

NEWS RELEASE
FOR IMMEDIATE RELEASE

**PLIFE REIT REPORTS STABLE PERFORMANCE AMIDST
COVID-19 OUTBREAK WITH DPU OF 3.32 CENTS in 1Q 2020**

- Amount available for distribution grew by 5.7% Y-O-Y
- 1Q 2020 DPU increased by 1.4% Y-O-Y notwithstanding retention of S\$850k for COVID-19 related relief measures
- All properties continue to be in stable operations despite COVID-19 outbreak
- PLife REIT will stand in solidarity with its tenants to ride through this unprecedented challenging period together
- S\$1.7 million to be set aside for targeted assistance and support measures for affected tenants, as needed
- Stable financial position with no long-term debt refinancing needs till June 2021

Total Portfolio	1Q 2020 S\$'000	1Q 2019 S\$'000	Increase %
Gross revenue	29,869	28,390	5.2
Net property income	27,746	26,542	4.5
Amount available for distribution (net of amount retained for capital expenditure)	20,951	19,829	5.7
Distributable income to Unitholders (net of amount retained for capital expenditure and COVID-19 related relief measures)	20,101	19,829	1.4
Distribution Per Unit (cents)¹			
- DPU for the period	3.32	3.28	1.4
- Annualised DPU	13.28	13.12	1.4
Annualised distribution yield (%), based on closing market price of S\$3.09 as at 31 March 2020	4.30	4.25	1.4

Singapore, 22 April 2020 – Parkway Trust Management Limited (the “Manager”), as manager of Parkway Life Real Estate Investment Trust (“PLife REIT” or the “Group”), one of Asia’s

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

largest listed healthcare REITs, today announced its results for first quarter ended 31 March 2020 (“1Q 2020”).

Gross revenue rose 5.2% year-on-year (“Y-O-Y”) to S\$29.9 million in 1Q 2020. Growth is largely attributed to additional revenue contribution from the three Japan properties acquired in 4Q 2019, upward revision of the minimum guaranteed rent for Singapore hospitals by 1.61%² as well as the appreciation of Japanese Yen (“JPY”). Consequently, the net property income for 1Q 2020 grew 4.5% to \$27.7 million, from S\$26.5 million in 1Q 2019. Overall, amount available for distribution in 1Q 2020 increased by 5.7% to S\$20.9 million, as compared with S\$19.8 million in the previous corresponding period.

Nonetheless, arising from the COVID-19 outbreak, the Group will set aside S\$1.7 million to provide targeted assistance and support measures for affected tenants as needed (“COVID-19 related relief measures”). S\$850,000 of the COVID-19 related relief measures will be retained in 1Q 2020. Notwithstanding this, the Distribution per Unit (“DPU”) in 1Q 2020 grew by 1.4% to 3.32 Singapore cents, from 3.28 Singapore cents in 1Q 2019.

Enhanced Capital Structure

With a portfolio of 49 healthcare properties in Japan, the Group remains proactive in managing its exposure to interest rate risk and foreign exchange risk. During the quarter, the Group extended its JPY net income hedge for a further one year capitalising on the recent strengthening of JPY, thereby providing 100% shield against JPY currency volatility till 2Q 2025.

As part of PLife REIT’s ongoing efforts to strengthen its balance sheet through proactive debt management, the Group successfully secured a six-year up to S\$82.0 million committed loan facility during the quarter. The committed loan facility will be used to term out the Group’s remaining long-term loan facility upon its maturity in 3Q 2020. The debt maturity profile will be extended to 2026 by then and there will be no near term debt refinancing need till June 2021.

The effective all-in cost of debt has been reduced from 0.80% to 0.63%³ mainly due to the extension of JPY interest rate hedge at lower cost and overall drop in interest rates. With approximately 89% of its interest rate exposure hedged, PLife REIT’s interest coverage ratio

² In 13th year of lease commencing 23 August 2019 to 22 August 2020.

³ 0.80% as at 31 December 2019; 0.63% as at 31 March 2020.

stood at 14.8 times⁴, up from 13.2 times in 1Q 2019. As at 31 March 2020, gearing remained optimal at 38.5%.

Commenting on the results, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: “Despite on-going uncertainties in the macro economy and volatility in the financial markets, PLife REIT remains in a stable financial position.

All our healthcare tenants have proactively adapted their operations and implemented strict precautionary measures to ensure safety of their employees, patients and nursing care residents. Nonetheless, COVID-19 has placed pressure on all industries and sectors including healthcare, and it is imperative for PLife REIT to stand in solidarity with our tenants to ride through this unprecedented challenging period together.

In line with PLife REIT’s ethos of working in collaboration with its strategic partners for sustainable long-term relationships, S\$1.7 million will be set aside to provide targeted assistance and support measures for affected tenants, as needed. We will continue to monitor the COVID-19 situation closely, particularly in the countries where we operate, and adapt our tenant support measures accordingly.”

END

⁴ Interest coverage ratio as prescribed under the Monetary Authority of Singapore’s Property Funds Appendix (last revised on 16 April 2020)

About Parkway Life REIT

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

PLife REIT owns a well-diversified portfolio of 53 properties with a total portfolio size of approximately S\$1.96 billion⁵ as at 31 March 2020. It owns the largest portfolio of strategically-located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 49 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 48 high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialist Clinics Kuala Lumpur in Malaysia.

For media queries, please contact:

Klareco Communications

Jaslin Tan – jt@klarecocomms.com / (65) 9069 8266

Derrick Tee, CFA – dtee@klarecocomms.com / (65) 9851 3403

⁵ Based on latest appraised values.

Important Notice

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

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