



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

ANNUAL GENERAL MEETING ON 22 APRIL 2022

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS

Parkway Trust Management Limited, as manager of Parkway Life Real Estate Investment Trust ("**Parkway Life REIT**", and the manager of Parkway Life REIT, the "**Manager**"), refers to:

- (a) Parkway Life REIT's notice of annual general meeting ("**AGM**") dated 31 March 2022; and
- (b) the accompanying general announcement released on 31 March 2022 setting out, *inter alia*, the alternative arrangements relating to attendance at the AGM via electronic means.

The Manager would like to thank all Unitholders who have submitted their questions in advance of the AGM.

Please refer to the Annex hereto for the Manager's responses to the substantial and relevant questions which have been submitted by Unitholders.

BY ORDER OF THE BOARD

Parkway Trust Management Limited

(Company Registration no. 200706697Z)

As manager of Parkway Life Real Estate Investment Trust

Chan Wan Mei

Company Secretary

14 April 2022

ANNEX

LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND RESPONSES

No.	Question	Response
1	<p>In 2021, group's gross revenue reported a marginal drop of 0.2% year-on-year to S\$120.7 million, net property income has declined by 1.1% to S\$111.2 million but the Manager's management fees was S\$12.9 million, 1.6% higher than 2020. Please comment.</p>	<ul style="list-style-type: none"> • In the trust deed constituting PLife REIT dated 12 July 2007, it was provided that the Management fees will comprise a base fee of 0.3% per annum of the value of all the assets of PLife REIT, as well as a performance fee of 4.5% per annum of the net property income of PLife REIT for that financial year. • The 1.6% increase in Management fees for 2021 was largely from higher base fee due to higher deposited property value led by significant asset valuation uplift for its three Singapore Hospitals following the successful renewal of the master leases for the Singapore Hospitals. • The Group has also registered higher deposited property value and higher net property income from the properties acquired during the year, namely Will-Mark Kashihihama, Crea Adachi, and Habitation Kisarazu Ichiban-kan. This increase was partly offset by the divestment of P-Life Matsudo in January 2021 and depreciation of the Japanese Yen.
2	<p>Despite the stringent procedures set in Credit Default (Tenants) of page 81 of Annual Report, an allowance for doubtful debts of \$1.0 million due to default on the rental receivables by a previous operator for 3 of the nursing home properties in Japan was provided in 2021. Please explain why is this happening and how we could prevent future occurrence.</p>	<ul style="list-style-type: none"> • We regularly monitor the performances of our properties and operators. • The default on the rental receivables for the 3 nursing home properties in Japan was an isolated case. • The financial situation of the previous operator for the 3 Japan Properties had deteriorated overtime, partially aggravated by the COVID-19 situation, which resulted in cash flow issues and its inability to service the rental payments. • While we had agreed with the previous operator on certain rent repayment arrangements, we concurrently sought legal advice and commenced discussions with potential replacement operators and were able to timely put in place a credible replacement operator with minimum disruptions to residents and operations. • We will continue to perform regular assessment and monitoring of the operating performance of our properties as well as the credit strength of our operators, in addition to the back-up operator arrangements as well as Rental guarantees provided by various vendors for most properties to minimise operator default risks.

No.	Question	Response
3	<p>While I understand that our Malaysia portfolio has been assessed to be immaterial and scoped out as it represents less than 1% portfolio value. MOB SPECIALIST CLINICS, Kuala Lumpur was purchased in 2012 with a 100% occupancy but the current committed occupancy is only 31% (excluding car park). Please explain the long term plan to revive the occupancy rate or divestment for better opportunity return</p>	<ul style="list-style-type: none"> • Since the acquisition of our Malaysia portfolio in 2012, we had consistently secured high committed occupancy for this property. The existing low occupancy of 31% (excluding car park) was due to the non-renewal of the Level 8 space, comprising largely of an auditorium layout. • Due to the current leasing market conditions impacted by COVID-19, it was challenging to lease the Level 8 space with the auditorium configuration. To make Level 8 space more marketable, we had the auditorium reconfigured into more medical suite units. • We are actively marketing the new medical suite units and expect occupancy rate to improve as Malaysia eases into reopening its borders.
4	<p>The announcement of semiannual payment of DPU saddened us especially we are depending on the quarterly dividend for a living. Please advise on the possibility of reverting the decision.</p>	<ul style="list-style-type: none"> • In accordance with the amendments to Rule 705(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "Listing Rules") which were effective from 7 February 2020, the Manager, after due deliberation (including taking into consideration the compliance costs and administrative resources required in connection with quarterly reporting and distribution), decided to adopt the announcement and distribution on half-yearly basis. • In doing so, PLife REIT can achieve savings in cost and administration efforts, and such cost savings shall be passed on to Unitholders in the form of more distributions. • The Manager will continue the regular engagement with stakeholders through various communication channels, including providing relevant business updates between the announcements of half-yearly financial statements. • We would like to thank our Unitholders for their continued support, confidence and trust in PLife REIT. We have delivered un-interrupted recurring DPU growth since IPO. Rest assured that our mission remains to deliver regular and stable distributions and achieve long-term growth for our Unitholders. With tenacity and focus to deliver long-term sustainable growth and value, we look forward to soaring to greater heights with all.

Important Notice

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

The value of the Units and the income from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as manager of Parkway Life REIT (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Parkway Life REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Parkway Life REIT or the Manager is not necessarily indicative of the future performance of Parkway Life REIT or the Manager.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and on the terms necessary to support Parkway Life REIT’s future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.