost importance to the Manager. The Manager adheres to IHH Group's policy on Workplace Safety and Health (WSH) Program which ensures that all workplace safety and health-related matters are in compliance to the WSH Act and its subsidiary legislations. There were no incidents of serious office injury and no recordable injuries or cases of work-related ill health reported in FY2023.

The PLifeCARES Committee is tasked to organise quarterly employee bonding activities including educational talks, sports activities, and festive celebrations. This year, the Company organised a 3-day, 2-night company retreat at Club Med Bintan. During the retreat, the committee dedicated a full day to team bonding activities aimed at fostering teamwork and strengthening bonds among staff from different departments. Additionally, staff were provided with free time to participate in various activities available at Club Med in smaller groups, allowing them to recharge and rejuvenate.

In addition to the retreat, the Company regularly hosts various group activities such as corporate runs, festive celebrations, durian appreciation, laser tag, and more. Furthermore, each department has a dedicated budget to encourage intra-department bonding. These activities further contribute to building a positive and engaging work environment for all employees.

SUSTAINABILITY REPORT

Since 2022, the Manager has implemented Hybrid Work Arrangements ("HWA") which enable eligible employees to work from home or from other alternate conducive work locations. HWA enabled the Company to adopt a flexible approach for employees to choose where and how they work, while offering autonomy to employees to design their working week in a way that works both for them and with company policy to achieve a better work-life balance while continue to contribute towards the attainment of the organisational goals.

The Manager has put in place a long-term incentive plan for retention of key personnel. Apart from ensuring that the staff are competitively remunerated, we are also actively promoting a conducive family-like working environment to lower staff attrition rate. We believe that transparency is essential for alignment of expectations and a more content workforce; therefore, the employee handbook clearly states what is required of employees through various policies and practices such as the Code of Conduct, Collective Agreements and Grievance procedures. It also details employees' welfare entitlements, including leave, health benefits, and insurance, among others.

Policy and Guides:	2023 Performance:	2024 Target:
Adheres to IHH Group's policy on Workplace Safety and Health (WSH) Program to compliance with WSH Act and subsidiary legislations	**Target met -** Zero incidents of serious office injury	Zero incidents resulting in employee* fatality or permanent disability

* Relates to employees of the Manager, in office and on-site

Training and Development

Investing in training and development helps us to establish a more skilled and competent workforce, increase employee satisfaction, and improve business outcomes. We aim to build a strong and competent professional team to drive the success of the REIT. The Manager invests in its human capital by setting aside ample budget for training, encouraging employees to build their core and functional competencies and to keep abreast of the latest changes in the industry and REIT management.

New employees are required to attend the New Employee Orientation which inculcates them with the organisation's mission, vision and values. An overview of the Hospital/ Corporate Structure, Employee Self-Service System and Human Resource ("HR") processes are introduced by the respective HR Business Partners to the new employees. As part of the orientation, new employees are also introduced to the employee handbook that details the various learning and development policies, procedures and entitlements for each employee.

We believe an employee's journey involves personal motivation and mutual accountability of the employee and the employer. We will continue to enhance existing succession planning and career development frameworks and set clear and established career pathways while establishing robust business continuity plans, to ensure the sustainability of PLife REIT. In accordance with the leadership development plan approved by the Nominating and Remuneration Committee of the Manager, a structured leadership development plan has been put in place for the senior management and middle management staff.

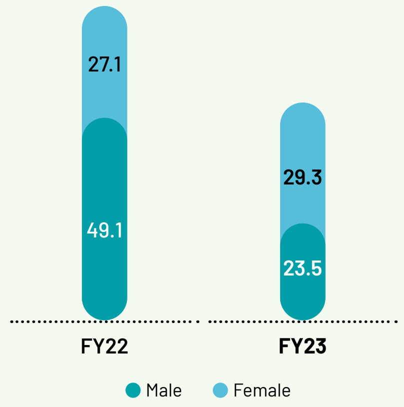
All permanent employees undergo annual performance review. Performance appraisals are two-way, with employees being encouraged to provide feedback to management. In FY2023, 100% of our employees attended their career development and performance review, which allows them to understand how they are performing to improve in the areas needed, as well as to discuss training and development needs.

There are also mandatory trainings required to be fulfilled by the employees of the Manager who are appointed as representatives of the Manager in pursuant to the Capital Markets Services ("CMS") Licence issued by the Monetary Authority of Singapore on annual basis. A policy on training requirements for the appointed CMS representatives is in place to ensure that our employees are in compliance with the mandatory training requirements and undergo updated trainings and developments in the REIT management. We also maintain a training register to keep track of the trainings and seminars attended by all employees. In FY2023, the average training hours per employee was approximately 27.8 hours, a decrease of 7.2 hours per employee from 2022. During the year under review, the existing directors who were appointed prior to FY2023 have attended the sustainability training course as prescribed by SGX-ST. The new directors who were appointed in FY2023 will be attending the sustainability training course within the time period allowed by SGX-ST.

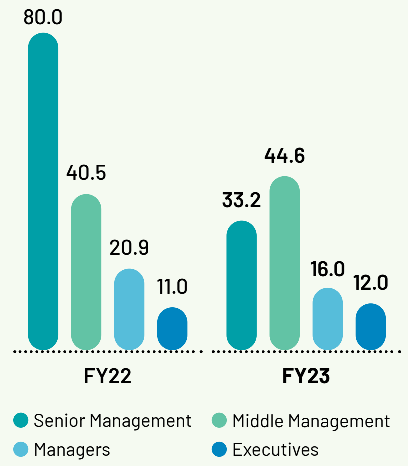
Further, 100% of the employees have completed the Anti-Bribery & Corruption Course as well as Gifts, Hospitality, Donations, and Sponsorship Policy Fundamentals Training, and 87% of the staff have completed the Sustainability Awareness Training.

DETAILED INFORMATION OF EMPLOYEE TRAINING

Average Training Hours Per Employee Per Year – By Gender



Average Training Hours Per Employee Per Year – By Employee Category



Total Training Hours

Average Training Hours Per Employee Per Year

Policy and Guides:	2023 Performance:	2024 Target:
• Employee handbook with details on Manager's human resource policies • Compliance Training Manual	**Target met** – 100% of employees met all mandatory training requirements for their role	100% of employees continue to meet all mandatory training requirements for their role

SUSTAINABILITY REPORT

COMMUNITY OUTREACH

Engaging in community outreach initiatives has a positive impact on our brand reputation and helps build stronger relationships with local stakeholders. The Manager endeavours to contribute positively to the local community; to this end, the Corporate Social Responsibility ("CSR") Committee, which plans and executes community events on a regular basis, was established.

This year, the Manager collaborated with EQUAL-ARK Singapore Ltd in a co-funding partnership for a CSR initiative catered for children from the Muscular Dystrophy Association (Singapore) and their caregivers.

This initiative involved a comprehensive 9-hour day-camp tailored specifically for children with Muscular Dystrophy ("MD"). It was a fun-filled day lined up with three equine-assisted activities for the MD children before wrapping up with a campfire. The children enjoyed themselves thoroughly as they hardly get to participate in such camping activities in school.

Recognising the crucial role that caregivers play in assisting individuals with social or health needs, we have planned separate programme such as equine-assisted activities and group discussion to give the caregivers a break from their caregiving duties. Such respite care aim to alleviate some of the mental and emotional burdens the caregivers encounter, ultimately enabling them to enjoy a better quality of life.

2024 Target:
Organise at least 1 community involvement project annually

STAKEHOLDER ENGAGEMENT

Our stakeholders' concerns and opinions shape the work that we do and the way that we operate. Our interactions with our stakeholders are regular and take on a wide variety of forms, which provides us the opportunity to interact directly with them and enables us to accurately identify, capture, and address their sustainability priorities whilst making business-related decisions. These interactions are highlighted in the table below:

Stakeholders	Key Concerns of Each Stakeholder Group	Engagement methods	Frequency of Engagement
Unitholders and prospective investors	• Business performance and strategy • Economic, social and environment concerns • Sustainable returns	• Annual general meeting	• Annually
		• Corporate website	• Throughout the year
		• Corporate literature	• Throughout the year
		• Investor outreach programmes	• Throughout the year
		• News and media releases	• Throughout the year
Employees	• Communicate business strategy and development • Employee wellness • Reward and recognition • Training and development	• Company staff bonding events	• Throughout the year
		• Employment compensation and benefits	• Throughout the year
		• Informal and formal staff communications	• Throughout the year
		• Training courses	• Throughout the year
		• Corporate retreat	• Annually
		• Performance appraisal	• Annually
Tenants / Operators	• Health and safety • Quality of properties • Tenancy matters	• Established channels of communication on property-related issues, such as dedicated asset manager to each property	• Throughout the year
		• Regular site visits	• Throughout the year
		• Tenants' satisfaction survey	• Annually
Community	• Community investment • Impact of business to environment and society	• Corporate social responsibility events	• Throughout the year
		• Donation to charity events	• Throughout the year

2024 Targets:
• Receive annual survey responses from at least 90% of tenants (by gross revenue) • Complete at least 1 employee engagement exercise annually and review all feedback received

OPERATOR SUSTAINABILITY (SOCIAL) PERFORMANCE

As part of the evaluation and due diligence process of acquiring new healthcare/ healthcare related properties, we conduct background research and assess the operators in order to better evaluate and manage potential counterparty risks which may affect the REIT. On top of the independent credit and financial valuation of the business operation of the operators, due diligence checks are carried out to ensure relevant licenses are complete, up to date and in compliance with local regulatory requirements. The operator's operational history and management background, as well as credit and financial assessment of the operator's business profitability are further clarified and checked via information provided by local asset managers, consultants and vendors in their independent assessment of the target operator's financial, regulatory and social performance.

Post-acquisitions, the Manager continues to maintain constant communication with our tenants/ operators and asset managers on-the-ground to ensure sustained performance and management of the properties. Tenants/operators must abide by the terms under the lease agreements e.g. in Japan, we ensure that operators adhere to non-anti-social clauses, which prevent them from engaging in anti-social activities. The Manager also conducts annual credit assessments as well as tenant satisfaction surveys to potentially minimise any unexpected operational, financial or social issues. Key tenants have expressed their general satisfaction and support in the most recent survey conducted in FY2023.

SUSTAINABILITY REPORT

GOVERNANCE

Compliance With Laws And Regulations

As a REIT and REIT Manager, we are subject to numerous laws and regulations applicable to REIT management. Compliance with these laws and regulations is essential to protecting our intangible assets, our reputation, and building trust with stakeholders. Breaches could lead to the loss of our operating licence, cause reputational damage and may lead to a loss of trust in the Manager from stakeholders such as the Board of Directors, Unitholders, regulators and employees. In addition, there are also regulations specific to the healthcare industry which affect operations at our properties. Any failures in compliance with such health and safety regulations will call into question the integrity of the Manager and raise questions about our ability to operate in an ethical way.

The Manager has a strong commitment to good corporate governance and regulatory compliance. Compliance for PLife REIT generally covers the following areas:

- Compliance with CMS License for Real Estate Investment Trust Management issued by the MAS
- Compliance with Anti-Corruption and Anti-Money Laundering regulation
- Compliance with Personal Data Protection Policy
- Compliance with health and safety regulations of our properties
- Compliance with Whistle-Blowing Policy

Ethics and Anti-Corruption

Maintaining high ethical standards and anti-corruption culture is not only to mitigate the reputational risks, but also to prevent unethical behavior, promote transparency and accountability. The Manager has a strong commitment to ethical business and anti-corruption culture. We adopt a zero-tolerance stance on fraud, corruption and other unethical behaviour and are committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements, as well as any legislation that is relevant to our business. The Manager adheres to IHH Group's Anti-Bribery and Corruption Policy that sets out key principles for corporations to adopt and demonstrate commitments towards creating a business environment that is fair, transparent and free from corruption. The IHH Group's Policy elaborates the core principles and promotes compliance by all employees with the anti-corruption laws that apply to IHH Group operations, including the anti-corruption laws of all countries in which IHH Group conducts business.

Policy and Regulations:	2023 Performance:	2024 Target:
• Anti-Bribery and Corruption Policy • Additional relevant policies and regulations listed under Compliance with Laws and Regulations section above	**Target met** – Zero incidents of significant[10] fines and non-monetary sanctions against PLife REIT and the Manager	Zero incidents of significant[10] fines and non-monetary sanctions against PLife REIT and the Manager

CYBER-READINESS, SECURITY AND DATA PRIVACY

At PLife REIT, we recognise the prevalent threat concerning online safety and security. In today's rapidly evolving digital landscape, enhancing an organisation's cyber resilience is crucial, and we strive to protect our operations from cyber-security threats and data breaches. We are committed to complying with all relevant regulations, including international and local data privacy laws, to ensure the safety of our stakeholders' information. Elevated emphasis is placed on addressing vulnerabilities related to email security, financial data leaks, system breaches, ransomware attacks, and other cyber threats.

The Manager adheres to IHH Group's Information Security Governance Framework and Information Security Policy that outlines the mandates and best practices in line with the Information Security Management System (ISMS) – ISO/IEC 27001:2022 Standard, through information security policies, associated procedures, roles and responsibilities applicable to the Group. Being CMS-licensed, the Manager shall comply with the MAS' Notice of Technology Risk Management and also stays guided by the best practices set out in the MAS' Technology Risk Management Guidelines. In FY2023, 100% of the employees have completed the employee cyber security awareness training.

As the Manager of PLife REIT, we are committed to safeguarding personal data. Governed by our Personal Data Protection Act policy, our privacy statement which is publicly available on our website also details our approach and stance towards personal data of Unitholders. For FY2023, we are pleased to report that there were zero substantiated complaints concerning breaches of Unitholders' data privacy, and zero incidents of identified leaks, thefts, or losses of Unitholders' data stored in our computer systems.

Policy and Guides:	2024 Target:
Information Security Policy	Achieve 100% completion on employee cyber security awareness training annually

[10] Significant shall mean more than 1% of the Profit Before Tax of PLife REIT and the Manager respectively.

GRI INDEX

GRI Standards 2021	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
		UNIVERSAL STANDARDS	
GRI 2: General Disclosures (2021)	**The Organisational and its reporting practices**		
	2-1	Organisational details	Corporate Profile
	2-2	Entities included in the organisation's sustainability reporting	Corporate Profile Sustainability Report, Reporting Scope, page 96
	2-3	Reporting period, frequency and contact point	Sustainability Report, Reporting Scope, page 96
	2-4	Restatements of information	Sustainability Report, Environmental, Climate Resilience, Energy & GHG Emissions, page 106
	2-5	External assurance	We have not sought external assurance and will consider it in the future.
	The Organisational and its reporting practices		
	2-6	Activities, value chain and other business relationships	Corporate Profile
	2-7	Employees	Sustainability Report, Social, Diversity and Inclusion, page 108
	Governance		
	2-9	Governance structure	Sustainability Report, Sustainability Governance, pages 97 to 98
	2-10	Nomination and selection of the highest governance body	Annual Report, Corporate Governance, Board Composition and Guidance, pages 63 to 66
	2-11	Chair of the highest governance body	Annual Report, Corporate Governance, Chairman and Chief Executive Officer, page 67
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report, Board Statement, page 96
	2-13	Delegation of responsibility for managing impacts	Sustainability Report, Board Statement, page 96, Sustainability Governance, page 97 to 98
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Report, Board Statement, page 96
	2-15	Conflicts of interest	Annual Report, Dealings with Conflicts of interest, pages 78 to 79
	2-16	Communication of critical concerns	Sustainability Report, Governance, Compliance with laws and regulations, page 114
	2-17	Collective knowledge of the highest governance body	Sustainability Report, Social, Training and Development, pages 110 to 111
	2-18	Evaluation of the performance of the highest governance body	Annual Report, Corporate Governance, Board Membership, pages 67 to 68
	2-19	Remuneration policies	Annual Report, Corporate Governance, Remuneration Matters, pages 69 to 72
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	We are not disclosing this information based on confidentiality grounds.
	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	Sustainability Report, Board Statement, page 96
	2-23	Policy commitments	• Sustainability Report, Economic, sustainable investment, page 101; • Sustainability Report, Social, People and Learning, pages 109 to 110; • Training and development, pages 110 to 111 • Sustainability Report, Governance, Ethics and Anti-corruption, page 114 • Sustainability Report, Cyber-readiness, Security and Data Privacy, page 114
	2-24	Embedding policy commitments	Each policy mentioned in the Sustainability Report has a policy owner who will regularly review the policy, assess if training is required and perform ongoing monitoring.
	2-25	Processes to remediate negative impacts	Governance, Compliance with laws and regulations, page 114
	2-26	Mechanisms for seeking advice and raising concerns	Governance, Compliance with laws and regulations, page 114
	2-27	Compliance with laws and regulations	Sustainability Report, Governance, Compliance with Laws and Regulations, page 114
	2-28	Membership associations	The Manager is a REITAS member as well as corporate member of Singapore Institute of Directors.
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Sustainability Report, Stakeholder Engagement, page 113
	2-30	Collective bargaining agreements	The Manager does not have collective agreement with union (not mandatory).

SUSTAINABILITY REPORT

GRI Standards 2021	Disclosure Number	Disclosure Title	Section and Page Reference / Notes
GRI 3: Material Topics (2021)	**Disclosures on material topics**		
	3-1	Process to determine material topics	Sustainability Report, Assessment of Our ESG Factors, pages 98 to 99
	3-2	List of material topics	Sustainability Report, Assessment of Our ESG Factors, pages 98 to 99
	3-3	Management of material topics	Sustainability Report, Sustainability Governance, Assessment of Our ESG Factors, narratives on the impact under each material topics, pages 98 to 99
		TOPIC STANDARDS	
Economic Performance			
GRI 201: Economic Performance (2016)	201-1	Direct economic value generated and distributed	Financial Highlights, page 28 Sustainability Report, Economic, Economic Contribution and Risk Management, page 101
Energy & Emissions			
GRI 305: Emissions (2016)	305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report, Environmental, Climate Resilience, Energy & GHG Emissions, pages 106 to 107
	305-4	GHG emissions intensity	
Employment			
GRI 401: Employment (2016)	401-1	New employee hires and employee turnover	Sustainability Report, Social, Diversity and Inclusion, Employee Engagement and Well-Being, Training and Development, pages 108 to 111
GRI 403: Occupational Health & Safety (2016)	403-9	Work-related injuries	
	403-10	Work-related ill health	
GRI 404: Training and Education (2016)	404-1	Average hours of training per year per employee	
	404-3	Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	
GRI 406: Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	
Community Impact			
GRI 413: Local Communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report, Social, Community Outreach, page 112
Ethics and Anti-corruption			
GRI 205: Anti-corruption (2016)	205-3	Confirmed incidents of corruption and actions taken	Sustainability Report, Governance, Ethics and Anti-corruption, page 114
Cyber-readiness, Security and Data Privacy			
GRI 418: Cyber-readiness, Security and Data Privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report, Cyber-readiness, Security and Data Privacy, page 114

FINANCIAL STATEMENTS

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Parkway Life Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act (Cap. 289) of Singapore, its subsidiary legislation and the Code on Collective Investment Scheme, the Trustee shall monitor the activities of Parkway Trust Management Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 12 July 2007 (as amended by the First Supplemental Deed dated 12 November 2009, the Second Supplemental Deed dated 30 March 2010, the Third Supplemental Deed dated 31 March 2016, the Fourth Supplemental Deed dated 2 May 2019, the Fifth Supplemental Deed dated 2 April 2020 and the Sixth Supplemental Deed dated 23 September 2020) (the "Trust Deed"), between the Trustee and the Manager in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the year covered by these financial statements, set out on pages 125 to 212, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Authorised Signatory

23 February 2024

STATEMENT BY THE MANAGER

In the opinion of the directors of Parkway Trust Management Limited, the accompanying financial statements set out on pages 125 to 212, comprising the statements of financial position, statements of total return, distribution statements, statements of movements in Unitholders' funds and portfolio statements of the Group and of the Trust, cash flow statement of the Group and a summary of material accounting policies and other explanatory notes, are drawn up so as to present fairly, in all material respects, the financial position and the portfolio of Parkway Life Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") and of the Trust as at 31 December 2023, the total returns, distributable income, movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Investment Funds*" (RAP 7) issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Group and the Trust will be able to meet their financial obligations as and when they materialise.

For and on behalf of the Manager,
Parkway Trust Management Limited

Yong Yean Chau
Director

23 February 2024

UNITHOLDERS
PARKWAY LIFE REAL ESTATE INVESTMENT TRUST

Constituted in the Republic of Singapore pursuant to the trust deed dated 12 July 2007 (as amended by the First Supplemental Deed dated 12 November 2009, the Second Supplemental Deed dated 30 March 2010, the Third Supplemental Deed dated 31 March 2016, the Fourth Supplemental Deed dated 2 May 2019, the Fifth Supplemental Deed dated 2 April 2020 and the Sixth Supplemental Deed dated 23 September 2020)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Parkway Life Real Estate Investment Trust (the Trust) and its subsidiaries (the Group), which comprise the consolidated statement of financial position and consolidated portfolio statement of the Group and the statement of financial position and portfolio statement of the Trust as at 31 December 2023, the consolidated statement of total return, consolidated distribution statement, consolidated statement of movements in unitholders' funds and consolidated statement of cash flows of the Group and the statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 125 to 212.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, portfolio statement, statement of total return, distribution statement and statement of movements in unitholders' funds of the Trust present fairly, in all material respects, the consolidated financial position and the consolidated portfolio holdings of the Group and the financial position and the portfolio holdings of the Trust as at 31 December 2023 and the consolidated total return, consolidated distributable income, consolidated movements in unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in unitholders' funds of the Trust for the year then ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* (RAP 7) issued by the Institute of Singapore Chartered Accountants (ISCA).

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties (Refer to Portfolio Statements and Note 4 to the financial statements)

Risk

Investment properties represent the single largest category of assets on the consolidated statement of financial position of the Group at $2.2 billion (2022: $2.2 billion) as at 31 December 2023.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation.

Our response

We evaluated the qualifications, competence and objectivity of the external valuers and held discussions with the valuers to understand their valuation methodologies and assumptions used.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of the significant data inputs applied in the projected cash flows used in the valuation to supporting leases and other documents. We challenged the key assumptions used in the valuations, which included capitalisation, discount and terminal yield rates by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where assumptions were outside the expected range, we undertook further procedures to understand the effect of additional factors taken into account in the valuations.

Our findings

The valuers are members of recognised professional bodies for valuers and have considered their own independence in carrying out their work.

The valuation methodologies adopted by the valuers are in line with generally accepted market practices. The significant data inputs used were supported by relevant supporting documents. The key assumptions used in the valuations were generally comparable to available industry data. Where the assumptions were outside the expected range, the additional factors considered by the valuers were consistent with other corroborative evidence.

Other information

Parkway Trust Management Limited, the manager of the Trust (the Manager) is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Report of the Trustee and Statement by the Manager prior to the date of this auditors' report. The other sections of the annual report ("the Reports") are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the ISCA, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Sarina Lee.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 February 2024

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

		Group		Trust	
	Note	**2023**	2022	**2023**	2022
		$'000	$'000	**$'000**	$'000
Non-current assets					
Investment properties	4	**2,230,981**	2,205,881	**1,506,000**	1,439,000
Interests in subsidiaries	5	**–**	–	**733,702**	727,412
Advance payment	6	**–**	27,740	**–**	27,740
Financial derivatives	7	**39,257**	33,958	**39,257**	33,958
		2,270,238	2,267,579	**2,278,959**	2,228,110
Current assets					
Financial derivatives	7	**1,341**	470	**1,341**	470
Trade and other receivables	8	**6,316**	15,597	**2,831**	14,133
Advance payment	6	**27,740**	18,493	**27,740**	18,493
Cash and cash equivalents	9	**28,499**	40,010	**4,651**	15,467
		63,896	74,570	**36,563**	48,563
Total assets		**2,334,134**	2,342,149	**2,315,522**	2,276,673
Current liabilities					
Financial derivatives	7	**1,820**	–	**1,820**	–
Trade and other payables	10	**30,723**	23,697	**24,138**	16,751
Current portion of security deposits		**440**	823	**–**	–
Loans and borrowings	11	**53,544**	56,635	**53,544**	56,635
Lease liabilities		**15**	15	**–**	–
		86,542	81,170	**79,502**	73,386
Non-current liabilities					
Financial derivatives	7	**3,572**	–	**3,572**	–
Non-current portion of security deposits		**16,889**	17,754	**–**	–
Loans and borrowings	11	**772,843**	793,154	**772,843**	793,154
Deferred tax liabilities	12	**36,156**	35,769	**–**	–
Deferred income		**1,506**	1,732	**–**	–
Lease liabilities		**2,069**	2,084	**–**	–
		833,035	850,493	**776,415**	793,154
Total liabilities		**919,577**	931,663	**855,917**	866,540
Net assets		**1,414,557**	1,410,486	**1,459,605**	1,410,133
Represented by:					
Unitholders' funds	13	**1,414,557**	1,410,486	**1,459,605**	1,410,133
Units in issue ('000)	14	**605,002**	605,002	**605,002**	605,002
Net asset value per unit ($)		**2.34**	2.33	**2.41**	2.33

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF TOTAL RETURN

Year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Gross revenue	15	**147,467**	129,972	**114,982**	95,156
Property expenses	16	**(8,383)**	(8,104)	**(3,538)**	(3,244)
Net property income		**139,084**	121,868	**111,444**	91,912
Management fees	17	**(14,491)**	(13,782)	**(13,190)**	(12,373)
Trust expenses	18	**(3,008)**	(3,294)	**(2,168)**	(2,300)
Interest income		**37**	–	**–**	–
Finance costs	19	**(10,803)**	(5,753)	**(10,532)**	(5,476)
Foreign exchange gain, net		**7,525**	3,399	**61,905**	99,756
		(20,740)	(19,430)	**36,015**	79,607
Total return before changes in fair value of financial derivatives and investment properties		**118,344**	102,438	**147,459**	171,519
Net change in fair value of financial derivatives		**1,173**	5,160	**8,434**	10,794
Net change in fair value of investment properties	4	**(11,249)**	(59,381)	**(10,645)**	(57,053)
Total return before income tax		**108,268**	48,217	**145,248**	125,260
Income tax expense	20	**(7,803)**	(7,081)	**–**	–
Total return for the year		**100,465**	41,136	**145,248**	125,260
Earnings per unit (cents)					
Basic and diluted	21	**16.61**	6.80	**24.01**	20.70

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

Year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Amount available for distribution to Unitholders at beginning of the year		**44,314**	21,622	**44,314**	21,622
Total return for the year		**100,465**	41,136	**145,248**	125,260
Distribution adjustments	A	**(8,221)**	48,776	**(53,004)**	(35,348)
Rollover adjustment		**97**	92	**97**	92
Amount retained for capital expenditure		**(3,000)**	(3,000)	**(3,000)**	(3,000)
Income for the year available for distribution to Unitholders	B	**89,341**	87,004	**89,341**	87,004
Amount available for distribution to Unitholders		**133,655**	108,626	**133,655**	108,626
Distributions to Unitholders during the year:					
– Distribution of 3.57 cents per unit for period from 1 October 2021 to 31 December 2021		**–**	21,599	**–**	21,599
– Distribution of 7.06 cents per unit for period from 1 January 2022 to 30 June 2022		**–**	42,713	**–**	42,713
– Distribution of 7.32 cents per unit for period from 1 July 2022 to 31 December 2022		**44,286**	–	**44,286**	–
– Distribution of 7.29 cents per unit for period from 1 January 2023 to 30 June 2023		**44,105**	–	**44,105**	–
		88,391	64,312	**88,391**	64,312
Amount available for distribution to Unitholders at end of the year		**45,264**	44,314	**45,264**	44,314

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

Year ended 31 December 2023

	Note	Group 2023	Group 2022	Trust 2023	Trust 2022
Number of units entitled to distribution ('000)	14	**605,002**	605,002	**605,002**	605,002
Distribution per unit (cents)[1]		**14.77**	14.38	**14.77**	14.38

[1] The distribution per unit relates to the distributions in respect of the relevant financial year.

Note A – Distribution adjustments comprise:

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Non-tax deductible/(non-taxable) items:				
Trustee's fees	**371**	370	**371**	370
Finance costs	**4,152**	704	**4,135**	704
Net overseas income not distributed to the Trust	**–**	–	**20,415**	21,378
Foreign exchange loss/(gain), net	**323**	1,974	**(54,064)**	(94,387)
Net change in fair value of financial derivatives	**(1,173)**	(5,160)	**(8,434)**	(10,794)
Net change in fair value of investment properties (net of deferred tax impact)	**14,814**	62,403	**10,645**	57,053
Effect of recognising rental income on a straight-line basis over the lease terms	**(27,012)**	(11,908)	**(26,441)**	(10,081)
Others	**304**	393	**369**	409
Net effect of distribution adjustments	**(8,221)**	48,776	**(53,004)**	(35,348)

Note B – Income for the year available for distribution to Unitholders

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Unitholders' distributions:				
– from operations	**68,972**	66,244	**68,972**	66,244
– from Unitholders' contributions	**20,369**	20,760	**20,369**	20,760
Total Unitholders' distributions	**89,341**	87,004	**89,341**	87,004

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

Year ended 31 December 2023

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Unitholders' funds at beginning of year	**1,410,486**	1,434,707	**1,410,133**	1,341,820
Operations				
Total return for the year	**100,465**	41,136	**145,248**	125,260
Unitholders' transactions				
Distribution to Unitholders	**(88,391)**	(64,312)	**(88,391)**	(64,312)
Total increase/(decrease) in Unitholders' funds before movement in other reserves	**12,074**	(23,176)	**56,857**	60,948
Other reserves				
Net movement in hedging reserve	**(6,769)**	6,958	**(6,769)**	6,958
Net movement in cost of hedging reserve	**(616)**	407	**(616)**	407
Exchange differences on hedge of net investment in foreign operations	**58,596**	98,624	**–**	–
Translation differences arising on consolidation of foreign operations	**(59,214)**	(107,034)	**–**	–
Net (decrease)/increase in other reserves	**(8,003)**	(1,045)	**(7,385)**	7,365
Unitholders' funds at end of year	**1,414,557**	1,410,486	**1,459,605**	1,410,133

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS
As at 31 December 2023

PORTFOLIO STATEMENTS
As at 31 December 2023

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	At valuation 2023 $'000	At valuation 2022 $'000	Percentage of net assets 2023 %	Percentage of net assets 2022 %
Group									
Singapore									
The Mount Elizabeth Hospital Property [1]	Leasehold	67	51	3 Mount Elizabeth, Singapore 228510	Hospital and medical centre	**897,000**	845,000	**63.4**	59.9
The Gleneagles Hospital Property [1]	Leasehold	75	59	6 Napier Road, Singapore 258499; and 6A Napier Road, Singapore 258500	Hospital and medical centre	**512,000**	500,000	**36.2**	35.4
The Parkway East Hospital Property [1]	Leasehold	75	59	319 Joo Chiat Place, Singapore 427989; and 321 Joo Chiat Place, Singapore 427990	Hospital and medical centre	**97,000**	94,000	**6.9**	6.7
						1,506,000	1,439,000	**106.5**	102.0
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	**15,531**	16,882	**1.1**	1.2
More Habitation Akashi [2]	Freehold	N.A.	N.A.	486, Yagi, Okubo-cho, Akashi City, Hyogo Prefecture, Japan	Nursing home with care service	**17,019**	18,204	**1.2**	1.3
More Habitation Suma Rikyu (formerly known as 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	**9,951**	10,679	**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	**17,298**	18,916	**1.2**	1.3
Balance carried forward						**59,799**	64,681	**4.2**	4.6

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PORTFOLIO STATEMENTS
As at 31 December 2023

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As at 31 December 2023

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	At valuation 2023 $'000	At valuation 2022 $'000	Percentage of net assets 2023 %	Percentage of net assets 2022 %
Group									
Japan (cont'd)									
Balance brought forward						**59,799**	64,681	**4.2**	4.6
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	**7,793**	8,512	**0.6**	0.6
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	**15,345**	16,781	**1.1**	1.2
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	**6,808**	7,455	**0.5**	0.5
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	**9,068**	9,875	**0.6**	0.7
Maison des Centenaire Haruki (2)	Freehold	N.A.	N.A.	12-20, Haruki-Miyakawacho, Kishiwada City, Osaka Prefecture, Japan	Nursing home with care service	**6,696**	7,282	**0.5**	0.5
Hapine Fukuoka Noke (2)	Freehold	N.A.	N.A.	4-35-9, Noke, Sawara-ku, Fukuoka City, Fukuoka Prefecture, Japan	Nursing home with care service	**9,040**	9,824	**0.6**	0.7
Fiore Senior Residence Hirakata (2)	Freehold	N.A.	N.A.	4-10, Higashikori-Shinmachi, Hirakata City, Osaka Prefecture, Japan	Nursing home with care service	**5,199**	5,665	**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	**16,182**	17,594	**1.1**	1.2
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	**7,886**	8,543	**0.6**	0.6
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	**8,472**	9,112	**0.6**	0.6
Sawayaka Nogatakan (2)	Freehold	N.A.	N.A.	442-1 Yamabe-Oaza, Nogata City, Fukuoka Prefecture, Japan	Nursing home with care service	**7,700**	8,278	**0.5**	0.6
Balance carried forward						**159,988**	173,602	**11.3**	12.2

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PORTFOLIO STATEMENTS
As at 31 December 2023

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	At valuation 2023 $'000	At valuation 2022 $'000	Percentage of net assets 2023 %	Percentage of net assets 2022 %
Group									
Japan (cont'd)									
Balance brought forward						**159,988**	173,602	**11.3**	12.2
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	**10,323**	11,085	**0.7**	0.8
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	**3,757**	4,058	**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	**6,761**	7,383	**0.5**	0.5
As Heim Nakaurawa (2)	Freehold	N.A.	N.A.	2-21-9 Nishibori, Sakura-ku, Saitama Prefecture, Japan	Nursing home with care service	**10,323**	11,289	**0.7**	0.8
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	**8,686**	9,468	**0.6**	0.7
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	**9,765**	10,475	**0.7**	0.7
Happy Life Toyonaka (2)	Freehold	N.A.	N.A.	15-14, Kozushima 2-chome, Toyonaka City, Osaka Prefecture, Japan	Nursing home with care service	**5,199**	5,685	**0.4**	0.4
More Habitation Kobe Kitano (formerly known as 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	**15,438**	16,679	**1.1**	1.2
Sawayaka Seaside Toba (2)	Freehold	N.A.	N.A.	300-73 Aza Hamabe, Ohamacho Toba City, Mie Prefecture, Japan	Nursing home with care service	**14,973**	16,374	**1.1**	1.2
Balance carried forward						**245,213**	266,098	**17.4**	18.8

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PORTFOLIO STATEMENTS
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Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	At valuation 2023 $'000	At valuation 2022 $'000	Percentage of net assets 2023 %	Percentage of net assets 2022 %
Group									
Japan (cont'd)									
Balance brought forward						**245,213**	266,098	**17.4**	18.8
Sawayaka Niihamakan (2)	Freehold	N.A.	N.A.	Otsu 11-77, Higashida 3-chome, Niihama City, Ehime Prefecture, Japan	Nursing home with care service	**14,229**	15,560	**1.0**	1.1
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	**3,311**	3,824	**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	**9,858**	10,475	**0.7**	0.7
Sawayaka Minatokan (2)	Freehold	N.A.	N.A.	5155-3 Jyusanbancho, Furumachidori, Chuo-ku, Niigata City, Niigata Prefecture, Japan	Nursing home with care service	**7,198**	7,729	**0.5**	0.5
Maison des Centenaire Hannan (2)	Freehold	N.A.	N.A.	8-423-29 Momonokidai, Hannan City, Osaka Prefecture, Japan	Nursing home with care service	**18,228**	19,628	**1.3**	1.4
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	**7,477**	8,024	**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	**8,965**	9,682	**0.6**	0.7
Habitation Jyosui (2)	Freehold	N.A.	N.A.	4-1-26 Yakuin, Chuo-ku Fukuoka City, Fukuoka Prefecture, Japan	Nursing home with care service	**33,945**	37,324	**2.4**	2.6
Ocean View Shonan Arasaki (2)	Freehold	N.A.	N.A.	5-25-1 Nagai, Yokosuka City, Kanagawa Prefecture, Japan	Nursing home with care service	**20,181**	21,967	**1.4**	1.6
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	**38,874**	42,512	**2.7**	3.0
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	**17,205**	18,408	**1.2**	1.3
Balance carried forward						**424,684**	461,231	**29.9**	32.6

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As at 31 December 2023

Description of property	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Existing use	At valuation 2023 $'000	At valuation 2022 $'000	Percentage of net assets 2023 %	Percentage of net assets 2022 %
Group									
Japan (cont'd)									
Balance brought forward						**424,684**	461,231	**29.9**	32.6
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	**3,460**	3,732	**0.2**	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	**1,730**	1,892	**0.1**	0.1
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	**2,000**	2,166	**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	**12,369**	13,526	**0.9**	1.0
Habitation Wakaba [2]	Freehold	N.A.	N.A.	1763-12 Oguramachi Wakabaku, Chiba City, Chiba Prefecture, Japan	Nursing home with care service	**20,739**	22,679	**1.5**	1.6
Habitation Hakusho [2]	Freehold	N.A.	N.A.	301 Hijikai, Yachimata City, Chiba Prefecture, Japan	Nursing home with care service	**15,531**	16,882	**1.1**	1.2
Balance carried forward						**480,513**	522,108	**33.8**	37.0

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As at 31 December 2023

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Group									
Japan (cont'd)									
Balance brought forward						**480,513**	522,108	**33.8**	37.0
Group Home Hakusho (2)	Freehold	N.A.	N.A.	1345-16 Toyoma, Yachimata City, Chiba Prefecture, Japan	Group home with care service	**995**	1,098	**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	**8,026**	8,746	**0.6**	0.6
Sanko (2)	Freehold	N.A.	N.A.	4-16-16 Mizuhomachi, Kudamatsu City, Yamaguchi Prefecture, Japan	Nursing home with care service	**5,189**	5,675	**0.4**	0.4
Konosu Nursing Home Kyoseien (2)	Freehold	N.A.	N.A.	3409-1 Shimoya, Konosu, Saitama Prefecture, Japan	Nursing rehabilitation facility	**16,461**	17,899	**1.2**	1.3
Haru no Sato (2)	Freehold	N.A.	N.A.	1-2-23 Hajima, Shunan, Yamaguchi Prefecture, Japan	Nursing rehabilitation facility	**12,462**	14,035	**0.9**	1.0
Hodaka no Niwa (2)	Freehold	N.A.	N.A.	205 Hitoegane, Okuhida Onsengo, Takayama, Gifu Prefecture, Japan	Nursing rehabilitation facility	**13,299**	15,153	**0.9**	1.1
Orange no Sato (2)	Leasehold	99	96	522 Yoshiwara, Aridagawa-machi, Arida, Wakayama Prefecture, Japan	Nursing rehabilitation facility	**11,253**	12,713	**0.8**	0.9
Habitation Kamagaya (2)	Freehold	N.A.	N.A.	12-1 Shin-Kamagaya 4-chome, Kamagaya City, Chiba Prefecture, Japan	Nursing home with care service	**17,391**	18,306	**1.2**	1.3
Will-Mark Kashiihama (2)	Freehold	N.A.	N.A.	2-1 Kashiihama 3-chome, Fukuoka City, Fukuoka Prefecture, Japan	Nursing home with care service	**29,853**	33,053	**2.1**	2.3
Crea Adachi (2)	Freehold	N.A.	N.A.	19-10 Iriya 2-chome Adachi City, Tokyo Prefecture, Japan	Nursing home with care service	**12,555**	12,814	**0.9**	0.9
Habitation Kisarazu Ichibankan (2)	Freehold	N.A.	N.A.	11-1, Kaneda Higashi 4-chome, Kisarazu City, Chiba, Japan	Nursing home with care service	**33,945**	34,781	**2.4**	2.5
Blue Rise Nopporo (2)	Freehold	N.A.	N.A.	39-1 Suehirocho, Nopporo, Ebetsu City, Hokkaido Prefecture, Japan	Nursing home with care service	**7,412**	8,014	**0.5**	0.6
Blue Terrace Kagura (2)	Freehold	N.A.	N.A.	9-2-27 Kagura 2jyo, Asahikawa City, Hokkaido Prefecture, Japan	Nursing home with care service	**12,276**	13,526	**0.9**	1.0
						661,630	717,921	**46.7**	51.0

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Group									
Japan (cont'd)									
Balance brought forward						**661,630**	717,921	**46.7**	51.0
Blue Terrace Taisetsu [2]	Freehold	N.A.	N.A.	506-16 Taisetsudori 7-chome, Asahikawa City, Hokkaido Prefecture, Japan	Nursing home with care service	**7,151**	7,821	**0.5**	0.6
Assisted Living Edogawa [2]	Freehold	N.A.	N.A.	3-27-17 Nishi-Ichinoe, Edogawa-ku, Tokyo Prefecture, Japan	Nursing home with care service	**17,670**	19,425	**1.2**	1.4
Assisted Living Toke [2]	Freehold	N.A.	N.A.	299-4 Tokecho, Midori-ku, Chiba City, Chiba Prefecture, Japan	Nursing home with care service	**12,090**	13,323	**0.9**	0.9
HIBISU Shirokita Koendori [4]	Freehold	N.A.	N.A.	4-30-18 Akagawa, Asahi-ku, Osaka City, Osaka Prefecture, Japan	Nursing home with care service	**8,872**	–	**0.6**	–
HIBISU Suita [4]	Freehold	N.A.	N.A.	9-19 Higashiomitabi-cho, Suita City, Osaka Prefecture, Japan	Nursing home with care service	**9,765**	–	**0.7**	–
						717,178	758,490	**50.6**	53.9
Malaysia									
MOB Specialist Clinics, Kuala Lumpur [3]	Freehold	N.A.	N.A.	282, Jalan Ampang 50450 Kuala Lumpur, Malaysia	Medical Centre	**5,719**	6,316	**0.4**	0.4
Total investment properties, at valuation						**2,228,897**	2,203,806	**157.5**	156.3
Other assets and liabilities (net)						**(814,340)**	(793,320)	**(57.5)**	(56.3)
Net assets						**1,414,557**	1,410,486	**100.0**	100.0

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Trust									
Singapore									
The Mount Elizabeth Hospital Property [1]	Leasehold	67	51	3 Mount Elizabeth, Singapore 228510	Hospital and medical centre	**897,000**	845,000	**61.5**	59.9
The Gleneagles Hospital Property [1]	Leasehold	75	59	6 Napier Road, Singapore 258499; and 6A Napier Road, Singapore 258500	Hospital and medical centre	**512,000**	500,000	**35.1**	35.5
The Parkway East Hospital Property [1]	Leasehold	75	59	319 Joo Chiat Place, Singapore 427989; and 321 Joo Chiat Place, Singapore 427990	Hospital and medical centre	**97,000**	94,000	**6.6**	6.7
Investment properties, at valuation						**1,506,000**	1,439,000	**103.2**	102.1
Other assets and liabilities (net)						**(46,395)**	(28,867)	**(3.2)**	(2.1)
Net assets						**1,459,605**	1,410,133	**100.0**	100.0

(1) These properties are leased to Parkway Hospitals Singapore Pte. Ltd., a related party 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 2023, the appraised value of these properties under the terms of the New Master Lease Agreements were determined by Knight Frank Pte. Ltd., using direct capitalisation and discounted cash flow methods.

(2) On 31 December 2023, 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 2023, the appraised value of the property was determined by Nawawi Tie Leung Property Consultants Sdn. Bhd., using the direct capitalisation method.

(4) On 18 October 2023, 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 JPY1,766 million (approximately $16.1 million). The acquisition of the properties was completed on 27 October 2023. The appraised value of the properties as at 31 December 2023 was determined by Enrix Co., Ltd 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. The net change in fair value of the properties has been taken to the statement of total return.

The accompanying notes form an integral part of these financial statements.

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	Group 2023 $'000	2022 $'000
Cash flows from operating activities			
Total return before income tax		**108,268**	48,217
Adjustments for:			
Interest income		**(37)**	–
Finance costs	19	**10,803**	5,753
Net change in fair value of financial derivatives		**(1,173)**	(5,160)
Net change in fair value of investment properties	4	**11,249**	59,381
Straight-line rental adjustments	4	**(27,012)**	(11,908)
Deferred income recognised		**(254)**	(260)
Operating income before working capital changes		**101,844**	96,023
Changes in working capital:			
Trade and other receivables		**(672)**	(3,114)
Trade and other payables		**11,211**	4,151
Security deposits		**515**	1,709
Cash generated from operations		**112,898**	98,769
Income tax paid		**(4,209)**	(4,137)
Cash flows generated from operating activities		**108,689**	94,632
Cash flows from investing activities			
Interest received		**37**	–
Capital expenditure on investment properties		**(31,036)**	(17,658)
Cash outflow on purchase of investment properties (including acquisition related costs) (Note A)		**(18,558)**	(61,293)
Advance payment for capital expenditure on investment properties	6	**–**	(46,233)
Cash flows used in investing activities		**(49,557)**	(125,184)
Cash flows from financing activities			
Interest paid	11	**(9,725)**	(4,424)
Distributions to Unitholders		**(88,391)**	(64,312)
Proceeds from loans and borrowings		**750,359**	271,757
Proceeds from issuance of medium term notes		**32,410**	109,583
Repayment of loans and borrowings		**(699,626)**	(233,772)
Redemption of medium term notes		**(51,810)**	(29,778)
Borrowing costs paid		**(1,104)**	(1,269)
Repayment of lease liabilities	11	**(32)**	(32)
Cash flows (used in)/generated from financing activities		**(67,919)**	47,753
Net(decrease)/increase in cash and cash equivalents		**(8,787)**	17,201
Cash and cash equivalents at beginning of year		**40,010**	25,793
Effects of exchange differences on cash balances		**(2,724)**	(2,984)
Cash and cash equivalents at end of year	9	**28,499**	40,010

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2023

Note A:

Cash outflow on purchase of investment properties (including acquisition related costs)

Cash outflow on purchase of investment properties (including acquisition related costs) is set out below:

	Group 2023 $'000	2022 $'000
Investment properties	**16,145**	53,888
Acquisition related costs	**2,413**	7,405
Cash outflow/cash consideration paid	**18,558**	61,293

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 23 February 2024.

1 GENERAL

Parkway Life Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 12 July 2007 (as amended by the First Supplemental Deed dated 12 November 2009, Second Supplemental Deed dated 30 March 2010, the Third Supplemental Deed dated 31 March 2016, the Fourth Supplemental Deed dated 2 May 2019, the Fifth Supplemental Deed dated 2 April 2020 and the Sixth Supplemental Deed dated 23 September 2020) (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.

At Listing Date, the Trust had invested in and owned an initial portfolio of three private hospitals in Singapore comprising The Mount Elizabeth Hospital Property, The Gleneagles Hospital Property, and The Parkway East Hospital Property (collectively, the "Hospital Properties"). The Hospital Properties are leased to a related party of the Manager and the Trust, Parkway Hospitals Singapore Pte. Ltd., pursuant to three separate master lease agreements.

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. The principal activities of the subsidiaries are set out in Note 5.

For financial reporting purposes, the Group is regarded as a subsidiary of Parkway Investments Pte. Ltd., a company incorporated in the Republic of Singapore. Accordingly, the ultimate holding company is IHH Healthcare Berhad, a company incorporated in Malaysia.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(A) Trustee's fee

Pursuant to the Trust Deed, the Trustee's fee shall not exceed 0.03% per annum of the value of the gross assets of the Group ("Deposited Property"), subject to a minimum of $10,000 per month or such higher percentage as may be fixed by an Extraordinary Resolution at a meeting of Unitholders of the Trust. The Trustee's fee is payable out of the Deposited Property on a monthly basis, in arrears. The Trustee is also entitled to seek reimbursement of expenses incurred in the performance of its duties under the Trust Deed.

Based on the current agreement between the Manager and the Trustee, the Trustee's fee is charged on a scaled basis of up to 0.03% per annum of the value of the Group's Deposited Property.

1 GENERAL (CONT'D)

(B) Manager's management fees

Pursuant to the Trust Deed, the Manager is entitled to receive management fees comprising the base fee and performance fee as follows:

(i) A base fee of 0.3% per annum of the value of the Deposited Property; and

(ii) A performance fee of 4.5% per annum of the net property income of the Group.

The base fee and performance fee is payable to the Manager in the form of cash and/or units (as the Manager may elect prior to each payment) and in such proportion as may be determined by the Manager.

Where the management fees are payable in the form of units, such payment shall be made out quarterly in arrears and the Manager shall be entitled to receive such number of units as may be purchased with the relevant amount of the management fee attributable to the relevant period at an issue price set out in accordance with the Trust Deed. Where the management fees are payable in the form of cash, the portion of the base fee and performance fee payable in cash shall be payable monthly and quarterly in arrears, respectively. With effect from 1 January 2016, the performance fee is paid annually in arrears, regardless of whether it is paid in the form of cash and/or units.

Since the Listing Date, the Manager has elected to receive 20% of the base and performance fees in the form of units and 80% in the form of cash. With effect from the financial year ended 31 December 2011, the Manager has elected to receive 100% of the base and performance fees in the form of cash.

Any increase in the maximum permitted amount or any change in the structure of the Manager's management fees must be approved by an Extraordinary Resolution at a meeting of Unitholders of the Trust duly convened and held in accordance with the provisions of the Trust Deed.

In addition to the management fees, the Manager is entitled to the following fees (excluding the Hospital Properties for the duration of the master lease agreements):

(i) A fee of 2.0% per annum of the revenue of the real estate held directly or indirectly by the Trust and managed by the Manager, for property management services provided by the Manager;

(ii) A fee of 1.0% per annum of the revenue of the real estate held directly or indirectly by the Trust and managed by the Manager, for lease management services provided by the Manager;

(iii) Commissions as set out below for securing new leases or renewal of leases for those real estate which are not leased to a master lessee under a master lease agreement, pursuant to marketing services provided by the Manager:

   (a) Two months' gross rent inclusive of service charge, for securing a lease of more than three years;

   (b) One month's gross rent inclusive of service charge, for securing a lease of three years or less;

   (c) One month's gross rent inclusive of service charge, for securing a renewal of lease of more than three years; and

   (d) Half month's gross rent inclusive of service charge, for securing a renewal of lease of three years or less.

1 GENERAL (CONT'D)

(B) Manager's management fees (cont'd)

If a third party agent secures a tenancy, the Manager will be responsible for any marketing services commission payable to such third party agent, and the Manager will be entitled to a marketing service commission of:

(a) 2.4 months' gross rent inclusive of service charge for securing or renewal of a lease of more than three years; and

(b) 1.2 months' gross rent inclusive of service charge for securing or renewal of a lease of three years or less.

The marketing services commission may be adjusted accordingly at the time of securing or renewal of a lease by the Manager or a third party agent, to be consistent with and no higher than the prevailing market rates of such marketing services commission in the country where the real estate is located.

(C) Manager's acquisition and divestment fees

The Manager is entitled to receive the following acquisition fees and divestment fees:

(i) An acquisition fee of 1.0% of the Enterprise Value of any real estate or real estate related asset acquired directly or indirectly by the Trust, prorated, if applicable, to the proportion of the Trust's interest.

Where the assets acquired by the Trust are shares in a special purpose vehicle whose primary purpose is to hold/own real estate (directly or indirectly), "Enterprise Value" shall mean the sum of the equity value and the total net debt attributable to the shares being acquired by the Trust. Where the asset acquired by the Trust is a real estate, "Enterprise Value" shall mean the value of the real estate.

In the event that there is a payment to be made to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the Deposited Property. Unless required under the Property Funds Appendix to be paid in the form of units only, the Manager may opt to receive such acquisition fee in the form of cash or units or a combination of cash and units as it may determine. Units representing the acquisition fee or any part thereof will be issued at an issue price on a similar basis as management fees.

In the event that the Manager receives an acquisition fee in connection with a transaction with a related party, any such acquisition fee shall be paid in the form of units.

(ii) A divestment fee of 0.5% of the Enterprise Value of any real estate or real estate related asset sold or divested directly or indirectly by the Trust, pro-rated, if applicable, to the proportion of the Trust's interest.

Unless required under the Property Funds Appendix to be paid in the form of units only, the Manager may opt to receive such divestment fee in the form of cash or units or a combination of cash and units as it may determine. Units representing the divestment fee or any part thereof will be issued at an issue price on a similar basis as management fees. Any payment to third party agents or brokers in connection with the divestment of any real estate or real estate related assets of the Trust shall be paid by the Trust. In the event the Manager receives divestment fee in connection with a transaction with a related party, any such divestment fee shall be paid in the form of units.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements are 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 changes to material accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

- derivative financial instruments are measured at fair value; and
- investment properties are measured at fair value.

2.3 Functional and presentation currency

The financial statements of the Group and the Trust 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.

2.4 Use of estimates and judgements

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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 4 – fair value determination of investment properties; and
- Note 24 – valuation of financial instruments.

2 **BASIS OF PREPARATION** (CONT'D)

2.4 **Use of estimates and judgements** (cont'd)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 4 – fair value determination of investment properties; and
- Note 24 – valuation of financial instruments.

2.5 **Changes in material accounting policies**

New standards and amendments

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2023:

- Amendments to FRS 12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to FRS 12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

2 **BASIS OF PREPARATION** (CONT'D)

2.5 **Changes in material accounting policies** (cont'd)

Global minimum top-up tax

The Amendments to FRS 12: International Tax Reform – Pillar Two Model Rules provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ('OECD'), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. The amendments have no impact on the Group as the Group's consolidated revenue is less than EUR 750 million/year and it is not in the scope of the Pillar Two model rules.

The Group's ultimate holding company, IHH Healthcare Berhad ("the Enlarged Group") has determined that the global minimum top-up tax – which it is required under Pillar Two legislation – is an income tax in the scope of FRS 1-12. The Enlarged Group is in the process of assessing the exposure to the Pillar Two income taxes arising from legislation.

Material accounting policy information

The Group adopted Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

3 **MATERIAL ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 **Basis of consolidation**

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Business combinations and property acquisitions

Where a property is acquired, the Manager considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business.

The Group accounts for an acquisition as business combination where the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

When acquisition of an asset or a group of assets does not constitute a business combination, it is treated as property acquisition. In such cases, the individual identifiable assets acquired and liabilities assumed are recognised. The acquisition cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. Such a transaction does not give rise to goodwill.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Accounting for subsidiaries by the Trust

Investments in subsidiaries are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in the statement of total return, except for differences arising on the translation of monetary items that in substance form part of the Group's net investment in foreign operations, and financial liabilities designated as hedges of the net investment in foreign operations, which are recognised in the Unitholders' funds.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in the foreign currency translation reserve. When a foreign operation is disposed of such that control is lost, the cumulative amount in the foreign currency translation reserve related to that foreign operation is transferred to the statement of total return as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

3.3 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business. Investment properties are accounted for as non-current assets and are initially recognised at cost and at fair value thereafter. The cost of a purchased property comprises its purchase price and any directly attributable expenditure. Fair value of investment properties are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following manner:

(i) in such manner and frequency required under the CIS code issued by MAS; and

(ii) at least once a year, on the 31st December of each year.

Any increase or decrease on revaluation is credited or charged directly to the statement of total return as a net change in fair value of investment properties.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.3 Investment properties (cont'd)

Subsequent expenditure relating to investment properties that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

When an investment property is disposed of, the resulting gain or loss recognised in the statement of total return is the difference between net disposal proceeds and the carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above.

3.4 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of total return. Any gain or loss on derecognition is recognised in statement of total return.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as other financial liabilities and are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of total return. These financial liabilities comprised loans and borrowings, trade and other payables and security deposits.

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

***Derecognition** (cont'd)*

Financial assets (cont'd)

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in statement of total return.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in statement of total return, unless it is designated in a hedge relationship that qualifies for hedge accounting.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Unitholders' funds and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in Unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in statement of total return.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

***Derivative financial instruments and hedge accounting** (cont'd)*

Cash flow hedges (cont'd)

The Group designates only the change in intrinsic value of interest rate cap contracts as the hedging instrument in cash flow hedging relationships. The change in time value of interest rate cap contracts is separately accounted for as a cost of hedging and recognised in a cost of hedging reserve within Unitholders' funds.

For all hedge transactions, the amount accumulated in the hedging reserve is reclassified to the statement of total return in the same period or periods during which the hedged expected future cash flows affect the statement of total return.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in Unitholders' funds until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to statement of total return in the same period or periods as the hedged expected future cash flows affect total return.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to statement of total return.

Net investment hedges

The Group designates certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in Unitholders' funds and presented in the translation reserve within Unitholders' funds. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in statement of total return. The amount recognised in Unitholders' funds is fully or partially reclassified to statement of total return as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

3.5 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3 **MATERIAL ACCOUNTING POLICIES** (CONT'D)

3.5 **Leases** (cont'd)

As a lessee (cont'd)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for right-of-use assets that meet the definition of investment property are carried at fair value in accordance with Note 4.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of total return if the carrying amount of the right-of-use asset has been reduced to zero.

3 **MATERIAL ACCOUNTING POLICIES** (CONT'D)

3.5 **Leases** (cont'd)

As a lessee (cont'd)

Where the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets in investment property and lease liabilities as a separate caption in the statement of financial position. There are no right-of-use assets that do not meet the definition of investment property.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.6 **Impairment**

Non-derivative financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

Non-derivative financial assets *(cont'd)*

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

Non-derivative financial assets *(cont'd)*

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

3.7 Revenue recognition

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised in the statement of total return on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received over the term of the lease.

(ii) Interest income

Interest income is recognised on an accrual basis, using the effective interest method.

(iii) Dividend income

Dividend income is recognised in the statement of total return on the date the Trust's right to receive payment is established.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.8 Expenses

(i) Property expenses

Property expenses are recognised on an accrual basis.

(ii) Management fees

Management fees comprise the Manager's base fees, performance fees and asset management fees payable to the asset managers of the Japan properties.

Manager's base fees and performance fees are recognised on an accrual basis based on the applicable formula stipulated in Note 1(B). Where applicable, Manager's base fee and performance fee paid and payable in units are recognised as an expense in the statement of total return with a corresponding increase in Unitholders' funds.

(iii) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the trustee's fees which are based on the applicable formula stipulated in Note 1(A).

(iv) Finance costs

Finance costs comprise interest expense on borrowings, settlement on financial derivatives, amortisation of borrowings related transactions costs and security deposits and interests on lease liabilities.

Interest expense and similar charges are recognised in the statement of total return, using the effective interest rate method over the period of borrowings. Expenses incurred in connection with the arrangement of borrowings are recognised in the statement of total return using the effective interest method over the period for which the borrowings are granted.

3.9 Income tax expense

Income tax expense comprises current and deferred tax. Income tax is recognised in the statement of total return except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in the Unitholders' funds.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Income tax expense (cont'd)

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

The Inland Revenue Authority of Singapore (the "IRAS") has issued a tax ruling on the income tax treatment of the Trust. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90.0% of the taxable income of the Trust, the Trustee is not subject to tax on the taxable income of the Trust. Instead, the distributions made by the Trust out of such taxable income are subject to tax in the hands of Unitholders, unless they are exempt from tax on the Trust's distributions. This treatment is known as the tax transparency treatment.

Qualifying Unitholders are entitled to gross distributions from the Trust. For distributions made to foreign non-individual Unitholders during the period from 18 February 2005 to 31 December 2025 or foreign funds during the period from 1 July 2019 to 31 December 2025, the Trustee is required to withhold tax at the reduced rate of 10.0% on distributions made. For other types of Unitholders, the Trustee is required to withhold tax at the prevailing corporate tax rate on the distributions made by the Trust. Such other types of Unitholders are subject to tax on the regrossed amounts of the distributions received but may claim a credit for the tax deducted at source at the prevailing corporate tax rate by the Trustee.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.9 Income tax expense (cont'd)

A Qualifying Unitholder refers to a Unitholder who is:

- An individual;
- A company incorporated and tax resident in Singapore;
- A Singapore branch of a company incorporated outside Singapore;
- A body of persons incorporated or registered in Singapore including a charity registered under the Charities Act (Cap. 37) or established by any written law, a town council, a statutory board, a co-operative society registered under the Co-operative Societies Act (Cap. 62) or a trade union registered under the Trade Unions Act (Cap. 333);
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145); or
- A real estate investment trust exchange-traded fund which has been accorded the tax transparency treatment.

A foreign non-individual Unitholder refers to a Unitholder who is not a resident of Singapore for income tax purpose and:

- who does not have any permanent establishment in Singapore; or
- who carries on any operation through a permanent establishment in Singapore, where the funds used to acquire the units in that REIT are not obtained from that operation.

A foreign fund refers to one that qualifies for tax exemption under section 13D, 13U or 13V of the Income Tax Act ("ITA") that is not a resident of Singapore for income tax purposes and:

- does not have any permanent establishment in Singapore (other than a fund manager in Singapore); or
- carries on any operation through a permanent establishment in Singapore (other than a fund manager in Singapore), where the funds used by that qualifying fund to acquire the units in that REIT are not obtained from that operation.

The above tax transparency treatment does not apply to gains from disposal of any properties such as real estate properties, shares, etc that are determined by the IRAS to be revenue gains chargeable to tax. Tax on such gains or profits will be subject to tax, in accordance with Section 10(1)(a) of the Income Tax Act (Cap. 134) and collected from the Trustee. Where the gains are capital gains, they will not be subject to tax and the Trustee and the Manager may distribute the capital gains without tax being deducted at source.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.10 Distribution policy

The Trust has a distribution policy to distribute at least 90.0% of its taxable income and net overseas income with the actual level of distribution to be determined at the Manager's discretion, other than gains from the sale of real estate properties that are determined by IRAS to be trading gains. For the taxable income that is not distributed, referred to as retained taxable income, tax will be assessed on the Trustee. Where such retained taxable income is subsequently distributed, the Trustee need not deduct tax at source.

Net overseas income refers to the net profits (excluding any gains from the sale of property or shares, as the case may be) after applicable taxes and adjustment for non-cash items such as depreciation derived by the Trust from its properties, if any.

From 2022 onwards, distributions to Unitholders are made on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the half year period ending on each of the said dates. Prior to 2022, distributions were made on a quarterly basis. In accordance with the provisions of the Trust Deed, the Manager is required to pay distributions within 75 days after the end of the first distribution periods of a financial year and within 90 days from the end of a financial year. Distributions, when paid, will be in Singapore dollars.

3.11 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its units. Basic EPU is calculated by dividing the total return for the period after tax by the weighted average number of units outstanding during the period, adjusted for own units held. Diluted EPU is determined by adjusting the total return for the period after tax and the weighted average number of units outstanding, adjusted for own units held, for the effects of all dilutive potential units.

3.12 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Manager's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year on additions to investment properties that are expected to be used for more than one year.

3 MATERIAL ACCOUNTING POLICIES (CONT'D)

3.13 New standards and amendments not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The following new FRSs, interpretations and amendments to FRSs are not expected to have a significant impact on the Group's consolidated financial statements and the Trust's statement of financial position:

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current* and *Non-current Liabilities with Covenants*
- Amendments to FRS 7 and FRS 107: *Supplier Finance Arrangements*
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*
- Amendments to FRS 21: *Lack of Exchangeability*

4 INVESTMENT PROPERTIES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
At 1 January	**2,205,881**	2,290,751	**1,439,000**	1,472,000
Acquisition of investment properties	**16,145**	53,888	**–**	–
Acquisition related costs	**2,003**	6,902	**–**	–
Capital expenditure	**56,280**	17,310	**51,204**	13,972
Translation differences	**(65,091)**	(115,497)	**–**	–
	2,215,218	2,253,354	**1,490,204**	1,485,972
Change in fair value of investment properties	**15,785**	(47,451)	**15,796**	(46,972)
Amortisation of right-of-use assets	**(22)**	(22)	**–**	–
At 31 December	**2,230,981**	2,205,881	**1,506,000**	1,439,000

Determination of fair value

Investment properties are stated at fair value based on valuations as at 31 December 2023 performed by independent professional valuers having appropriate recognised professional qualification and experience in the location and category of property being valued.

The fair values are generally derived using the capitalisation approach and discounted cash flow valuation techniques.

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.

NOTES TO THE FINANCIAL STATEMENTS
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4 INVESTMENT PROPERTIES (CONT'D)

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

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Change in fair value of investment properties	**15,785**	(47,451)	**15,796**	(46,972)
Amortisation of right-of-use assets	**(22)**	(22)	**–**	–
Straight-line rental adjustments	**(27,012)**	(11,908)	**(26,441)**	(10,081)
Net change in fair value of investment properties recognised in statement of total return	**(11,249)**	(59,381)	**(10,645)**	(57,053)

Valuation processes applied by the Group and Trust

As explained under Note 3.3, 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.

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.

	2023	2022
	$'000	$'000
Fair value of investment properties (based on valuation)	**2,228,897**	2,203,806
Add: Carrying amount of lease liabilities	**2,084**	2,075
Carrying amount of investment properties	**2,230,981**	2,205,881

4 INVESTMENT PROPERTIES (CONT'D)

Significant unobservable inputs

The following table shows the key unobservable inputs used in the valuation model:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation method	• Capitalisation rates range from 4.2% to 6.4% (2022: 4.4% to 6.5%).	The estimated fair value would increase/(decrease) if the capitalisation rates were lower/(higher).
Discounted cash flow method	• Risk-adjusted discount rates range from 4.0% to 7.0% (2022: 4.2% to 7.0%). • Terminal yield rates range from 4.3% to 6.5% (2022: 4.5% to 6.6%).	The estimated fair value would increase/(decrease) if: • the risk-adjusted discount rates were lower/(higher); or • the terminal yield rates were lower/(higher).

Key unobservable inputs correspond to:

- Capitalisation rate corresponds to a rate of return on investment properties on the expected annual income that the property will generate.
- Discount rates, based on the risk-free rate for bonds issued by government in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.
- Terminal yield rate is the estimated capitalisation rate at maturity of the holding period.

5 INTERESTS IN SUBSIDIARIES

	Trust	
	2023	2022
	$'000	$'000
Equity investments, at cost	**729,627**	723,842
Amount due from subsidiary (non-trade)	**4,075**	4,075
Allowance for impairment loss	**–**	(505)
	733,702	727,412

Amount due from subsidiary is unsecured and interest-free. The settlement of the amount is neither planned nor likely to occur in the foreseeable future and hence the amount due from subsidiary is classified as non-current and is stated at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

5 INTERESTS IN SUBSIDIARIES (CONT'D)

Ownership interests

The Group does not hold any ownership interest in the special purpose entities ("SPEs") in Japan listed below. The SPEs were established under terms that impose strict limitations on the decision-making powers of the SPE's management, resulting in the Group receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks incident to the SPEs' activities, and retaining the majority of the residual or ownership risk related to the SPEs of their assets. Consequently, the SPEs are regarded as subsidiaries of the Group.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Place of incorporation and business	Effective interest held by the Group	
			2023	2022
			%	%
^ Matsudo Investment Pte. Ltd.	Investment holding	Singapore	**–**	100
* Parkway Life Japan2 Pte. Ltd.	Investment holding	Singapore	**100**	100
** Godo Kaisha Del Monte	Special purpose entity – Investment in real estate	Japan	**100**	100
** Godo Kaisha Tenshi 1	Special purpose entity – Investment in real estate	Japan	**100**	100
** Godo Kaisha Tenshi 2	Special purpose entity – Investment in real estate	Japan	**100**	100
** G.K. Nest	Special purpose entity – Investment in real estate	Japan	**100**	100
** Godo Kaisha Samurai 19	Special purpose entity – Investment in real estate	Japan	**100**	–
* Parkway Life Japan3 Pte. Ltd.	Investment holding	Singapore	**100**	100
** Godo Kaisha Healthcare 1	Special purpose entity – Investment in real estate	Japan	**100**	100
** Godo Kaisha Healthcare 2	Special purpose entity – Investment in real estate	Japan	**100**	100
** Godo Kaisha Healthcare 3	Special purpose entity – Investment in real estate	Japan	**100**	100

5 INTERESTS IN SUBSIDIARIES (CONT'D)

	Name of subsidiaries	Principal activities	Place of incorporation and business	Effective interest held by the Group 2023 %	2022 %
*	Parkway Life Japan3 Pte. Ltd. (cont'd)				
**	Godo Kaisha Healthcare 4	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Healthcare 5	Special purpose entity – Investment in real estate	Japan	**100**	100
*	Parkway Life Japan4 Pte. Ltd.	Investment holding	Singapore	**100**	100
**	Godo Kaisha Samurai	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 2	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 3	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 4	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 5	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 6	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 7	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 8	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 9	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 10	Special purpose entity – Investment in real estate	Japan	**100**	100

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

5 INTERESTS IN SUBSIDIARIES (CONT'D)

	Name of subsidiaries	Principal activities	Place of incorporation and business	Effective interest held by the Group 2023 %	2022 %
*	Parkway Life Japan4 Pte. Ltd. (cont'd)				
**	Godo Kaisha Samurai 11	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 12	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 13	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 14	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 15	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 16	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 17	Special purpose entity – Investment in real estate	Japan	**100**	100
**	Godo Kaisha Samurai 18	Special purpose entity – Investment in real estate	Japan	**100**	100
*	Parkway Life Malaysia Pte. Ltd.	Investment holding	Singapore	**100**	100
#	Parkway Life Malaysia Sdn. Bhd.	Special purpose entity – Investment in real estate	Malaysia	**100**	100
*	Parkway Life MTN Pte. Ltd.	Provision of financial and treasury services	Singapore	**100**	100

^ Dissolved with effect from 31 October 2023.
* Audited by KPMG Singapore.
** Not required to be audited under the laws of country of incorporation.
# Audited by KPMG Malaysia.

For consolidation purposes, the SPEs are audited by KPMG Singapore.

6 ADVANCE PAYMENT

On 13 October 2021, the Group entered into new master lease agreements with Parkway Hospitals Singapore Pte. Ltd. ("PHS"), a related party of the Manager and the Trust, for the three hospital properties in Singapore. Along with the new master lease agreements, the Group had on the same date, entered into the agreement for the renewal capital expenditure works ("Renewal Capex Works"). The Renewal Capex Works was awarded to a non-related party contractor in 2022 and shall be entirely carried out at Mount Elizabeth Hospital. In order to minimise operational disruptions, the Trust will synchronise the regular capital expenditure works with the Renewal Capex Works at Mount Elizabeth Hospital.

There was an advance payment of approximately $46.2 million to the contractor in December 2022 in relation to the above capital expenditure works. With progression of the capital expenditure works in Mount Elizabeth Hospital, $18.5 million of the advance payment has been progressively utilised in 2023.

7 FINANCIAL DERIVATIVES

	Group and Trust	
	2023	2022
	$'000	$'000
Current derivative assets	**1,341**	470
Non-current derivative assets	**39,257**	33,958
Total derivative assets	**40,598**	34,428
Current derivative liabilities	**(1,820)**	–
Non-current derivative liabilities	**(3,572)**	–
Total derivative liabilities	**(5,392)**	–
Total derivative assets (net)	**35,206**	34,428

	Group		Trust	
	2023	2022	**2023**	2022
	%	%	**%**	%
Percentage of derivative assets to unitholders' funds	**2.9**	2.4	**2.8**	2.4
Percentage of derivative liabilities to unitholders' funds	**(0.4)**	–	**(0.4)**	–

Interest rate swaps

The Group manages its exposure to interest rate movement on its floating rate loans and borrowings by entering into interest rate swaps. As at the reporting date, the Group has interest rate swaps (including forward-starting swaps) with a total notional principal of approximately $263.7 million (2022: $44.7 million) to provide fixed rate funding up to 2030 (2022: up to 2024) at a weighted average effective interest rate of 1.27% (2022: 0.16%) per annum.

As at 31 December 2023, where the interest rate swaps are designated as the hedging instruments in qualifying cash flow hedges, the effective portion of the changes in fair value of the interest rate swaps amounting to $2,573,000 loss (2022: $191,000 gain) was recognised in the hedging reserve.

7 FINANCIAL DERIVATIVES (CONT'D)

Interest rate caps

Apart from interest rate swaps, the Group also manages its exposure to interest rate movement on its floating rate loans and borrowings by entering into interest rate caps. As at the reporting date, the Group has interest rate caps with a notional principal of approximately $322.6 million (2022: approximately $352.8 million).

These instruments are designated as hedging instruments. As at 31 December 2023, a change of time value of the interest rate caps of $0.6 million loss (2022: $0.4 million gain) was recognised in the cost of hedging reserve. $1.8 million loss in intrinsic value (2022: $2.3 million gain) was recognised in the hedging reserve during the year.

Forward exchange contracts

The Group manages its exposure to foreign currency movements on its net income denominated in Japanese Yen from its investments in Japan by using forward exchange contracts to provide a hedge to the distribution of income from its investments in Japan, net of Japanese Yen financing costs.

At the reporting date, the Group has outstanding forward exchange contracts with aggregate notional amounts of approximately $182.0 million (2022: $109.8 million). The change in fair value of $1.2 million gain (2022: $5.2 million gain) was recognised in the statement of total return.

Cross currency interest rate swaps

At the reporting date, the Group has cross currency interest rate swap ("CCIRS") with notional principal of $81.9 million (2022: $81.9 million) to manage its foreign currency risk and interest rate risk arising from the financing of Japan properties using Singapore dollar loan facilities. To maintain a natural hedge, the Group utilised CCIRS to realign the Singapore dollar denominated loans back into effective Japanese Yen denominated loans to match its underlying Japanese Yen denominated assets.

The Group had in-substance bifurcated the CCIRS and applied hedge accounting for net investment hedge and cash flow hedge, where the changes in fair value of $7.3 million gain (2022: $5.6 million gain) and $2.4 million loss (2022: $4.5 million gain) were recognised in the foreign currency translation reserve and hedging reserve, respectively.

Offsetting financial assets and financial liabilities

The Group's derivative transactions are entered into under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements, the amounts owed by each counterparty in respect of the same transactions outstanding in the same currency under the agreement are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, for example when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all outstanding transactions.

The Group's derivatives under the ISDA master netting agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously in its normal course of business. Accordingly, as at 31 December 2023, the Group does not have any offsetting financial assets and liabilities in the statement of financial position.

8 TRADE AND OTHER RECEIVABLES

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Trade receivables	**2,392**	306	**–**	–
Amounts due from related party (trade)	**2,792**	11,490	**2,792**	11,490
Other receivables	**69**	2,706	**–**	2,634
	5,253	14,502	**2,792**	14,124
Prepayments	**1,063**	1,095	**39**	9
	6,316	15,597	**2,831**	14,133

The maximum exposure to credit risks for trade receivables at reporting date by operating segment is as follows:

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Nursing homes	**2,392**	301	**–**	–
Hospitals and medical centres	**2,792**	11,495	**2,792**	11,490
	5,184	11,796	**2,792**	11,490

At the reporting date, the hospitals and medical centres located in Singapore are leased to one master lessee, PHS. Accordingly, the Group's most significant outstanding trade receivables amounted to $2,792,000 (2022: $11,490,000) is due from PHS as at the reporting date. These trade receivables are in accordance with the payment schedule as set out in the lease agreements entered with PHS.

As at 31 December 2023, the Trust has in its possession a corporate guarantee in its favour amounting to $16.2 million (2022: $16.2 million). It is provided to the Trust by Parkway Pantai Limited, as the guarantor for PHS, in lieu of security deposits.

The Manager is of the opinion that there are no conditions that cast doubt over the recoverability of the Group's trade receivables.

Impairment

The ageing of trade receivables that were not impaired at the reporting date was:

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Neither past due nor impaired	**4,141**	11,791	**2,792**	11,490
Past due 1 - 30 days	**1,043**	5	**–**	–
	5,184	11,796	**2,792**	11,490

9 CASH AND CASH EQUIVALENTS

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Cash and cash equivalents in the statement of financial position and the cash flow statement	**28,499**	40,010	**4,651**	15,467

10 TRADE AND OTHER PAYABLES

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Trade payables and accrued operating expenses	**12,858**	6,532	**10,362**	3,882
Amounts due to related parties:				
– the Manager (trade)	**7,405**	6,510	**7,402**	6,506
– the Manager (non-trade)	**133**	66	**133**	66
– the Trustee (trade)	**62**	62	**62**	62
Interest payable	**779**	835	**779**	835
	21,237	14,005	**18,738**	11,351
Advance rent received	**9,486**	9,692	**5,400**	5,400
	30,723	23,697	**24,138**	16,751

The non-trade amounts due to the Manager relate to reimbursement of travelling expenses which are unsecured, interest-free, and repayable on demand.

11 LOANS AND BORROWINGS

	Group and Trust 2023 $'000	Group and Trust 2022 $'000
Current liabilities		
Unsecured bank loans	**53,559**	36,300
Unsecured medium term notes	**–**	20,340
Unamortised transaction costs	**(15)**	(5)
	53,544	56,635
Non-current liabilities		
Unsecured bank loans	**609,708**	614,131
Unsecured medium term notes	**165,912**	181,433
Unamortised transaction costs	**(2,777)**	(2,410)
	772,843	793,154

11 LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

Group and Trust	Nominal interest rate	Year of maturity	2023 Face value $'000	2023 Carrying amount $'000	2022 Face value $'000	2022 Carrying amount $'000
SGD variable rate loan	Bank's cost of fund	2023	–	–	36,300	36,300
JPY medium term note	0.57%	2023	–	–	20,340	20,335
S$ floating rate loan	SORA + margin	2024	–	–	90,000	89,812
JPY medium term note	0.65%	2024	–	–	35,595	35,588
JPY variable rate loans	Bank's cost of fund	2024	**12,639**	**12,639**	–	–
JPY floating rate loan	TIBOR + margin	2024	**40,920**	**40,905**	44,748	44,672
JPY floating rate loans	TONA + margin	2025	**111,581**	**111,393**	122,020	121,685
S$ floating rate loans	SORA + margin	2026	**151,875**	**151,617**	81,875	81,676
JPY floating rate loan	TONA + margin	2026	**81,840**	**81,513**	89,496	89,058
S$ floating rate loan	SORA + margin	2027	**21,000**	**20,725**	–	–
JPY medium term note	0.51%	2027	**30,690**	**30,651**	33,561	33,510
JPY floating rate loans	TONA + margin	2027	**170,082**	**169,321**	185,992	185,018
S$ floating rate loan	SORA + margin	2028	**53,800**	**53,234**	–	–
JPY medium term note	0.85%	2028	**46,500**	**46,433**	50,850	50,791
JPY medium term note	0.97%	2029	**56,172**	**56,091**	61,427	61,344
JPY floating rate loan	TONA + margin	2029	**19,530**	**19,384**	–	–
JPY medium term note	1.28%	2030	**32,550**	**32,481**	–	–
			829,179	**826,387**	852,204	849,789

SORA denotes Singapore Overnight Rate Average

TONA denotes Tokyo Overnight Average

TIBOR denotes Tokyo Interbank Offered Rate

11 LOANS AND BORROWINGS (CONT'D)

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 JPY41,186 million (approximately $383.1 million) and $226.7 million (2022: JPY43,486 million (approximately $442.2 million) and $171.9 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 Parkway Life REIT. 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 the Group, and is based on the relevant floating rate plus a margin.

During the year, the Trust has executed several committed and unsecured loan facilities to refinance its existing loan facilities and for financing general working capital purposes. As at the reporting date, the Group has remaining long term committed facilities amounting to approximately $166.8 million.

Interest rate was largely hedged as the Group entered into interest rate swaps, CCIRS and interest rate caps to manage the interest rate exposures for the above Long Term Facilities. Details of these hedging initiatives are set out in Note 7.

(2) Unsecured Debt Issuance

Parkway Life REIT, 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 Parkway Life REIT with the flexibility to tap various types of capital market products, including issuance of perpetual securities when needed.

Under the Multicurrency 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 31 December 2023, there were four series of outstanding fixed rate notes issued under the Multicurrency Debt Issuance Programme, amounting to JPY17,840 million (approximately $165.9 million) (2022: JPY19,840 million (approximately $201.8 million)) maturing between 2027 to 2030.

11 LOANS AND BORROWINGS (CONT'D)

(3) Short Term Facilities

The Trust has two unsecured and uncommitted short-term multi-currency facilities (the "Short Term Facilities"), amounting to $195.0 million (2022: $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 31 December 2023, a total of JPY1,359 million (approximately $12.6 million) (2022: $36.3 million) was drawn down via Short Term Facilities for working capital purpose for 3 months (2022: 1 month).

Reconciliation of liabilities arising from financing activities

			Non-cash changes				
	1 January 2022 $'000	Financing cash flows $'000	Foreign exchange movement $'000	Interest expense $'000	Transaction costs related to loans and borrowings $'000	Other changes $'000	31 December 2022 $'000
Loans and borrowings	825,895	116,521[1]	(93,331)	–	704	–	849,789
Interest payable (Note 10)	461	(4,424)	–	4,798	–	–	835
Lease liabilities	2,112	(32)	–	17	–	2	2,099
Cross currency interest rate swap used for hedging – (assets)	(8,826)	–	–	–	–	(10,088)	(18,914)
Interest rate caps used for hedging – (assets)	(696)	–	–	–	–	(3,246)	(3,942)
Interest rate swap used for hedging – liabilities/(assets)	153	–	–	–	–	(191)	(38)
Forward exchange contracts (net) – (assets)	(6,373)	–	(5,118)	–	–	(43)	(11,534)

[1] Net proceeds from loans and borrowings and medium term notes, includes repayment of loans and borrowings, redemption of medium term notes and payment of borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

11 LOANS AND BORROWINGS (CONT'D)

			Non-cash changes				
	1 January 2023 $'000	Financing cash flows $'000	Foreign exchange movement $'000	Interest expense $'000	Transaction costs related to loans and borrowings $'000	Other changes $'000	31 December 2023 $'000
Loans and borrowings	849,789	30,229[1]	(54,473)	–	842	–	826,387
Interest payable (Note 10)	835	(9,725)	–	9,669	–	–	779
Lease liabilities	2,099	(32)	–	17	–	–	2,084
Cross currency interest rate swap used for hedging – (assets)	(18,914)	–	–	–	–	(4,872)	(23,786)
Interest rate caps used for hedging – (assets)	(3,942)	–	–	–	–	2,695	(1,247)
Interest rate swaps used for hedging – (assets)/liabilities	(38)	–	–	–	–	2,572	2,534
Forward exchange contracts (net) – (assets)	(11,534)	–	(7,841)	–	–	6,668	(12,707)

[1] Net proceeds from loans and borrowings and medium term notes, includes repayment of loans and borrowings, redemption of medium term notes and payment of borrowing costs.

12 DEFERRED TAX ASSETS AND LIABILITIES

	At 1 January $'000	Recognised in statement of total return (Note 20) $'000	Translation differences $'000	At 31 December $'000
Group				
2023				
Deferred tax liabilities/ (assets)				
Investment properties (including right-of-use assets)	**36,197**	**3,563**	**(3,178)**	**36,582**
Lease liabilities	**(428)**	**2**	**–**	**(426)**
	35,769	**3,565**	**(3,178)**	**36,156**
2022				
Deferred tax liabilities/ (assets)				
Investment properties (including right-of-use assets)	38,331	3,019	(5,153)	36,197
Lease liabilities	(431)	3	–	(428)
	37,900	3,022	(5,153)	35,769

13 UNITHOLDERS' FUNDS

	Group		Trust	
	2023 **$'000**	2022 $'000	**2023** **$'000**	2022 $'000
Unitholders' contribution	**585,258**	606,796	**585,258**	606,796
Revenue reserve	**832,708**	799,096	**873,860**	795,465
Hedging reserve	**388**	7,157	**388**	7,157
Cost of hedging reserve	**99**	715	**99**	715
Foreign currency translation reserve	**(3,896)**	(3,278)	**–**	–
	1,414,557	1,410,486	**1,459,605**	1,410,133

Foreign currency translation reserve

The foreign currency translation reserve comprises the cumulative effects of:

(a) foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; and

(b) the gains or losses on instruments used to hedge the Trust's net investment in foreign operations that are determined to be effective hedges.

13 UNITHOLDERS' FUNDS (CONT'D)

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments used to hedge against cash flow variability arising from interest payments on floating rate loans.

Cost of hedging reserve

The cost of hedging reserve reflects gain or loss on the portion excluded from the designated hedging instrument that relates to the time value element of interest rate cap contracts.

14 UNITS IN ISSUE

	Trust	
	2023 **('000)**	2022 ('000)
Units in issue:		
Balance at beginning and end of year	**605,002**	605,002

Each unit in the Trust represents an undivided interest in the Trust and carries the same voting rights. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the units held;
- receive audited financial statements and annual reports of the Trust;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust available for purposes of such distribution less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or 10% of the total units issued, whichever is the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- one vote per unit at the meeting of the Trust.

The restrictions of a Unitholder include the following:

- a Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a Unitholder has no right to request the Manager to repurchase or redeem his units while the units are listed on the SGX-ST and/or any other recognised stock exchange.

A Unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that if the issue price of the units held by a Unitholder has been fully paid, no such Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

15 GROSS REVENUE

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Property rental income	**146,960**	129,404	**101,583**	82,241
Dividend income from subsidiaries	**–**	–	**13,399**	12,915
Other income	**507**	568	**–**	–
	147,467	129,972	**114,982**	95,156

16 PROPERTY EXPENSES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Operations and maintenance expenditure	**5,105**	4,981	**3,426**	3,244
Property tax	**3,055**	3,097	**–**	–
Property and lease management fees	**8**	9	**–**	–
Marketing services commission	**206**	4	**112**	–
Others	**9**	13	**–**	–
	8,383	8,104	**3,538**	3,244

17 MANAGEMENT FEES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Base fees	**6,931**	6,889	**6,931**	6,889
Performance fees	**6,259**	5,484	**6,259**	5,484
Asset management fees	**1,301**	1,409	**–**	–
	14,491	13,782	**13,190**	12,373

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

18 TRUST EXPENSES

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Trustee fees	**371**	370	**371**	370
Valuation fees	**223**	218	**223**	218
Audit fees paid to auditors of the Company and other affiliated firm	**279**	279	**249**	249
Non-audit fees paid to auditors of the Company and other affiliated firm	**66**	80	**56**	69
Professional fees	**1,355**	1,946	**789**	1,133
Other expenses	**714**	401	**480**	261
	3,008	3,294	**2,168**	2,300

19 FINANCE COSTS

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Interest paid and payable				
– bank loans	**12,660**	5,827	**12,660**	5,827
– financial derivatives	**(3,244)**	(1,288)	**(3,244)**	(1,288)
	9,416	4,539	**9,416**	4,539
Amortisation of transaction costs relating to debt facilities	**842**	704	**842**	704
Financial liabilities measured at amortised cost – interest expense	**271**	277	**–**	–
Others	**274**	233	**274**	233
	10,803	5,753	**10,532**	5,476

20 INCOME TAX EXPENSE

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Current tax expense				
Withholding tax	**4,221**	4,038	**–**	–
Income tax expense	**19**	21	**–**	–
Changes in estimates related to prior year	**(2)**	–	**–**	–
	4,238	4,059	**–**	–
Deferred tax expense				
Movement in temporary differences	**3,565**	3,022	**–**	–
Total	**7,803**	7,081	**–**	–

Reconciliation of effective tax rate

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Total return for the year before income tax	**108,268**	48,217	**145,248**	125,260
Income tax using Singapore tax rate of 17% (2022: 17%)	**18,406**	8,197	**24,692**	21,294
Effect of different tax rate in foreign jurisdictions	**1,299**	1,266	**–**	–
Income not subject to tax	**(1,242)**	(2,358)	**(12,667)**	(19,582)
Non-tax deductible items	**3,288**	11,651	**1,921**	9,963
Tax transparency	**(13,946)**	(11,675)	**(13,946)**	(11,675)
Changes in estimates related to prior year	**(2)**	–	**–**	–
	7,803	7,081	**–**	–

21 EARNINGS PER UNIT

The calculation of basic earnings per unit is based on the weighted average number of units in issue during the year and the total return after income tax.

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Total return before income tax and distribution	**108,268**	48,217	**145,248**	125,260
Less: Income tax expense	**(7,803)**	(7,081)	**–**	–
Total return after income tax, before distribution	**100,465**	41,136	**145,248**	125,260

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

21 EARNINGS PER UNIT (CONT'D)

	Group and Trust 2023 Number of Units ('000)	Group and Trust 2022 Number of Units ('000)
Weighted average number of units in issue	**605,002**	605,002

	Group 2023	Group 2022	Trust 2023	Trust 2022
Basic earnings per unit (cents)	**16.61**	6.80	**24.01**	20.70

Diluted earnings per unit is the same as the basic earnings per unit as there were no dilutive instruments in issue during the financial year.

22 COMMITMENTS

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Capital commitments:				
– contracted but not provided for	**123,836**	149,512	**121,734**	148,645
– authorised but not contracted for	**10,324**	12,007	**9,437**	11,323
	134,160	161,519	**131,171**	159,968

Operating lease commitments

Operating lease rental receivable

The Group leases out its investment properties. Non-cancellable operating lease rentals receivable are as follows:

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Operating leases under FRS 116				
Less than one year	**116,836**	117,419	**77,397**	75,142
One to two years	**112,484**	115,605	**79,719**	77,397
Two to three years	**129,293**	113,137	**98,179**	79,719
Three to four years	**127,255**	129,742	**99,161**	98,179
Four to five years	**127,533**	127,447	**100,152**	99,161
More than five years	**1,639,018**	1,767,580	**1,511,991**	1,612,144
Total	**2,252,419**	2,370,930	**1,966,599**	2,041,742

22 COMMITMENTS (CONT'D)

Since August 2007, the Group leases out its investment properties in Singapore to PHS, a related party of the Manager and the Trust, under separate master lease agreements for a period of 15 years. On 13 October 2021, the Group entered into new master lease agreements with PHS for the three investment properties for another approximately 20.4 years, which had commenced on 23 August 2022.

As at 31 December 2023, the Group leased out some of its strata titled units/lots within MOB Specialist Clinics, Kuala Lumpur to Gleneagles Hospital Kuala Lumpur (a branch of Pantai Medical Centre Sdn. Bhd.), a related party of the Manager and the Trust.

Operating lease rental payable

Leases as lessee (FRS 116)

The Group pays land rent for a leasehold property in Japan, which has a land lease period of 99 years.

Right-of-use assets related to leased property are presented as part of investment properties (see Note 4).

The Group pays land rent for its leasehold properties in Singapore, with remaining land lease periods of 51 – 59 years. These leases are of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Amounts recognised in statement of total return

	2023	2022
	$'000	$'000
Interest on lease liabilities	**17**	17
Net change in fair valuation of investment properties	**(8)**	22
Expenses relating to leases of low-value assets	*****	*

Amounts recognised in statement of cash flows

	2023	2022
	$'000	$'000
Total cash outflow for leases	**32**	32

* Less than $1,000

23 SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of these financial statements, parties are considered to be related if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

	Group		Trust	
	2023	2022	**2023**	2022
	$'000	$'000	**$'000**	$'000
Related parties of the Manager				
Rental income received/receivable	**75,245**	72,269	**75,142**	72,160
Other income received/receivable	**37**	40	**–**	–
The Manager				
Manager's management fees paid/payable	**13,190**	12,373	**13,190**	12,373
Acquisition fees paid/payable to the Manager[1]	**161**	539	**161**	539
Travelling expenses reimbursed/reimbursable to the Manager	**379**	154	**379**	154
Property and lease management fees paid/payable to the Manager	**8**	9	**–**	–
Marketing services commission paid/payable to the Manager	**117**	4	**112**	–
The Trustee				
Trustee's fees paid/payable	**371**	370	**371**	370

[1] Included in acquisition related costs, capitalised as part of investment properties (note 4)

24 FINANCIAL INSTRUMENTS

Financial risk management

Overview

The Group has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, as well as the Group's capital management strategy.

Risk management framework

The Manager has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Manager continually monitors the Group's risk management processes to ensure an appropriate balance between risks and controls is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a lessee or deposit taking financial institution fails to meet its contractual obligations, and arises principally from the Group's receivables from lessees and cash and cash equivalents placed with these financial institutions.

Trade and other receivables

The investment properties in Singapore are leased to one master lessee, PHS, a related party of the Manager and the Trust. The investment properties in Japan are leased to several nursing home operators. The Manager is of the opinion that there were no conditions that cast doubt over the recoverability of the Group's trade receivables. The maximum exposure to credit risk is represented by the carrying value of these receivables on the statement of financial position.

Expected credit loss assessment as at 31 December

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss over the past three years. The Manager believes that no allowance of impairment is necessary in respect of the trade receivables as these receivables relate mainly to lessees that have a good record with the Group or have sufficient security deposits as collateral, and hence ECL is not material.

At the reporting date, except as disclosed in Note 8, there were no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value on the statement of financial position.

24 FINANCIAL INSTRUMENTS (CONT'D)

***Credit risk** (cont'd)*

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Derivatives

The derivatives are entered only with bank counterparties that are regulated and at least investment grade as per internationally recognised credit rating agencies (Moody's Investors Service, Fitch Ratings and Standard & Poor's).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to cater for the fluctuations in cash flow requirements. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period of time, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. In addition, the Manager also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

As at 31 December 2023, the Group has remaining long term committed credit facilities of approximately $166.8 million (2022: Nil) that can be drawn down to meet short term financing needs. Further, the Group has executed two new 6-year committed and unsecured loan facilities on 17 January 2024 totalling $92.3 million. Based on the net projected cashflow position, including capital expenditure and undrawn committed facilities for the next twelve months, the Manager concluded the Group and the Trust have sufficient liquidity to meet its liabilities for the next twelve months from the date of financial statements as and when they fall due.

24 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk *(cont'd)*

The following are the remaining contractual maturities of financial liabilities and lease liabilities, including estimated interest payments and excluding the impact of netting agreements:

			<——— Cash flow ———>		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Group					
2023					
Non-derivative financial liabilities					
S$ unsecured bank loans	**225,576**	**(259,987)**	**(9,785)**	**(250,202)**	**–**
JPY unsecured bank loans	**435,155**	**(441,404)**	**(55,264)**	**(366,515)**	**(19,625)**
JPY medium term notes	**165,656**	**(174,488)**	**(1,534)**	**(83,020)**	**(89,934)**
Lease liabilities	**2,084**	**(2,987)**	**(31)**	**(126)**	**(2,830)**
Security deposits	**17,329**	**(18,835)**	**(440)**	**(4,162)**	**(14,233)**
Trade and other payables^	**21,237**	**(21,237)**	**(21,237)**	**–**	**–**
	867,037	**(918,938)**	**(88,291)**	**(704,025)**	**(126,622)**
Derivative financial instruments					
Forward exchange contracts (gross-settled)	**(12,707)**				
– inflow		**182,015**	**85,860**	**92,620**	**3,535**
– outflow		**(168,779)**	**(80,993)**	**(84,557)**	**(3,229)**
Cross currency interest rate swap (gross-settled)	**(23,786)**				
– inflow		**106,740**	**14,778**	**91,962**	**–**
– outflow		**(82,230)**	**(211)**	**(82,019)**	**–**
Interest rate swaps used for hedging (net-settled)	**2,534**	**(2,611)**	**(427)**	**(1,700)**	**(484)**
Interest rate caps used for hedging (net-settled)	**(1,247)**	**1,250**	**–**	**1,250**	**–**
	(35,206)	**36,385**	**19,007**	**17,556**	**(178)**
	831,831	**(882,553)**	**(69,284)**	**(686,469)**	**(126,800)**

^ Excludes advance rent received

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

24 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk *(cont'd)*

			<——— Cash flow ———>		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Group					
2022					
Non-derivative financial liabilities					
S$ unsecured bank loans	207,788	(222,554)	(41,667)	(180,887)	–
JPY unsecured bank loans	440,433	(448,761)	(1,882)	(446,879)	–
JPY medium term notes	201,568	(209,620)	(21,841)	(73,924)	(113,855)
Lease liabilities	2,099	(3,019)	(31)	(126)	(2,862)
Security deposits	18,577	(20,309)	(823)	(3,809)	(15,677)
Trade and other payables^	14,005	(14,005)	(14,005)	–	–
	884,470	(918,268)	(80,249)	(705,625)	(132,394)
Derivative financial instruments					
Forward exchange contracts (gross-settled)	(11,534)				
– inflow		109,790	34,817	74,973	–
– outflow		(97,934)	(30,561)	(67,373)	–
Cross currency interest rate swap (gross-settled)	(18,914)				
– inflow		101,922	7,469	94,453	–
– outflow		(82,495)	(231)	(82,264)	–
Interest rate swap used for hedging (net-settled)	(38)	39	35	4	–
Interest rate caps used for hedging (net-settled)	(3,942)	3,950	39	3,911	–
	(34,428)	35,272	11,568	23,704	–
	850,042	(882,996)	(68,681)	(681,921)	(132,394)

^ Excludes advance rent received

24 FINANCIAL INSTRUMENTS (CONT'D)

***Liquidity risk** (cont'd)*

	Carrying amount $'000	Contractual cash flows $'000	<—— Cash flow —— Within 1 year $'000	1 to 5 years $'000	More than 5 years —> $'000
Trust					
2023					
Non-derivative financial liabilities					
S$ unsecured bank loans	**225,576**	**(259,987)**	**(9,785)**	**(250,202)**	**–**
JPY unsecured bank loans	**435,155**	**(441,404)**	**(55,264)**	**(366,515)**	**(19,625)**
JPY medium term notes	**165,656**	**(174,488)**	**(1,534)**	**(83,020)**	**(89,934)**
Trade and other payables^	**18,738**	**(18,738)**	**(18,738)**	**–**	**–**
	845,125	**(894,617)**	**(85,321)**	**(699,737)**	**(109,559)**
Derivative financial instruments					
Forward exchange contracts (gross-settled)	**(12,707)**				
– inflow		**182,015**	**85,860**	**92,620**	**3,535**
– outflow		**(168,779)**	**(80,993)**	**(84,557)**	**(3,229)**
Cross currency interest rate swap (gross-settled)	**(23,786)**				
– inflow		**106,740**	**14,778**	**91,962**	**–**
– outflow		**(82,230)**	**(211)**	**(82,019)**	**–**
Interest rate swap used for hedging (net-settled)	**2,534**	**(2,611)**	**(427)**	**(1,700)**	**(484)**
Interest rate caps used for hedging (net-settled)	**(1,247)**	**1250**	**–**	**1,250**	**–**
	(35,206)	**36,385**	**19,007**	**17,556**	**(178)**
	809,919	**(858,232)**	**(66,314)**	**(682,181)**	**(109,737)**

^ Excludes advance rent received

24 FINANCIAL INSTRUMENTS (CONT'D)

***Liquidity risk** (cont'd)*

	Carrying amount $'000	Contractual cash flows $'000	<—— Cash flow —— Within 1 year $'000	1 to 5 years $'000	More than 5 years —> $'000
Trust					
2022					
Non-derivative financial liabilities					
S$ unsecured bank loans	207,788	(222,554)	(41,667)	(180,887)	–
JPY unsecured bank loans	440,433	(448,761)	(1,882)	(446,879)	–
JPY medium term notes	201,568	(209,620)	(21,841)	(73,924)	(113,855)
Trade and other payables^	11,351	(11,351)	(11,351)	–	–
	861,140	(892,286)	(76,741)	(701,690)	(113,855)
Derivative financial instruments					
Forward exchange contracts (gross-settled)	(11,534)				
– inflow		109,790	34,817	74,973	–
– outflow		(97,934)	(30,561)	(67,373)	–
Cross currency interest rate swap (gross-settled)	(18,914)				
– inflow		101,922	7,469	94,453	–
– outflow		(82,495)	(231)	(82,264)	–
Interest rate swap used for hedging (net-settled)	(38)	39	35	4	–
Interest rate caps used for hedging (net-settled)	(3,942)	3,950	39	3,911	–
	(34,428)	35,272	11,568	23,704	–
	826,712	(857,014)	(65,173)	(677,986)	(113,855)

^ Excludes advance rent received

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

24 FINANCIAL INSTRUMENTS (CONT'D)

Exposure to foreign currency risk

The Manager's investment mandate covers the Asia-Pacific region. In order to manage the currency risk involved in investing in assets outside of Singapore, the Manager may, as appropriate, adopt currency risk management strategies including:

- the use of foreign currency denominated borrowings to match the currency of the asset investment as a natural hedge. These borrowings are designated as net investment hedges;
- the use of derivative or other hedging instruments to hedge against fluctuations in the exchange rates of foreign currency income received from offshore assets against Singapore dollars; and
- the use of cross currency swap to hedge against the fluctuations in the exchange rates of any foreign currency denominated net assets of the Group against Singapore dollars.

The Group is exposed to foreign currency risk arising from its investments in Japan and Malaysia. The income generated from these investments and net assets are denominated in foreign currencies, mainly Japanese Yen ("JPY") and Malaysia Ringgit ("MYR").

The Group's exposure to foreign currency risk mainly arises from the distribution of net income denominated in JPY from its investment properties located in Japan and its net investment in foreign operations denominated in JPY. The Manager limits the Group's exposure to adverse movements in foreign currency exchange rates by using forward exchange contracts to hedge the distribution of net income from its investments in Japan. In addition, the Group borrows loans denominated in JPY and utilised CCIRS to realign the Singapore dollar denominated loan back into effective JPY denominated loan to create a natural hedge for its JPY denominated investments and these are designated as net investment hedge.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Group assesses the effectiveness of each hedging relationship by comparing changes in the carrying amount of the debt that is due to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method).

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the forward exchange contracts or cross currency swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

24 FINANCIAL INSTRUMENTS (CONT'D)

Exposure to foreign currency risk *(cont'd)*

The Group's exposure to various foreign currencies (excluding the JPY denominated loans, JPY medium term notes and Singapore dollar denominated loans which were overlaid with cross currency interest rate swap to realign it into effective JPY loans that are designated as hedge of the Group's net investment in Japan) are shown in Singapore dollar, translated using the spot rate as at 31 December as follows:

	JPY $'000	MYR $'000	Total $'000
Group			
2023			
Cash and cash equivalents	**860**	**4**	**864**
Trade and other payables	**(483)**	**–**	**(483)**
Forward exchange contracts	**(161,019)**	**–**	**(161,019)**
Net exposure	**(160,642)**	**4**	**(160,638)**
2022			
Cash and cash equivalents	12,899	5	12,904
Trade and other payables	(491)	–	(491)
Loans and borrowings	(20,340)	–	(20,340)
Forward exchange contracts	(92,181)	–	(92,181)
Net exposure	(100,113)	5	(100,108)

The Trust's exposure to various foreign currencies which relates primarily to its use of financial instruments are shown in Singapore dollar, translated using the spot rate as at 31 December as follows:

	JPY $'000	MYR $'000	Total $'000
Trust			
2023			
Cash and cash equivalents	**860**	**4**	**864**
Trade and other payables	**(483)**	**–**	**(483)**
Loans and borrowings	**(602,504)**	**–**	**(602,504)**
Forward exchange contracts	**(161,019)**	**–**	**(161,019)**
Net exposure	**(763,146)**	**4**	**(763,142)**
2022			
Cash and cash equivalents	12,899	4	12,903
Trade and other payables	(491)	–	(491)
Loans and borrowings	(644,029)	–	(644,029)
Forward exchange contracts	(92,181)	–	(92,181)
Net exposure	(723,802)	4	(723,798)

24 FINANCIAL INSTRUMENTS (CONT'D)

Exposure to foreign currency risk *(cont'd)*

Sensitivity analysis

A 5% (2022: 5%) strengthening of the Singapore dollar against the following currencies at the reporting date would have increased/(decreased) the total return by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Statement of total return	
	2023	2022
	$'000	$'000
Group		
JPY	**8,032**	5,006
MYR	*****	*
Trust		
JPY	**38,157**	36,190
MYR	*****	*

* Less than $1,000

In respect to the Group, a 5% (2022: 5%) strengthening or weakening of Singapore dollar against Japanese Yen would have less significant impact than to the Trust as the Group issues Japanese Yen fixed rate notes, borrows loans denominated in Japanese Yen and Singapore dollar denominated loans which were overlaid with cross currency interest rate swap to realign it into effective JPY loans, and designated this as a net investment hedge. For the year ended 31 December 2023, the effective portion of the net investment hedge charged to the Unitholders' funds amounted to $58.6 million gain (2022: $98.6 million gain).

Exposure to interest rate risk

The Group's exposure to changes in interest rates relates primarily to the floating interest rates incurred for its loans and borrowings. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expenses could be affected by adverse movements in interest rates. The Manager adopts a policy of fixing the interest rates for at least 50% (and up to 100%) of its borrowings through the use of interest rate hedging financial instruments.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional or par amounts. The Group's policy is for the critical terms of the interest rate swaps and interest rate caps to align with the hedged borrowings.

Derivatives

The Group holds interest rate swap, interest rate caps and cross currency interest rate swap for risk management purposes that are designated in cash flow hedging relationships. The Group's derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

24 FINANCIAL INSTRUMENTS (CONT'D)

Hedge accounting

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group and Trust Nominal amount	
	2023	2022
	$'000	$'000
Fixed rate instrument		
Medium term notes	**(165,912)**	(201,773)
Variable rate instruments		
Interest rate swaps	**263,700**	44,748
Interest rate caps	**322,583**	352,760
Cross currency interest rate swap	**81,875**	81,875
Loans and borrowings	**(663,267)**	(650,431)
	4,891	(171,048)

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect statement of total return and Unitholders' funds.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) the total return and Unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Statement of total return		Unitholders' funds	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
	$'000	$'000	$'000	$'000
Group and Trust				
31 December 2023				
Loans and borrowings	**(6,633)**	**6,633**	**–**	**–**
Interest rate swaps	**2,637**	**(2,637)**	**8,799**	**(10,459)**
Interest rate caps	**1,324**	**–**	**(4,482)**	**36**
Cross currency interest rate swap	**819**	**(819)**	**187**	**211**
Cash flow sensitivity (net)	**(1,853)**	**3,177**	**4,504**	**(10,212)**
31 December 2022				
Loans and borrowings	(6,504)	6,504	–	–
Interest rate swap	447	(447)	426	(82)
Interest rate caps	1,448	–	7,542	(2,708)
Cross currency interest rate swap	819	(819)	1,694	(1,758)
Cash flow sensitivity (net)	(3,790)	5,238	9,662	(4,548)

24 FINANCIAL INSTRUMENTS (CONT'D)

Hedge accounting *(cont'd)*

Cash flow hedges

At 31 December 2023, the Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity	
	Within 1 year	More than 1 year
Interest rate risk		
Cross currency interest rate swap		
Net exposure ($'000)	**–**	**81,875**
Fixed interest rate	**–**	**0.36%**
Interest rate swaps		
Net exposure ($'000)	**40,920**	**222,780**
Fixed interest rate	**0.16%**	**0.71% to 3.08%**
Interest rate caps		
Net exposure ($'000)	**–**	**322,583**
Fixed interest cap rate	**–**	**0.25%**

At 31 December 2022, the Group held the following instruments to hedge exposures to changes in interest rates.

	Maturity	
	Within 1 year	More than 1 year
Interest rate risk		
Cross currency interest rate swap		
Net exposure ($'000)	–	81,875
Fixed interest rate	–	0.36%
Interest rate swap		
Net exposure ($'000)	–	44,748
Fixed interest rate	–	0.16%
Interest rate caps		
Net exposure ($'000)	–	352,760
Fixed interest cap rate	–	0.25%

24 FINANCIAL INSTRUMENTS (CONT'D)

Hedge accounting *(cont'd)*

Cash flow hedges (cont'd)

The amounts at the reporting date relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness $'000	Cash flow hedge reserve $'000	Cost of hedging reserve $'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied $'000
31 December 2023				
Interest rate risk				
Variable-rate instruments	**–**	**(388)**	**(99)**	**–**
31 December 2022				
Interest rate risk				
Variable-rate instruments	–	(7,157)	(715)	–

The following table provides a reconciliation of Unitholders' funds resulting from cash flow hedge accounting.

	Hedging reserve $'000	Cost of hedging reserve $'000
Balance at 1 January 2022	(199)	(308)
Cash flow hedges		
Changes in fair value	(6,958)	(407)
Balance at 31 December 2022	(7,157)	(715)
Balance at 1 January 2023	**(7,157)**	**(715)**
Cash flow hedges		
Changes in fair value	**6,769**	**616**
Balance at 31 December 2023	**(388)**	**(99)**

24 FINANCIAL INSTRUMENTS (CONT'D)

***Hedge accounting** (cont'd)*

Cash flow hedges (cont'd)

The amounts relating to items designated as hedging instruments were as follows:

	2023					During the period - 2023			
	Nominal amount	Carrying amount		Line item in the statement of financial position where		Changes in the value of the hedging instrument recognised in Unitholders' funds	Hedge ineffectiveness recognised in statement of total return	Cost of hedging recognised in Unitholders' funds	Line item in statement of total return that includes hedge ineffectiveness
		Assets	Liabilities	the hedging instrument is included	the hedged item is included				
	$'000	$'000	$'000			$'000	$'000	$'000	
Interest rate risk									
Cross currency interest rate swap	**81,875**	**23,786**	**–**	**Financial derivatives**	**Loans and borrowings**	**(2,389)**	**–**	**–**	**N/A**
Interest rate swaps	**263,700**	**–**	**(2,534)**	**Financial derivatives**	**Loans and borrowings**	**(2,573)**	**–**	**–**	**N/A**
Interest rate caps	**322,583**	**1,247**	**–**	**Financial derivatives**	**Loans and borrowings**	**(1,807)**	**–**	**(616)**	**N/A**

	2022					During the period - 2022			
	Nominal amount	Carrying amount		Line item in the statement of financial position where		Changes in the value of the hedging instrument recognised in Unitholders' funds	Hedge ineffectiveness recognised in statement of total return	Cost of hedging recognised in Unitholders' funds	Line item in statement of total return that includes hedge ineffectiveness
		Assets	Liabilities	the hedging instrument is included	the hedged item is included				
	$'000	$'000	$'000			$'000	$'000	$'000	
Interest rate risk									
Cross currency interest rate swap	81,875	18,914	–	Financial derivatives	Loans and borrowings	4,455	–	–	N/A
Interest rate swap	44,748	38	–	Financial derivatives	Loans and borrowings	191	–	–	N/A
Interest rate caps	352,760	3,942	–	Financial derivatives	Loans and borrowings	2,314	–	407	N/A

24 FINANCIAL INSTRUMENTS (CONT'D)

***Hedge accounting** (cont'd)*

Net investment hedges

The amounts related to items designated as hedging instruments were as follows:

	2023				During the period - 2023		
	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in Unitholders' funds	Hedge ineffectiveness recognised in statement of total return	Line item in statement of total return that includes hedge ineffectiveness
		Assets	Liabilities				
	$'000	$'000	$'000		$'000	$'000	
Foreign currency denominated loans and borrowings	**684,379**	**–**	**(682,541)**	**Loans and borrowings**	**58,596**	**–**	**N.A.**

	2022				During the period - 2022		
	Nominal amount	Carrying amount		Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in Unitholders' funds	Hedge ineffectiveness recognised in statement of total return	Line item in statement of total return that includes hedge ineffectiveness
		Assets	Liabilities				
	$'000	$'000	$'000		$'000	$'000	
Foreign currency denominated loans and borrowings	705,564	–	(703,342)	Loans and borrowings	98,624	–	N.A.

The amounts related to items designated as hedged items were as follows:

	2023		
	Change in value used for calculating hedge ineffectiveness	Foreign currency translation reserve	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied
	$'000	$'000	$'000
Net investment in SPEs with JPY functional currency	**(58,997)**	**(218,387)**	**–**

	2022		
	Change in value used for calculating hedge ineffectiveness	Foreign currency translation reserve	Balances remaining in the foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied
	$'000	$'000	$'000
Net investment in SPEs with JPY functional currency	(106,848)	(159,390)	–

24 FINANCIAL INSTRUMENTS (CONT'D)

Capital management

The Manager reviews the Group's and the Trust's capital structure regularly and uses a combination of debt and equity to fund acquisitions and asset enhancement projects.

The objectives of the Manager are to:

(a) maintain a strong financial position by adopting and maintaining an optimal gearing ratio;

(b) secure diversified funding sources from financial institutions and/or capital markets; and

(c) adopt a proactive financial risk management strategy to manage financial risks related to interest rate and foreign currency fluctuations.

The Manager seeks to maintain an optimal combination of debt and equity in order to minimise the cost of capital and maximise returns to Unitholders. The Manager also monitors the externally imposed capital requirements closely and ensures the capital structure adopted comply with these requirements.

The Group is subjected to the Aggregate Leverage limit as defined in the Property Funds Appendix of the CIS Code. The CIS Code stipulates that the total borrowings and deferred payments (the "Aggregate Leverage") of a property fund should not exceed 50% of the fund's Deposited Property.

The Aggregate Leverage of the Group as at 31 December 2023 was 35.6% (2022: 36.4%) of the Group's Deposited Property. This complied with the stipulated Aggregate Leverage limit. The interest coverage ratio is 11.3 times as of 31 December 2023 (2022: 18.3 times).

There were no changes in the Group's approach to capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

24 FINANCIAL INSTRUMENTS (CONT'D)

Determination of fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. Further, for the current year the fair value disclosure of lease liabilities is also not required.

		Carrying amount					Fair value			
	Note	Amortised cost	Mandatorily at FVTPL	Other financial liabilities	Fair value – hedging instruments	Total carrying amount	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
31 December 2023										
Financial assets measured at fair value										
Forward exchange contracts	7	–	15,565	–	–	15,565	–	15,565	–	15,565
Interest rate caps used for hedging	7	–	–	–	1,247	1,247	–	1,247	–	1,247
Cross currency interest rate swap used for hedging	7	–	–	–	23,786	23,786	–	23,786	–	23,786
		–	15,565	–	25,033	40,598				
Financial assets not measured at fair value										
Trade and other receivables*	8	5,253	–	–	–	5,253				
Cash and cash equivalents	9	28,499	–	–	–	28,499				
		33,752	–	–	–	33,752				
Financial liabilities measured at fair value										
Forward exchange contracts	7	–	(2,858)	–	–	(2,858)	–	(2,858)	–	(2,858)
Interest rate swaps used for hedging	7	–	–	–	(2,534)	(2,534)	–	(2,534)	–	(2,534)
		–	(2,858)	–	(2,534)	(5,392)				
Financial liabilities not measured at fair value										
Loans and borrowings	11									
– Unsecured bank loans		–	–	(660,731)	–	(660,731)				
– Medium term notes		–	–	(165,656)	–	(165,656)	–	(162,746)	–	(162,746)
Security deposits		–	–	(17,329)	–	(17,329)				
Trade and other payables^	10	–	–	(21,237)	–	(21,237)				
		–	–	(864,953)	–	(864,953)				

* Excludes prepayments

^ Excludes advance rent received

24 FINANCIAL INSTRUMENTS (CONT'D)

***Determination of fair values** (cont'd)*

	Note	Carrying amount					Fair value			
		Amortised cost	Mandatorily at FVTPL	Other financial liabilities	Fair value – hedging instruments	Total carrying amount	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
31 December 2022										
Financial assets measured at fair value										
Forward exchange contracts	7	–	11,534	–	–	11,534	–	11,534	–	11,534
Interest rate caps used for hedging	7	–	–	–	3,942	3,942	–	3,942	–	3,942
Interest rate swap used for hedging	7	–	–	–	38	38	–	38	–	38
Cross currency interest rate swap used for hedging	7	–	–	–	18,914	18,914	–	18,914	–	18,914
		–	11,534	–	22,894	34,428				
Financial assets not measured at fair value										
Trade and other receivables*	8	14,502	–	–	–	14,502				
Cash and cash equivalents	9	40,010	–	–	–	40,010				
		54,512	–	–	–	54,512				
Financial liabilities not measured at fair value										
Loans and borrowings	11									
– Unsecured bank loans		–	–	(648,221)	–	(648,221)				
– Medium term notes		–	–	(201,568)	–	(201,568)	–	(199,559)	–	(199,559)
Security deposits		–	–	(18,577)	–	(18,577)				
Trade and other payables^	10	–	–	(14,005)	–	(14,005)				
		–	–	(882,371)	–	(882,371)				

* Excludes prepayments
^ Excludes advance rent received

24 FINANCIAL INSTRUMENTS (CONT'D)

***Determination of fair values** (cont'd)*

	Note	Carrying amount					Fair value			
		Amortised cost	**Mandatorily at FVTPL**	**Other financial liabilities**	**Fair value – hedging instruments**	**Total carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Total**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Trust										
31 December 2023										
Financial assets measured at fair value										
Forward exchange contracts	7	**–**	**15,565**	**–**	**–**	**15,565**	**–**	**15,565**	**–**	**15,565**
Interest rate caps used for hedging	7	**–**	**–**	**–**	**1,247**	**1,247**	**–**	**1,247**	**–**	**1,247**
Cross currency interest rate swap used for hedging	7	**–**	**–**	**–**	**23,786**	**23,786**	**–**	**23,786**	**–**	**23,786**
		–	**15,565**	**–**	**25,033**	**40,598**				
Financial assets not measured at fair value										
Amount due from subsidiary	5	**4,075**	**–**	**–**	**–**	**4,075**				
Trade and other receivables*	8	**2,792**	**–**	**–**	**–**	**2,792**				
Cash and cash equivalents	9	**4,651**	**–**	**–**	**–**	**4,651**				
		11,518	**–**	**–**	**–**	**11,518**				
Financial liabilities measured at fair value										
Forward exchange contracts	7	**–**	**(2,858)**	**–**	**–**	**(2,858)**	**–**	**(2,858)**	**–**	**(2,858)**
Interest rate swaps used for hedging	7	**–**	**–**	**–**	**(2,534)**	**(2,534)**	**–**	**(2,534)**	**–**	**(2,534)**
		–	**(2,858)**	**–**	**(2,534)**	**(5,392)**				
Financial liabilities not measured at fair value										
Loans and borrowings	11									
– Unsecured bank loans		**–**	**–**	**(660,731)**	**–**	**(660,731)**				
– Medium term notes		**–**	**–**	**(165,656)**	**–**	**(165,656)**	**–**	**(162,746)**	**–**	**162,746**
Trade and other payables^	10	**–**	**–**	**(18,738)**	**–**	**(18,738)**				
		–	**–**	**(845,125)**	**–**	**(845,125)**				

* Excludes prepayments
^ Excludes advance rent received

24 FINANCIAL INSTRUMENTS (CONT'D)

***Determination of fair values** (cont'd)*

		Carrying amount					Fair value			
	Note	Amortised cost	Mandatorily at FVTPL	Other financial liabilities	Fair value – hedging instruments	Total carrying amount	Level 1	Level 2	Level 3	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Trust										
31 December 2022										
Financial assets measured at fair value										
Forward exchange contracts	7	–	11,534	–	–	11,534	–	11,534	–	11,534
Interest rate caps used for hedging	7	–	–	–	3,942	3,942	–	3,942	–	3,942
Interest rate swap used for hedging	7	–	–	–	38	38	–	38	–	38
Cross currency interest rate swap used for hedging	7	–	–	–	18,914	18,914	–	18,914	–	18,914
		–	11,534	–	22,894	34,428				
Financial assets not measured at fair value										
Amount due from subsidiary	5	4,075	–	–	–	4,075				
Trade and other receivables*	8	14,124	–	–	–	14,124				
Cash and cash equivalents	9	15,467	–	–	–	15,467				
		33,666	–	–	–	33,666				
Financial liabilities not measured at fair value										
Loans and borrowings	11									
– Unsecured bank loans		–	–	(648,221)	–	(648,221)				
– Medium term notes		–	–	(201,568)	–	(201,568)	–	(199,559)	–	(199,559)
Trade and other payables^	10	–	–	(11,351)	–	(11,351)				
		–	–	(861,140)	–	(861,140)				

* Excludes prepayments
^ Excludes advance rent received

24 FINANCIAL INSTRUMENTS (CONT'D)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Key unobservable inputs
Group and Trust		
Derivatives: interest rate swaps, interest rate caps, forward exchange contracts and cross currency interest rate swap	*Market comparison technique:* The fair values are based on valuations provided by the financial institutions that are the counterparties to the transactions. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the reporting date.	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique	Key unobservable inputs
Group and Trust		
Medium term notes	The fair value is estimated taking into consideration of the quoted price	Not applicable
Security deposits	Discounted cash flows	Discount rate – 0.67% (2022: 0.53%)

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and interest-bearing borrowings which reprice within three months) are assumed to approximate their fair values because of the short period to maturity or repricing.

(ii) Transfer between Level 1 and Level 2

During the financial year ended 31 December 2023, there were no transfers between Level 1 and Level 2.

25 FINANCIAL RATIOS

	2023 %	2022 %
Ratio of expenses to weighted average net assets [1]		
– excluding performance component of Manager's fees	**0.80**	0.81
– including performance component of Manager's fees	**1.24**	1.20
Portfolio turnover rate [2]	**–**	–

[1] 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).

[2] The annualised 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.

26 OPERATING SEGMENTS

Segment information is presented in respect of the Group's strategic business units. For each of the reportable segments, the Chief Executive Officer of the Manager reviews internal management reports regularly. This forms the basis of identifying the operating segments of the Group.

The Group is engaged in a single business of investing in investment properties in the healthcare and/or healthcare-related sector, namely hospital and medical centres, nursing homes and pharmaceutical manufacturing and distributing facility. The pharmaceutical manufacturing and distributing facility was divested on 29 January 2021. During the financial year, the Group had three reportable geographical segments in Singapore, Japan and Malaysia.

Performance measurement based on segment profit before income tax and non-financial assets as well as financial assets attributable to each segment is used as the Manager believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets and expenses of the subsidiary providing financial and treasury services which were not allocated to an identified segment.

Segment capital expenditure is the total cost incurred on additions to investment properties that are expected to be used for more than one year.

26 OPERATING SEGMENTS (CONT'D)

	Hospitals and Medical Centres		Nursing Homes		Pharmaceutical Manufacturing and Distribution Facility		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue and expenses								
Gross revenue	**101,860**	82,543	**45,607**	47,429	**–**	–	**147,467**	129,972
Net property income	**98,186**	79,158	**40,898**	42,710	**–**	–	**139,084**	121,868
Interest income	**–**	–	**37**	–	**–**	–	**37**	–
Foreign exchange (loss)/ gain	**(514)**	(1,233)	**8,039**	4,632	**–**	–	**7,525**	3,399
Non-property expenses	**(11,066)**	(10,293)	**(6,439)**	(6,788)	**–**	(1)	**(17,505)**	(17,082)
Finance costs	**(6,015)**	(2,208)	**(4,788)**	(3,545)	**–**	–	**(10,803)**	(5,753)
Total return before changes in fair value of financial derivatives and investment properties	**80,591**	65,424	**37,747**	37,009	**–**	(1)	**118,338**	102,432
Net change in fair value of financial derivatives	**–**	–	**1,173**	5,160	**–**	–	**1,173**	5,160
Net change in fair value of investment properties	**(10,822)**	(56,998)	**(427)**	(2,383)	**–**	–	**(11,249)**	(59,381)
Total return before income tax	**69,769**	8,426	**38,493**	39,786	**–**	(1)	**108,262**	48,211
Income tax expense	**(19)**	(47)	**(7,784)**	(7,034)	**–**	–	**(7,803)**	(7,081)
Total return after income tax	**69,750**	8,379	**30,709**	32,752	**–**	(1)	**100,459**	41,130
Assets and liabilities								
Reportable segment assets	**1,547,223**	1,461,646	**786,867**	880,418	**–**	46	**2,334,090**	2,342,110
Reportable segment liabilities	**168,384**	142,636	**751,185**	789,007	**–**	10	**919,569**	931,653
Other segment information								
Capital expenditure	**51,216**	14,140	**5,064**	3,170	**–**	–	**56,280**	17,310

26 OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenue, total return before income tax, assets and liabilities

	2023 $'000	2022 $'000
Revenue		
Total revenue for reportable segments	**147,467**	129,972
Total return before income tax		
Total return for reportable segments	**108,262**	48,211
Other unallocated amounts	**6**	6
Consolidated return before income tax	**108,268**	48,217
Assets		
Total assets for reportable segments	**2,334,090**	2,342,110
Other unallocated amounts	**44**	39
Consolidated total assets	**2,334,134**	2,342,149
Liabilities		
Total liabilities for reportable segments	**919,569**	931,653
Other unallocated amounts	**8**	10
Consolidated total liabilities	**919,577**	931,663

Geographical information

	2023 $'000	2022 $'000
Revenue		
Singapore	**101,583**	82,241
Japan	**45,607**	47,429
Malaysia	**277**	302
	147,467	129,972
Non-current assets*		
Singapore	**1,506,000**	1,439,000
Japan	**719,262**	760,565
Malaysia	**5,719**	6,316
	2,230,981	2,205,881

* Non-current assets presented consist of investment properties

27 SUBSEQUENT EVENTS

On 1 February 2024, the Manager declared a distribution of 7.48 cents per unit in respect of the period 1 July 2023 to 31 December 2023 which is payable on 7 March 2024.

INTERESTED PERSON TRANSACTIONS

The transactions entered into with related parties during the financial year and which fall within the Listing Manual of the SGX-ST and the Property Funds Appendix are:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under Unitholders' mandate pursuant to Rule 920) $'000	Aggregate value of all interested person transactions conducted under Unitholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)[1] $'000
Parkway Hospitals Singapore Pte. Ltd.	Associated company of IHH Healthcare Berhad ("IHH"), who is a substantial unitholder of PLife REIT		
– Property rental income		75,142	Nil
Gleneagles Hospital Kuala Lumpur (a branch of Pantai Medical Centre Sdn. Bhd.)	Associated company of IHH, who is a substantial unitholder of PLife REIT		
– Property rental income		103	Nil
Parkway Trust Management Limited	Manager of PLife REIT		
– Manager's management fees		13,190	Nil
– Manager's acquisition fees		161	Nil
– Travelling expenses reimbursed/ reimbursable to the Manager		379	Nil
– Marketing services commission paid/payable to the Manager		117	Nil
HSBC Institutional Trust Services (Singapore) Limited	Trustee of PLife REIT		
– Trustee's fees		371	Nil

[1] PLife REIT does not have a Unitholders' mandate.

Except as disclosed above, there were no additional interested person transactions (excluding transactions of less than $100,000 each) entered into up to and including 31 December 2023.

Out of the travelling expenses reimbursed to the Manager, non-deal road show expenses of $59,000 were incurred during the financial year.

Please also see significant related party transactions in Note 23 to the financial statements.

Rules 905 and 906 of the Listing Manual are not applicable if such related party transactions are made on the basis of, and in accordance with, the terms and conditions set out in the PLife REIT prospectus dated 7 August 2007.

STATISTICS OF UNITHOLDINGS
AS AT 1 MARCH 2024

ISSUED UNITS

There were 605,002,386 Units (voting rights: one vote per Unit) issued in Parkway Life REIT as at 1 March 2024.

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 – 99	181	1.49	7,523	0.00
100 – 1,000	4,115	33.86	2,671,739	0.44
1,001 – 10,000	6,443	53.02	26,203,203	4.33
10,001 – 1,000,000	1,394	11.47	52,733,762	8.72
1,000,001 and above	19	0.16	523,386,159	86.51
Total	**12,152**	**100.00**	**605,002,386**	**100.00**

Country	No. of Unitholders	%	No. of Units	%
Singapore	11,738	96.59	600,701,698	99.29
Malaysia	262	2.16	2,976,208	0.49
Others	152	1.25	1,324,480	0.22
Total	**12,152**	**100.00**	**605,002,386**	**100.00**

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	PARKWAY INVESTMENTS PTE LTD	213,257,000	35.25
2	CITIBANK NOMINEES SINGAPORE PTE LTD	105,189,052	17.39
3	HSBC (SINGAPORE) NOMINEES PTE LTD	68,426,240	11.31
4	DBS NOMINEES (PRIVATE) LIMITED	43,950,054	7.26
5	RAFFLES NOMINEES (PTE.) LIMITED	38,780,589	6.41
6	DBSN SERVICES PTE. LTD.	27,097,441	4.48
7	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,940,458	0.65
8	BPSS NOMINEES SINGAPORE (PTE.) LTD.	3,557,673	0.59
9	PHILLIP SECURITIES PTE LTD	2,940,817	0.49
10	IFAST FINANCIAL PTE. LTD.	2,697,255	0.45
11	ABN AMRO CLEARING BANK N.V.	2,544,013	0.42
12	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	2,522,422	0.42
13	PARKWAY TRUST MANAGEMENT LIMITED	1,624,986	0.27
14	UOB KAY HIAN PRIVATE LIMITED	1,355,525	0.22
15	OCBC SECURITIES PRIVATE LIMITED	1,220,460	0.20
16	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	1,202,674	0.20
17	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,053,400	0.17
18	MAYBANK SECURITIES PTE. LTD.	1,023,250	0.17
19	DB NOMINEES (SINGAPORE) PTE LTD	1,002,850	0.17
20	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	972,805	0.16
	Total	**524,358,964**	**86.68**

STATISTICS OF UNITHOLDINGS
AS AT 1 MARCH 2024

DIRECTORS' UNITHOLDINGS AS AT 21 JANUARY 2024

No.	Name of Directors	Units Held	Units in which the Directors are deemed to have an interest
1.	Ho Kian Guan	–	–
2.	Dr. Jennifer Lee Gek Choo	–	–
3.	Cheah Sui Ling	–	–
4.	Dato' Sri Muthanna bin Abdullah	–	–
5.	Tomo Nagahiro	–	–
6.	Dr. Prem Kumar Nair	–	–
7.	Dr. Chow Chorng Ann Peter	–	–
8.	Yong Yean Chau	232,200	731,700

SUBSTANTIAL UNITHOLDERS AS AT 1 MARCH 2024
(Based on the Register of Substantial Unitholders maintained by the Manager)

No.	Name of Substantial Unitholders		Direct Interest	Deemed Interest
1.	Mitsui & Co. Ltd.	Note 1	–	215,101,201
2.	MBK Healthcare Management Pte Ltd	Note 2	–	215,101,201
3.	Khazanah Nasional Berhad	Note 3	–	215,101,201
4.	Pulau Memutik Ventures Sdn Bhd	Note 4	–	215,101,201
5.	IHH Healthcare Berhad	Note 5	–	215,101,201
6.	Integrated Healthcare Holdings Limited	Note 6	219,215	214,881,986
7.	Parkway Pantai Limited	Note 7	–	214,881,986
8.	Parkway Holdings Limited	Note 8	–	214,881,986
9.	Parkway Investments Pte Ltd	–	213,257,000	–
10.	Cohen & Steers Capital Management, Inc.	Note 9	–	36,197,976
11.	Cohen & Steers, Inc.	Note 10	–	42,330,829

Note 1 Mitsui & Co., Ltd. ("Mitsui"), through its wholly-owned subsidiary, MBK Healthcare Management Pte Ltd, holds more than 20% of the total issued share capital of IHH Healthcare Berhad ("IHH"). Accordingly, Mitsui has deemed interest in units held by IHH.

Note 2 MBK Healthcare Management Pte Ltd has a deemed interest in the units held by IHH Healthcare Berhad ("IHH") by virtue of holding more than 20% of the total issued share capital of IHH.

Note 3 Integrated Healthcare Holdings Limited ("IHHL") is a wholly-owned subsidiary of IHH Healthcare Berhad ("IHH"). Khazanah Nasional Berhad ("Khazanah"), through its wholly-owned subsidiary, Pulau Memutik Ventures Sdn Bhd ("PMVSB"), holds more than 20% of the total issued share capital of IHH. Accordingly, Khazanah has a deemed interest in units held by IHHL.

Note 4 Integrated Healthcare Holdings Limited ("IHHL") is a wholly-owned subsidiary of IHH Healthcare Berhad ("IHH"). Pulau Memutik Ventures Sdn Bhd ("PMVSB") has a deemed interest in units held by IHH by virtue of holding more than 20% of the total issued share capital of IHH. Accordingly, PMVSB has a deemed interest in units held by IHHL.

Note 5 Integrated Healthcare Holdings Limited ("IHHL") is a wholly-owned subsidiary of IHH Healthcare Berhad ("IHH"). Accordingly, IHH has a deemed interest in units held by IHHL.

STATISTICS OF UNITHOLDINGS

AS AT 1 MARCH 2024

Note 6 Parkway Pantai Limited ("PPL") is a wholly-owned subsidiary of Integrated Healthcare Holdings Limited ("IHHL"). Accordingly, IHHL has a deemed interest in units held by PPL.

Note 7 Parkway Holdings Limited ("PHL") is a wholly-owned subsidiary of Parkway Pantai Limited ("PPL"). Accordingly, PPL has a deemed interest in units held by PHL.

Note 8 (1) Deemed interest in Parkway Investments Pte Ltd and Parkway Trust Management Limited, both wholly-owned subsidiaries of Parkway Holdings Limited.

(2) Parkway Investments Pte Ltd and Parkway Trust Management Limited are registered holders of 213,257,000 units and 1,624,986 units respectively.

Note 9 Cohen & Steers, Inc. is deemed interested in the units held by its wholly-owned subsidiary, Cohen & Steers Capital Management, Inc. Neither Cohen & Steers, Inc nor any of its affiliates is the registered holder of the units.

Note 10 Cohen & Steers, Inc. is deemed interested in the units held by its wholly-owned subsidiary, Cohen & Steers Capital Management, Inc. Neither Cohen & Steers, Inc nor any of its affiliates is the registered holder of the units.

PUBLIC FLOAT

Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Based on the information made to the Manager as at 1 March 2024, approximately 64.29% of Parkway Life REIT's Units were held in the hands of the public. Accordingly, Rule 723 of the Listing Manual of the SGX-ST has been complied with.

Parkway Life REIT did not hold any treasury units as at 1 March 2024.

CORPORATE INFORMATION

THE MANAGER
Parkway Trust Management Limited

Company registration number:
200706697Z

REGISTERED ADDRESS
9 Raffles Place, #26-01 Republic Plaza,
Singapore 048619

Phone: (65) 6236 3333

COMPANY SECRETARIES
Ms. Chan Wan Mei, FCIS
Ms. Chan Lai Yin, ACIS

BOARD OF DIRECTORS

Mr. Ho Kian Guan
Independent Director,
Chairman of the Board of Directors and
Member of the Audit and Risk Committee

Dr. Jennifer Lee Gek Choo
Independent Director,
Chairman of the Nominating and Remuneration Committee
and Member of the Audit and Risk Committee

Ms. Cheah Sui Ling
Independent Director,
Chairman of the Audit and Risk Committee and
Member of the Nominating and Remuneration Committee

Dato' Sri Muthanna Bin Abdullah
Non-Executive Director

Dr. Prem Kumar Nair
Non-Executive Director and
Member of the Nominating and Remuneration Committee

Mr. Tomo Nagahiro
Non-Executive Director

Dr. Chow Chorng Ann Peter
Non-Executive Director

Mr. Yong Yean Chau
Chief Executive Officer and
Executive Director

AUDIT AND RISK COMMITTEE

Ms. Cheah Sui Ling
Chairman

Mr. Ho Kian Guan
Member

Dr. Jennifer Lee Gek Choo
Member

NOMINATING AND REMUNERATION COMMITTEE

Dr. Jennifer Lee Gek Choo
Chairman

Ms. Cheah Sui Ling
Member

Dr. Prem Kumar Nair
Member

TRUSTEE'S REGISTERED ADDRESS

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre
Tower 2, Level 48-01
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AUDITORS

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Public Accountants and Chartered Accountants
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Partner-in-charge:
Sarina Lee
(Appointed since financial year ended 31 December 2023)

UNIT REGISTRAR

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