



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

MINUTES OF ANNUAL GENERAL MEETING HELD ON 21 APRIL 2025

Date	:	21 April 2025
Time	:	10.00 a.m.
Place	:	Antica Ballroom, Level 2, Orchard Rendezvous Hotel, 1 Tanglin Road, Singapore 247905
Present	:	As per attendance list of unitholders and proxies
Chairman of the Meeting	:	Mr. Ho Kian Guan, Independent Director and Chairman of the Board of Directors of Parkway Trust Management Limited
In attendance	:	<u>Parkway Trust Management Limited, as manager of Parkway Life Real Estate Investment Trust ("Parkway Life REIT" and as manager of Parkway Life REIT, the "Manager")</u> Mr. Ho Kian Guan, Independent Director and Chairman Ms. Cheah Sui Ling, Independent Director Ms. Theresa Goh Cheng Keow, Independent Director Dato' Sri Muthanna Bin Abdullah, Non-Executive Director Mr. Tomo Nagahiro, Non-Executive Director Dr. Prem Kumar Nair, Non-Executive Director Dr. Chow Chorng Ann Peter, Non-Executive Director Mr. Yong Yean Chau, Executive Director and Chief Executive Officer Mr. Loo Hock Leong, Chief Financial Officer and Chief Operating Officer Ms. Chan Wan Mei, Company Secretary Ms. Chan Lai Yin, Company Secretary <u>Representatives of HSBC Institutional Trust Services (Singapore) Limited, as trustee of Parkway Life REIT (the "Trustee"), representatives of KPMG LLP, as independent auditor and tax adviser of Parkway Life REIT, and representatives of Allen & Gledhill LLP, as legal adviser of the Manager</u> As per attendance list.

1. INTRODUCTION

- 1.1 On behalf of Parkway Trust Management Limited, the Manager of Parkway Life REIT, the emcee of the meeting welcomed the unitholders of Parkway Life REIT (the "**Unitholders**") to the Annual General Meeting of Parkway Life REIT (the "**Meeting**"). The emcee introduced the panel who joined the Meeting, comprising the Board of Directors of the Manager ("**Board**"), the Executive Director and Chief Executive Officer and the Chief Financial Officer and Chief Operating Officer of the Manager, as well as other attendees, including the Company Secretaries of the Manager, representatives from the trustee of Parkway Life REIT, HSBC Institutional Trust Services (Singapore) Limited, representatives from the independent auditor and tax adviser of Parkway Life REIT, KPMG LLP, and representatives from the legal adviser of the Manager, Allen & Gledhill LLP.

- 1.2 Mr. Yong Yean Chau, the Executive Director and Chief Executive Officer of the Manager, presented the operating and financial performance of Parkway Life REIT for the financial year ended 31 December 2024.
- 1.3 Following the presentation, the proceedings of the Meeting were handed over to Mr. Ho Kian Guan (**"Mr. Ho"**), the Independent Director and Chairman of the Board, who had been nominated by the Trustee to preside as Chairman of the Meeting (the **"Chairman"**) in accordance with the trust deed constituting Parkway Life REIT (as amended).
- 1.4 On behalf of the Board, Mr. Ho expressed appreciation to Dr. Jennifer Lee Gek Choo who retired from the Board effective 21 February 2025.

2. QUORUM

As a quorum was present, the Chairman declared the Meeting open.

3. NOTICE OF MEETING

With the consent of the Unitholders present at the Meeting, the Notice convening the Meeting dated 28 March 2025 was taken as read.

4. VOTING BY POLL

- 4.1 The Chairman outlined the procedure for the conduct of the Meeting and informed the Unitholders that all resolutions put to vote at the Meeting would be conducted by way of electronic poll using a wireless hand-held device. With regard to voting at the Meeting, he clarified that, as Chairman of the Meeting, he had also been appointed as proxy and would vote in accordance with the instructions of the Unitholders.
- 4.2 The Chairman further informed the Unitholders that responses to the substantial and relevant questions submitted by the Unitholders prior to the Meeting had been published via SGXNET and Parkway Life REIT's corporate website on 14 April 2025.
- 4.3 For the conduct of the poll, the Chairman mentioned that Reliance 3P Advisory Pte. Ltd. had been appointed as Scrutineer and Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as Polling Agent. A video clip on the electronic polling process was displayed on the screen for the Unitholders, and a test resolution was conducted.
- 4.4 Following the test resolution, the Chairman proceeded to table the resolutions.

ORDINARY BUSINESS

5. ORDINARY RESOLUTION 1 – TO RECEIVE AND ADOPT THE REPORT OF THE TRUSTEE, THE STATEMENT BY THE MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF PARKWAY LIFE REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE AUDITORS' REPORT THEREON

- 5.1 The Meeting proceeded with the first agenda to receive and adopt the Report of the Trustee, the Statement by the Manager and the Audited Financial Statements of Parkway Life REIT for the financial year ended 31 December 2024 together with the Auditors' Report thereon.
- 5.2 The Chairman (as proxyholder) proposed the motion for Resolution 1 which was seconded by a Unitholder. After dealing with questions from the Unitholders, the notes of which were annexed hereto, the Chairman put Resolution 1 to vote by poll.

5.3 The results in respect of Resolution 1 were as follows:-

RESOLUTION 1	NO. OF UNITS	PERCENTAGE ¹
VOTES FOR	403,141,785	100.00%
VOTES AGAINST	17,300	0.00%
TOTAL NO. OF VALID VOTES	403,159,085	100.00%

5.4 Based on the results of the poll, the Chairman declared that Resolution 1 was carried and RESOLVED:

That the Report of the Trustee, the Statement by the Manager and the Audited Financial Statements of Parkway Life REIT for the financial year ended 31 December 2024 together with the Auditors' Report thereon be and is hereby received and adopted.

6. ORDINARY RESOLUTION 2 – RE-APPOINTMENT OF AUDITORS AND AUTHORISATION OF THE MANAGER TO FIX THE AUDITORS' REMUNERATION

6.1 Resolution 2 was to re-appoint KPMG LLP as the Independent Auditor of Parkway Life REIT and to hold office until the conclusion of the next annual general meeting of Parkway Life REIT and to authorise the Manager to fix their remuneration.

6.2 KPMG LLP had expressed their willingness to continue in office.

6.3 The Chairman (as proxyholder) proposed the motion for Resolution 2 which was seconded by a Unitholder. After dealing with questions from the Unitholders, the notes of which were annexed hereto, the Chairman of the Meeting put Resolution 2 to vote by poll.

6.4 The results in respect of Resolution 2 were as follows:-

RESOLUTION 2	NO. OF UNITS	PERCENTAGE ¹
VOTES FOR	395,332,420	98.05%
VOTES AGAINST	7,842,757	1.95%
TOTAL NO. OF VALID VOTES	403,175,177	100.00%

6.5 Based on the results of the poll, the Chairman declared that Resolution 2 was carried and RESOLVED:

That KPMG LLP be and is hereby re-appointed as the Independent Auditor of Parkway Life REIT and to hold office until the conclusion of the next annual general meeting of Parkway Life REIT and the Manager be authorised to fix their remuneration.

7. ORDINARY RESOLUTION 3 – TO ENDORSE THE APPOINTMENT OF MR. HO KIAN GUAN AS DIRECTOR OF THE MANAGER

7.1 Resolution 3 was to endorse the appointment of Mr. Ho Kian Guan as director of the Manager. Upon endorsement, Mr. Ho would continue to serve as an Independent Director, Chairman of the Board of Directors and Member of the Audit and Risk Committee of the Manager. As Mr. Ho was

¹ The percentage of the total number of votes for and against the resolutions set out in this minutes is rounded to the nearest two (2) decimal points.

the subject of Resolution 3, Ms. Cheah Sui Ling ("**Ms. Cheah**"), the Chairperson of the Audit and Risk Committee of the Manager, presided over the proceedings on Resolution 3.

7.2 Ms. Cheah proposed the motion for Resolution 3 which was seconded by a Unitholder. There being no question raised by the Unitholders, Ms. Cheah put Resolution 3 to vote by poll.

7.3 The results in respect of Resolution 3 were as follows:-

RESOLUTION 3	NO. OF UNITS	PERCENTAGE ¹
VOTES FOR	376,033,641	93.26%
VOTES AGAINST	27,191,211	6.74%
TOTAL NO. OF VALID VOTES	403,224,852	100.00%

7.4 Based on the results of the poll, Ms. Cheah declared that Resolution 3 was carried and RESOLVED:

That the appointment of Mr. Ho Kian Guan as a Director of the Manager be endorsed.

7.5 Ms. Cheah handed over the chair of the Meeting to Mr. Ho who continued to chair the remaining resolutions.

8. **ORDINARY RESOLUTION 4 – TO ENDORSE THE APPOINTMENT OF MS. THERESA GOH CHENG KEOW AS DIRECTOR OF THE MANAGER**

8.1 Resolution 4 was to endorse the appointment of Ms. Theresa Goh Cheng Keow as director of the Manager. Upon endorsement, Ms. Goh would continue to serve as an Independent Director, Chairperson of the Nominating and Remuneration Committee and Member of the Audit and Risk Committee of the Manager.

8.2 The Chairman (as proxyholder) proposed the motion for Resolution 4 which was seconded by a Unitholder. There being no question raised by the Unitholders, the Chairman put Resolution 4 to vote by poll.

8.3 The results in respect of Resolution 4 were as follows:-

RESOLUTION 4	NO. OF UNITS	PERCENTAGE ¹
VOTES FOR	384,323,522	95.32%
VOTES AGAINST	18,883,265	4.68%
TOTAL NO. OF VALID VOTES	403,206,787	100.00%

8.4 Based on the results of the poll, the Chairman declared that Resolution 4 was carried and RESOLVED:

That the appointment of Ms. Theresa Goh Cheng Keow as a Director of the Manager be endorsed.

SPECIAL BUSINESS**9. ORDINARY RESOLUTION 5 – TO AUTHORISE THE MANAGER TO ISSUE UNITS AND TO MAKE OR GRANT CONVERTIBLE INSTRUMENTS**

- 9.1 Resolution 5 was to authorise the Manager to issue Units of Parkway Life REIT and to make or grant convertible instruments.
- 9.2 The Chairman (as proxyholder) proposed the motion for Resolution 5 which was seconded by a Unitholder. There being no question raised by the Unitholders, the Chairman put Resolution 5 to vote by poll.
- 9.3 The results in respect of Resolution 5 were as follows:-

RESOLUTION 5	NO. OF UNITS	PERCENTAGE ¹
VOTES FOR	395,467,812	98.11%
VOTES AGAINST	7,606,240	1.89%
TOTAL NO. OF VALID VOTES	403,074,052	100.00%

- 9.4 Based on the results of the poll, the Chairman declared that Resolution 5 was carried and RESOLVED:

That authority be and is hereby given to the Manager to:

- (a) (i) issue units in Parkway Life REIT ("**Units**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units (collectively, "**Instruments**"),
- at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent (20%) of the total number of issued Units (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units shall be based on the total number of issued Units at the time this Resolution is passed, after adjusting for:

- (a) any new Units arising from the conversion or exercise of any convertible securities or options which were issued and are outstanding or subsisting at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST (the “**Listing Manual**”) for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed dated 12 July 2007 constituting Parkway Life REIT (as amended) (the “**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of Parkway Life REIT or (ii) the date by which the next AGM of Parkway Life REIT is required by applicable laws and regulations or the Trust Deed to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of Parkway Life REIT to give effect to the authority conferred by this Resolution.

10. EXTRAORDINARY RESOLUTION 1 - TO APPROVE THE PROPOSED TRUST DEED AMENDMENT

- 10.1 Extraordinary Resolution 1 was to approve the Proposed Trust Deed Amendment, details of which were set out in the Annex of the Circular to Unitholders dated 28 March 2025.
- 10.2 The Chairman (as proxyholder) proposed the motion for Extraordinary Resolution 1 which was seconded by a Unitholder. There being no question raised by the Unitholders, the Chairman put Extraordinary Resolution 1 to vote by poll.
- 10.3 The results in respect of Extraordinary Resolution 1 were as follows:-

EXTRAORDINARY RESOLUTION 1	NO. OF UNITS	PERCENTAGE ¹
VOTES FOR	402,619,727	99.87%
VOTES AGAINST	519,700	0.13%
TOTAL NO. OF VALID VOTES	403,139,427	100.00%

- 10.4 Based on the results of the poll, the Chairman declared that Extraordinary Resolution 1 was carried and RESOLVED:

That:

- (a) approval be and is hereby given to amend the Trust Deed to amend the definition of “Distribution Date” (the “**Proposed Trust Deed Amendment**”) in the manner set out in the Annex of the Circular to Unitholders dated 28 March 2025 (the “**Circular**”); and

- (b) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider necessary, expedient, incidental or in the interest of Parkway Life REIT to give effect to the Proposed Trust Deed Amendment and/or this Resolution.

11. CONCLUSION

There being no other business for the Meeting, the Chairman declared the Meeting closed at 11.55 a.m. and thanked all Unitholders who attended the Meeting.

CERTIFIED AS A TRUE RECORD OF MINUTES

HO KIAN GUAN
CHAIRMAN

**QUESTIONS AND ANSWERS
AT THE ANNUAL GENERAL MEETING HELD ON 21 APRIL 2025**

ORDINARY RESOLUTION 1: TO RECEIVE AND ADOPT THE REPORT OF THE TRUSTEE, THE STATEMENT BY THE MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF PARKWAY LIFE REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE AUDITORS' REPORT THEREON

1. Unitholder A sought clarification from Directors who are members of sponsor, IHH Healthcare Berhad (the "Sponsor" or "IHH"), regarding the acquisition of Mount Elizabeth Novena Hospital, for which Parkway Life REIT ("PLife REIT") has a right of first refusal. Given that this acquisition will require significant financing and that interest rates may not be favourable at the time financing is needed, Unitholder A enquired about the consideration and approach towards the acquisition.

Dr. Prem Kumar Nair ("Dr. Prem"), a Non-Executive Director of the Manager as well as Group Chief Executive Officer of IHH, responded that major acquisitions need to be well-planned and considered by both the management and board of directors to ensure that PLife REIT seizes the right opportunities at the right time.

Mr. Yong Yean Chau ("Mr. Yong"), the Executive Director and Chief Executive Officer of the Manager, added that the management and the Sponsor are in constant discussion exploring various collaboration options, including option to fully or partially acquire the asset. Management is also proactively planning ahead for optimal fund raising, emphasising that current efforts are focused on preparation (i.e. planting stage), with returns (i.e. harvesting) expected at the opportune time.

Management recognised that Mount Elizabeth Novena Hospital is a substantial asset, which PLife REIT and IHH would need to work closely together during the preparatory phase, particularly given the complexity of the transaction and its nature as an interested person transaction.

Management is also cognisant of the risk associated with fund raising in the current market environment and the risks to be managed.

2. Unitholder A drew attention to the trusted management team, noted their long track record, but cautioned that there is no guarantee the current management team will remain in place in the future. He enquired on the management succession planning as this an important factor to navigate PLife REIT in the future.

Ms. Theresa Goh Cheng Keow, an Independent Director and Chairman of the Nominating and Remuneration Committee ("NRC") of the Manager, informed that succession planning had been discussed since Dr. Jennifer Lee's tenure as NRC Chairman, and credited the success of the management team in their ability to attract and retain a strong working team. Further, management has a robust succession plan in place for unexpected situations.

The Board of Directors, along with the NRC, has implemented plans for career development, talent mapping and retention to ensure leadership continuity.

3. Unitholder B enquired about the impact of de-dollarisation as well as the strategy in place for managing the risk.

Mr. Loo Hock Leong ("Mr. Loo"), Chief Financial Officer and Chief Operating Officer of the Manager, informed that PLife REIT has consistently adopted a disciplined financial management framework and will continue to closely monitor and maintain this approach. Over the past 15 years, PLife REIT has hedged at least 50% (and up to 100%) of all its financial risks.

He went on to explain that since its first investment in Japan in 2008, PLife REIT has adopted a natural hedge strategy to match the asset currency with financing currency so as to mitigate principal forex risks arising from overseas acquisitions. The latest acquisition in France mirrored the principle hedging strategy as the Japan portfolio by hedging the SGD funding currency against the EUR thereby allowing the REIT to mitigate against foreign currency volatility. The REIT also hedged the net cash flows from Japan and France for the next few years. While the JPY:SGD exchange rate is likely to be volatile going forward, these forward contracts hedges that the REIT has layered on, albeit at a progressively lower rate, would continue to act as a shield against these volatilities.

Mr. Loo shared his reflection on PLife REIT's first entry into the Japan market during the global financial crisis, noting that assets were acquired at attractive prices as they were being sold at distressed values. He emphasised that, as a long-term investment, the business remains stable regardless of market conditions since healthcare and medical are always in demand. When acquisition opportunities arise, the Manager should be in a strong position to seize these opportunities. Hence, he emphasised the importance of maintaining a balance sheet to prepare for future acquisitions.

With the recent announcement of the tariffs by the US administration, the team will continue to monitor the developments closely. Currently, currency hedges have been put in place until 2029 for the JPY cash flows and until 2030 for the EUR cash flows. The team is constantly monitoring the situation and will implement additional hedges as needed to lock in business profits.

4. Unitholder C enquired about healthcare demand in Singapore, noting the impact of an aging population. He sought clarification on whether demand for private healthcare in Singapore might decline over the next 5 to 10 years and whether this would indirectly affect PLife REIT.

Dr. Chow Chorng Ann Peter ("Dr. Chow"), a Non-Executive Director of the Manager as well as Chief Executive Officer of IHH Singapore, shared his observations and facts regarding overall healthcare demand in Singapore. He highlighted recent news from the Ministry of Health about plans to expand healthcare capacity by adding over 5,000 beds by 2030. With an aging population, there is increasing demand for healthcare services in both public and private hospitals. Singapore is a major destination for medical tourism in the region and a destination of choice, whereby up to 20% or even 30% of the hospitals' revenue comes from the regional market. While there is competition in the region, Southeast Asia has a population of 600 million, and many patients travel to Singapore for higher value-added services and more complex treatments. IHH is consistently working with PLife REIT to enhance its value proposition by upgrading facilities to its best in class, upskilling staff and adopting better technology.

Access to private healthcare is faster compared to public hospitals. Currently, 60% of the population still have private healthcare plans, indicating strong ongoing demand for private healthcare services in the future. Dr. Chow emphasised that IHH Group intends to maintain a strong presence in Singapore.

5. Unitholder D sought to understand the landscape and demand for nursing homes in Japan as it was noted from online search that 81 nursing homes went bankrupt in Japan in the first half of 2024. Unitholder D enquired about the replacement process for the nursing home operator that was declared bankrupt, noting that PLife REIT had made allowance for doubtful debts and adjusted lease terms for the replacement operator. Unitholder D also enquired about the typical duration required to secure a replacement operator.

Mr. Yong responded that Japan is an aging population and Japan's healthcare industry is consolidating in a fragmented market. There are a handful of smaller operators who have wound up after Covid-19 pandemic due to resulting high operating expenses. While bankruptcies among smaller nursing home operators might have occurred, investing in a matured market with numerous operators ensures that replacement can be secured quickly.

The Manager successfully identified a new operator to take over operations of the relevant nursing home, and both the existing and new operators are collaborating to ensure a seamless transition for residents. Mr. Yong highlighted the industry challenges are mainly due to an aging and shrinking labour force. To this end, the Japan government has been taking steps to foster interest to work in the healthcare industry.

Additionally, Mr. Yong informed that there are no plans to invest in nursing homes in Singapore and Malaysia, as those markets are not yet mature. Comparatively, Japan has over 3,000 nursing home operators, and PLife REIT has managed to arrange backup operators for most facilities.

Mr. Loo supplemented that the Manager has implemented several risk controls as the industry evolves in Japan. These include securing an average of 4 months' gross rental security deposit which is higher than normal, to protect against delinquent operators. There are arrangements for backup or replacement operators, in which is feasible in Japan's matured nursing home market. An internal monitoring system is put in place to review credit control and actively monitor overdue payments. Over the past years, PLife REIT has diversified its asset base and operator partnerships to mitigate risk, underscoring the importance of diversification to balance the risk and reward for unitholders. Lastly, there are plans for the Manager to establish an office in Japan to monitor nursing operators and market developments.

6. Unitholder E enquired about the impact of strong Singapore Dollar on overseas demand for healthcare, particularly given that some healthcare insurers have excluded Singapore, and sought the Manager's lease management strategy on the recently acquired France properties.

Dr. Chow responded that there have been no critical concerns regarding foreign exchange issues or healthcare insurer policies. It remains optimistic as demand for healthcare in Singapore persists and healthcare insurers are actively marketing to customers interested in private healthcare in Singapore, which the hospitals are working closely with these healthcare insurers. Dr. Chow emphasised the importance of advancing the value proposition, highlighting the need for unitholders' support to upgrade facilities and invest in new technologies to maintain a competitive edge in the region.

Regarding the France properties, Mr. Loo responded that the Manager has adopted strategies for the France properties similar to those used for Japan properties. These measures include securing a 5 months' gross rental security deposit and engaging a strong operator – the current operator is the second largest nursing home operator in France and third largest in Europe. Additionally, an internal monitoring system is in place to regularly review the operator's financial health and operational performance.

Unlike Japan where the REIT has expanded its local presence over the last 15 years, the establishment of an office in a new jurisdiction in France is unlikely to happen soon. The Manager will weigh the costs and benefits before it decides to establish a local office.

7. Unitholder F congratulated the Board and Management on good results and expressed excitement regarding the recent acquisition in France. Drawing on the Manager's experience with the recent acquisition in France, Unitholder F enquired the possibility of increasing investments in Europe or other countries. Regarding financing, Unitholder F noted loan financing was secured for Japan properties and enquired whether any loans had been incurred in Europe.

Mr. Yong referred to the presentation delivered at the AGM and reiterated the prudent strategy to learn from the French investment without taking hasty action. Mr. Yong shared that management will take the next 1 to 2 years to understand the market better. When there is greater certainty, Manager will then decide whether to increase its investments in France.

In the medium term, the focus remains on maintaining a strong presence in Singapore, with approximately 60% of the REIT's assets based here. Rental income is expected to increase when the 3-year rent rebate roll off by end 2025. Referring to the philosophy of planting and harvesting shared earlier, the priority over the next 2 years will be to exploring various collaboration options with the Sponsor, including asset enhancement of the existing Singapore properties.

In terms of borrowings, similar risk management strategies used to fund Japan properties have been applied to assets in France. The France acquisition was fully funded by equity fund raising raised in Singapore Dollars, with the principal foreign exchange ("FX") risk mitigated by entering into a EURSGD cross currency swap (CCS) to swap the SGD to EUR to match the asset currency. Additionally, cash flows from France are hedged over the next 5 years, locking in the business profits to manage market volatility effectively.

8. Unitholder F further enquired about the stage at which Mount Elizabeth Novena Hospital would be considered mature for sale, as well as the factors to be considered, such as capitalisation rate, interest rate or other variables, and their relative priority.

Mr. Yong responded that there are many considerations beyond cash flows. Due to the complexity of the project, PLife REIT is working closely with the Sponsor to evaluate different funding options, with a primary focus on improving return on equity. As various parameters must be taken into account, the next 2 years will be dedicated to laying the groundwork. When the right opportunity arises and funding is available, PLife REIT will be well-positioned for the acquisition.

Dr. Chow shared a different perspective, noting that Mount Elizabeth Novena Hospital is still in its growing phase. By the end of the year, an additional medical centre will be added as part of the expansion plan. Mount Elizabeth Novena Hospital is therefore not a static asset, its value and potential are expected to improve in the coming years.

Dr. Prem further shared on the broader healthcare landscape, highlighting its rapid evolution, particularly due to an aging population and shifting demographics. IHH Group operates in 10 countries with a diversified portfolio. He recalled that during Covid-19 pandemic, the Group did not close down any hospitals. With the aging population, patient care now extends beyond hospitals to nursing homes and ambulatory care. Hospitals remain essential for critical and intensive care, while nursing homes are suitable for patients requiring long-term assisted living. He assured the Unitholders that IHH and PLife REIT, as a group, are present across the entire healthcare spectrum.

9. Unitholder G enquired about the learning experience gained from operations in France so far, and what practices or insights from the Japan operations could be applied to the French operations.

Mr. Yong responded that France is a viable market, which justified the acquisition in France. The deal structure in France enabled resilient cash flow and effective tax management. Structurally, the French market is quite similar to Japan, particularly in terms of government subsidies. One key success factor has been the clustering approach. Over the past 15 to 16 years, PLife REIT's focus has been on Japan, and not other countries such as China, Indonesia or other part of the world. While the asset under management may be similar, achieving economies of scale is critical. Therefore, the strategy in Japan has been to pursue growth in order to realise these economies of scale and generate synergy. The same principle is likely to apply to the European strategy: focus on expanding the market to achieve economies of scale.

10. Unitholder H enquired whether Malaysia is considered a strong contender given the impending Johor Bahru-Singapore RTS link, and if there are plans to diversify into Malaysia.

Mr. Yong responded that institutional investors generally have better access to markets compared to retail investors. While it remains important to continue engaging retail investors actively, the reality is that institutional investors are typically more successful in accessing fund markets. Nevertheless, the Manager is committed to addressing questions from unitholders.

Diversification into Malaysia was considered several years ago. However, due to unstable political situation and the weak Malaysian Ringgit, the Manager has adopted an opportunistic and open approach to investments in Malaysia.

For now, there are no immediate plans to deliberately pursue investments in Malaysia. PLife REIT's Sponsor, IHH remains a strong player in the Malaysia market. Looking ahead, the strategy is to focus on Singapore and stabilising the Europe portfolio, with the primary objective to grow these portfolios. The objective is to allocate resources in the most effective way moving forward.

11. Unitholder I noted the French operator is experiencing financial challenges and enquired whether any assessments, such as default risk evaluations, had been conducted. He further enquired about the forecasted DPU following the completion of Project Renaissance.

Mr. Yong responded that there was no forecasted DPU for Project Renaissance. However, the expectation is that the asset enhancement initiatives will generate positive results.

Mr. Yong further shared that sale of the France properties was executed at a 6.5% of capitalisation rate, which is higher than that of similar projects in Europe. The seller has been expanding rapidly during the Covid-19 pandemic. However, post-Covid, interest rates have increased significantly and the seller needs to pursue an asset-light strategy to reduce the interest expense burden. After the seller sold their assets, they also divested another batch of assets in Spain. That led to PLife REIT's opportunistic purchase of the portfolio from the seller.

Post-acquisition, the Manager continues to learn and adapt. New opportunities have emerged, and the capitalisation rate has since decreased to about 5%, indicating an improvement in the market situation. The real test for management team is not just purchasing assets at attractive market prices, but also assessing investments on a reward-risk basis. The goal is to acquire properties at an attractive prices not solely based on DPU, so that as the market normalises and asset values appreciate, long-term capital growth can be achieved.

ORDINARY RESOLUTION 2: TO RE-APPOINT KPMG LLP AS THE INDEPENDENT AUDITOR OF PARKWAY LIFE REIT AND TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT ANNUAL GENERAL MEETING OF PARKWAY LIFE REIT AND TO AUTHORISE THE MANAGER TO FIX THEIR REMUNERATION

12. Unitholder J enquired about the reason for lower DPU in second half of 2024, despite the overall DPU for 2024 being higher compared with 2023. Unitholder J also enquired whether there are plans to switch to quarterly reporting.

Mr. Yong explained that the lower DPU in the second half of 2024 was primarily due to income from completion on 20 December 2024 not yet being received, coupled with a larger capital base resulting from the equity fund raising conducted in October 2024.

Mr. Yong further noted that the authorities have stringent requirements for financial results announcement that are accompanied with distributions, which require significant time and effort to prepare. The additional cost and effort involved in preparing comprehensive financial results announcement do not justify changing from half-yearly to quarterly reporting. However, if these requirements become less stringent in the future, the Manager may consider moving to quarterly distributions.