

NEWS RELEASE**FOR IMMEDIATE RELEASE****PLIFE REIT ENHANCES ITS JAPAN PORTFOLIO WITH
THIRD NURSING HOME ACQUISITION IN 2021**

- **Yield-accretive acquisition of a quality asset at net property yield of 5.9%¹**
- **Deepens collaboration with Habitation Group, one of PLife REIT's strategic partners in Japan**
- **Strengthen portfolio resiliency with long and stable master lease term of 20 years**

Singapore, 10 December 2021 – Parkway Trust Management Limited (the “**Manager**”), as manager of Parkway Life Real Estate Investment Trust (“**PLife REIT**”), one of Asia’s largest listed healthcare REITs, is pleased to announce the acquisition of a nursing home (the “**Property**”) located in the Greater Tokyo Region in Japan for a total consideration of JPY3,200 million (approximately S\$37.9² million) (the “**Purchase Price**”).

Yield Accretive Acquisition Uplifting PLife REIT's Returns

HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT, has through its wholly-owned subsidiary, Parkway Life Japan4 Pte. Ltd., entered into a *Tokumei Kumiai* agreement (or silent partnership, similar to the holding structure for PLife REIT's previous acquisitions in Japan) for the acquisition of the Property. The acquisition will be made at approximately 7.0% below valuation and is expected to generate a net property yield of 5.9%¹. The acquisition of the Property is expected to complete by December 2021. This transaction marks the third acquisition of the year, bringing PLife REIT's Japan portfolio to 52 properties, totalling approximately S\$804.0³ million in value.

Deepening Collaboration with our Key Partner

The Property is operated by Fuyo Shoji Kabushiki Kaisha, a wholly-owned subsidiary of Habitation Group which is PLife REIT's largest⁴ nursing home operator in Japan. The

¹ The expected net property yield is computed by dividing the contractual net property income by the Purchase Price of the Property (excludes capitalised cost).

² All JPY to SGD conversion in this press release is based on an assumed exchange rate of S\$1.00 to JPY84.46.

³ Appraised value as at 31 December 2020 and as at acquisition for Crea Adachi, Will-Mark Kashiihama and Habitation Kisarazu Ichiban-kan, totalling JPY67.902 billion for 52 properties.

⁴ Inclusive of subsidiaries and associated companies of Habitation Group.

acquisition sees PLife REIT deepening its working relationship with the group, which is a reputable and experienced healthcare and aged care operator in Japan. Established in 1982, Habitation Group currently operates 36 healthcare and aged care facilities, including hospitals, clinics, nursing rehabilitation facilities and care homes in Japan.

Commenting on the acquisition, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: “PLife REIT is pleased to be strengthening our portfolio with another quality nursing home in Japan. The acquisition delivers immediate yield growth and enhances the resiliency of our portfolio with a long stable lease. As we continue to grow our footprint in Japan, which is our valued core market, we recognise the importance of developing sustainable long-term partnership with credible operators with synergic business strategies. We look forward to expanding our strong working relationship with Habitation Group and optimising our Japan growth strategy.”

Good Property Attributes and Stable Master Lease

The Property is built in 2017 and located in the residential area of Kisarazu City within Chiba Prefecture. The Property is well situated with transportation connectivity and close proximity to Tokyo. The acquisition will see PLife REIT securing a fresh 20-year lease agreement which will further lengthen PLife REIT’s weighted average lease expiry (by gross revenue) from 17.42 years to 17.47 years⁵. This will enhance the resiliency of PLife REIT’s earnings.

Funding for the acquisition

The acquisition will be fully funded by JPY debts. Similar to previous acquisition financings, the deployment of JPY funding provides a natural hedge for the foreign exchange risks arising from JPY denominated assets, thereby insulating PLife REIT from potential currency volatility. PLife REIT’s gearing level post-acquisition will increase from 34.9%⁴ to 36.0%, which is within the regulatory gearing limit for Singapore REITs under the Code on Collective Investment Schemes.

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⁵ As at 30 September 2021.

About Parkway Life REIT

Parkway Life Real Estate Investment Trust (“PLife REIT”) is one of Asia’s largest listed healthcare REITs by asset size. It invests in income-producing real estate and real estate related assets that are used primarily for healthcare and healthcare-related purposes (including but are not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices).

PLife REIT owns a well-diversified portfolio of 55 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.29 billion⁶ as at 30 September 2021. 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 51 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.

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⁶ Based on latest appraised values (excludes right-of-use assets).



Important Notice

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Parkway Life Real Estate Investment Trust (“PLife REIT” and the units in PLife REIT, the “Units”).

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as Manager of PLife REIT, or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of PLife REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of PLife REIT or the Manager is not necessarily indicative of the future performance of PLife REIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.