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

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
2021 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

INTRODUCTION

Parkway Life Real Estate Investment Trust ("Parkway Life REIT") is a real estate investment trust constituted by the Trust Deed entered into on 12 July 2007 (as amended) between Parkway Trust Management Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. Parkway Life REIT was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 23 August 2007 ("Listing Date").

Parkway Life REIT is one of the largest listed healthcare REITs in Asia by asset size. It was established 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. In Singapore, Parkway Life REIT owns the largest portfolio of private hospitals comprising Mount Elizabeth Hospital, Gleneagles Hospital, and Parkway East Hospital (collectively, the "Singapore Hospital Properties").

In Japan, Parkway Life REIT owns one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture, as well as 49 high quality nursing home and care facility properties located in various prefectures of Japan (collectively, the "Japan Properties"). On 29 January 2021, Parkway Life REIT has completed the disposal of the pharmaceutical product distributing and manufacturing facility, a non-core asset of the REIT.

As at 31 March 2021, Parkway Life REIT owns a well-diversified portfolio of 53 properties located in the Asia-Pacific region, including three hospitals in Singapore, 49 nursing home and care facility properties in Japan and strata titled units/lots in MOB Specialist Clinics, Kuala Lumpur, Malaysia. Its total portfolio size stands at approximately S$2.0 billion as at 31 March 2021.

Parkway Life REIT's policy is to distribute at least 90% of its taxable income and net overseas income, with the actual level of distribution to be determined by the Manager. An amount of S$3.0 million is retained for capital expenditure on existing properties each year.

SUMMARY OF PARKWAY LIFE REIT'S RESULTS FOR THE QUARTER ENDED 31 MARCH 2021

		1Q 2021	1Q 2020	Increase	
	Notes	S$'000	S$'000	S$'000	%
Gross Revenue		**29,999**	**29,869**	**130**	**0.4**
Net Property Income		**28,029**	**27,746**	**283**	**1.0**
Amount Available for Distribution	(a)	**21,583**	**20,951**	**632**	**3.0**
Amount retained for COVID-19 related relief measures	(b)	-	(850)	850	n.m.[1]
Distributable Income to Unitholders		**21,583**	**20,101**	**1,482**	**7.4**
Distribution per unit (cents)	(c)	**3.57**	**3.32**	**0.25**	**7.4**
Annualised distribution per unit (cents)		**14.28**	**13.28**	**1.00**	**7.4**
Distribution yield (%), based on - Closing market price of S$4.08 as at 31 March 2021		**3.50**	**3.25**		**7.4**

Note(s):

(a) Net of amount retained for capital expenditure on existing properties amounting to S$3.0 million each year.

(b) S$850,000 was retained in 1Q 2020 as part of the S$1.7 million COVID-19 related relief measures for tenants announced in the same period. The retention sum will be released as and when the COVID-19 related support has been utilised and recognised in the Statement of Total Return.

(c) In computing the Distribution per Unit ("DPU"), the number of units in issue as at the end of each period is used.

[1] The term "n.m." used throughout the financial statement and distribution announcement denotes "not meaningful".

1(a) Statement of Total Return (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Total Return

	Notes	1Q 2021 S$'000	1Q 2020 S$'000	Inc/ (Dec) %
Gross revenue		**29,999**	**29,869**	**0.4**
Property expenses		(1,970)	(2,123)	(7.2)
Net property income		**28,029**	**27,746**	**1.0**
Management fees	(a)	(3,137)	(3,112)	0.8
Trust expenses	(b)	(812)	(1,278)	(36.5)
Net foreign exchange gain		142	82	73.2
Interest income		-	3	n.m.
Finance costs	(c)	(1,073)	(1,480)	(27.5)
Non-property expenses		**(4,880)**	**(5,785)**	**(15.6)**
Total return before changes in fair value of financial derivatives, investment properties and gain on disposal of investment property		**23,149**	**21,961**	**5.4**
Net change in fair value of financial derivatives	(d)	3,208	(4,431)	n.m.
Net change in fair value of investment properties	(e)	(5)	(5)	-
Gain on disposal of investment property	(f)	5,115	-	n.m.
Total return for the period before tax and distribution		**31,467**	**17,525**	**79.6**
Income tax expense	(g)	(2,798)	(1,894)	47.7
Total return for the period after tax before distribution		**28,669**	**15,631**	**83.4**

Note(s):

(a) Management fees comprise Manager's management fees and asset management fees payable to the asset managers of the Japan Properties.

(b) Trust expenses comprise mainly of Trustee's fees, professional fees and travelling expenses.

(c) Finance costs largely consist of interest expense on loans, settlement on interest rate swaps that provide fixed rate funding on loans, amortisation of costs of interest rate caps, amortisation of transaction costs of establishing debt facilities and the finance costs on lease liabilities.

(d) The Group entered into forward exchange contracts to hedge its net foreign income from Japan. The changes in fair value of the forward exchange contracts and any ineffective portion of changes in the fair value of designated hedging instrument were recognised in Statement of Total Return.

(e) The net change in fair value of investment properties represented the right-of-use adjustment for a Japan leasehold property acquired in 2019.

(f) This relates to the gain arising from the disposal of the pharmaceutical product distributing and manufacturing facility ("P-Life Matsudo") in Japan which was completed on 29 January 2021.

(g) Included in 1Q 2021 income tax expense is the withholding tax of S$1.2 million (1Q 2020: S$1.2 million) on the net rental income derived from existing Japan properties, net withholding tax payable of S$0.9 million imposed on the disposal gain in relation to the disposal of the P-Life Matsudo property and deferred tax of S$0.7 million (1Q 2020: S$0.7 million) in respect of the Japan investment properties for the temporary differences between the fair value and the tax written down value at the applicable tax rate.

Distribution Statement

	Notes	1Q 2021 S$'000	1Q 2020 S$'000	Inc/ (Dec) %
Total return after tax before distribution		**28,669**	**15,631**	**83.4**
Non-tax deductible/(non-taxable) items:				
Trustee's fees		84	84	-
Amortisation of transaction costs relating to debt facilities		152	159	(4.4)
Net change in fair value of financial derivatives		(3,208)	4,431	n.m.
Net change in fair value of investment properties		5	5	-
Gain on disposal of investment property		(4,232)	-	n.m.
Foreign exchange gain		(7)	(32)	(78.1)
Temporary differences	(a)	683	680	0.4
Others		187	662	(71.8)
Net effect of non-tax deductible/(non-taxable) items		**(6,336)**	**5,989**	**n.m.**
Rollover adjustment	(b)	-	81	n.m.
Amount available for distribution to Unitholders		**22,333**	**21,701**	**2.9**
Amount retained for capital expenditure	(c)	(750)	(750)	-
Amount available for distribution (net of capex retention)		**21,583**	**20,951**	**3.0**
Amount retained for COVID-19 related relief measures	(d)	-	(850)	n.m.
Distributable income to Unitholders	(e)	**21,583**	**20,101**	**7.4**

Note(s):

(a) This relates to deferred tax expense provided on the temporary difference between the fair value and the tax written down value at the applicable income tax rate in respect of the Japan investment properties.

(b) The rollover adjustment in 2020 represented the difference between the taxable income previously distributed and the quantum finally agreed with the Inland Revenue Authority of Singapore ("IRAS") for the Year of Assessment 2018. Differences have been adjusted under the rollover mechanism agreed with the IRAS.

(c) An amount of S$3.0 million is retained for capital expenditure on existing properties each year.

(d) As part of the S$1.7 million COVID-19 related relief measures for tenants announced in 1Q 2020. The retention sum will be released as and when the COVID-19 related support has been utilised and recognised in the Statement of Total Return.

(e) Parkway Life REIT's distribution policy is to distribute at least 90% of its taxable income and net overseas income, with the actual level of distribution to be determined at the Manager's discretion.

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Notes	Group 31/03/21 S$'000	Group 31/12/20 S$'000	Trust 31/03/21 S$'000	Trust 31/12/20 S$'000
Current assets					
Trade and other receivables		17,720	18,060	16,335	39,701
Financial derivatives		1,908	-	1,908	-
Cash and cash equivalents	(a)	58,294	22,658	864	1,487
Asset held for sale	(b)	-	30,872	-	-
		77,922	**71,590**	**19,107**	**41,188**
Non-current assets					
Investment properties	(c)	1,963,533	1,991,019	1,215,340	1,213,800
Interests in subsidiaries		-	-	626,595	603,205
Financial derivatives		11,047	4,362	11,047	4,362
Total assets		**2,052,502**	**2,066,971**	**1,872,089**	**1,862,555**
Current liabilities					
Financial derivatives		16	2,266	16	2,266
Trade and other payables		23,359	26,867	15,434	19,343
Current portion of security deposits		576	608	-	-
Lease liabilities		14	14	-	-
Loans and borrowings	(d)	273,266	163,022	273,266	163,022
Provision for taxation		2	2	-	-
		297,233	**192,779**	**288,716**	**184,631**
Non-current liabilities					
Financial derivatives		224	261	224	261
Non-current portion of security deposits		17,851	19,940	-	-
Lease liabilities		2,109	2,113	-	-
Loans and borrowings	(e)	497,644	628,502	497,644	628,502
Deferred income		2,103	2,103	-	-
Deferred tax liabilities		36,410	37,658	-	-
Total liabilities		**853,574**	**883,356**	**786,584**	**813,394**
Net assets		**1,198,928**	**1,183,615**	**1,085,505**	**1,049,161**
Represented by:					
Unitholders' funds		1,198,928	1,183,615	1,085,505	1,049,161
Total equity		**1,198,928**	**1,183,615**	**1,085,505**	**1,049,161**

Note(s):

(a) Higher cash and cash equivalents as of 31 March 2021 comprise the divestment proceeds from the disposal of the P-Life Matsudo property on 29 January 2021.

(b) On 29 January 2021, the Group entered into a sale and purchase agreement to sell P-Life Matsudo in Chiba, Japan for approximately S$37.1 million. The sale of the property was completed on the same day. The net proceeds from the divestment will be used to repay short term loans facilities by 2Q 2021.

(c) The decrease in investment properties of the Group was due to the depreciation of the Japanese Yen offset by the capital expenditure of existing assets.

(d) The increase in current term borrowings was mainly due to reclassification of loan facility (approximately S$107.0 million) maturing in January 2022 and drawdown of short term loan facilities.

The current term borrowings as at 31 March 2021 included two loan facilities (approximately S$129.0 million) maturing in June 2021. In 4Q 2020, the Group has secured new loan facilities to term out these maturing debts upon their maturity.

Notwithstanding the net current liabilities position, based on the Group's existing financial resources, the Group believes that it will be able to refinance its borrowings and meet its current obligations as and when they fall due.

(e) The decrease in long term borrowings was mainly due to reclassification of maturing loan facility to current term borrowings as mentioned in point (d) and depreciation of the Japanese Yen. During the quarter, the Group has issued 6-year fixed rate notes of approximately S$40.1 million and the proceeds from the issuance were used to repurchase the maturing fixed rate notes due in 2022.

1(b)(ii) Aggregate amount of borrowings

	Group 31/03/21 S$'000	Group 31/12/20 S$'000	Trust 31/03/21 S$'000	Trust 31/12/20 S$'000
Unsecured gross borrowings				
Amount repayable within one year	273,383	163,093	273,383	163,093
Amount repayable after one year	499,763	630,819	499,763	630,819
Less: Transaction costs in relation to the term loan and revolving credit facilities	(2,236)	(2,388)	(2,236)	(2,388)
	770,910	**791,524**	**770,910**	**791,524**

Parkway Life REIT has a Baa2 issuer rating, as well as a provisional (P)Baa2 senior unsecured rating to the S$500 million Multicurrency Debt Issuance Programme (the "Debt Issuance Programme") by Moody's, with Stable Outlook.

Parkway Life REIT's gearing[2] was 37.8% as at 31 March 2021 within the 50%[3] limit allowed under the Monetary Authority of Singapore's Property Funds Appendix. The interest coverage ratio stood at 20.9 times[4] at of 31 March 2021.

(a) **Details of borrowings and collateral**

Unsecured Borrowings

As at 31 March 2021, the total credit facilities drawn of JPY31,698 million (approximately S$385.4 million[5]) and S$206.9 million (the "**Long Term Facilities**") were committed, unsecured and rank *pari passu* with all the other present and future unsecured debt obligations of Parkway Life REIT.

In 1Q 2021, one of the Long Term Facilities amounting to approximately S$107.0 million[5] (i.e. JPY8,800 million) was reclassified to current term borrowings due to its maturity in January 2022.

Interest on the Long Term Facilities is subjected 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.

In addition, Parkway Life REIT has two unsecured and uncommitted short term multi-currency facilities ("**Uncommitted Short Term Facilities**") amounting to S$120 million for general working capital purposes. As at 31 March 2021, the Group has utilised a total of S$7.3 million and JPY2,470

[2] Total debts (including lease liabilities) as a percentage of total assets.
[3] On 16 April 2020, the MAS has raised the leverage limit for S-REITs from 45% to 50%.
[4] Interest coverage ratio as prescribed under the Monetary Authority of Singapore's Property Funds Appendix (last revised on 16 April 2020).
[5] Based on exchange rate of S$1.216 per JPY100 as at 31 March 2021.

million (approximately S$30.0 million[6]) drawndown via the Uncommitted Short Term Facilities over one to four months, at the bank's cost of fund.

Unsecured Debt Issuance

Parkway Life REIT, through its wholly-owned subsidiary, Parkway Life MTN Pte Ltd (the "MTN Issuer"), has put in place a S$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 Debt Issuance Programme, the MTN Issuer 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.

The notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of the respective issuer ranking *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the respective issuer. All sums payable in respect of the notes issued by the MTN Issuer are unconditionally and irrevocably guaranteed by Parkway Life REIT Trustee. The liability of the trustee shall be limited to the assets of Parkway Life REIT over which the trustee has recourse.

On 29 March 2021, the MTN Issuer issued JPY3,300 million (approximately S$40.1 million[6]) 6-year senior unsecured notes bearing a fixed interest rate of 0.51% per annum payable semi-annually in arrear, which will mature on 29 March 2027 (the "Series 005 Notes"). The MTN Issuer has on-lent the proceeds of Series 005 Notes to Parkway Life REIT Trustee, who in turn applied the proceeds towards repurchasing the JPY3,300 million (approximately S$40.1 million[6]) 0.58% senior unsecured notes due 2022 issued by the Issuer on 29 March 2016 (the "Series 002 Notes") at a repurchase price of 100 per cent. of their principal amount (without penalty). The Series 002 Notes have been cancelled following their repurchase.

As at 31 March 2021, there were three series of outstanding fixed rate notes issued under the Debt Issuance Programme amounted to JPY11,800 million (approximately S$143.5 million[6]).

(b) **<u>Interest Rate Swaps, Interest Rate Caps and Forward Exchange Contracts</u>**

For the financing facilities put in place for the acquisitions of investment properties in Japan, the Group has entered into various interest rate swaps, interest rate caps and cross currency interest rate swap to hedge the floating rate loans.

The appropriate hedge accounting treatment is applied to the interest rate swaps and cross currency interest rate swap whereby the effective portion of changes in the fair value are recognised directly in Unitholders' funds. To the extent that the hedge is ineffective, such differences are recognised in the Statement of Total Return. Hedge accounting treatment is also applied to the interest rate caps whereby the intrinsic value and time value of the interest rate caps is recognised in the hedging reserve and the cost of hedging reserve respectively.

The Group has also entered into forward exchange contracts to hedge the net foreign income from Japan. As at 31 March 2021, the Group has put in place Japanese Yen forward exchange contracts till 2Q 2025. This enhances the stability of distribution to Unitholders.

The changes in fair value of the forward exchange contracts were recognised in the Statement of Total Return.

[6] Based on exchange rate of S$1.216 per JPY100 as at 31 March 2021.

1(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Notes	1Q 2021 S$'000	1Q 2020 S$'000
Operating activities			
Total return before tax and distribution		**31,467**	**17,525**
Adjustments for			
Interest income		-	(3)
Finance costs		1,073	1,480
Net change in fair value of financial derivatives		(3,208)	4,431
Net change in fair value of investment properties		5	5
Gain on disposal of investment property		(5,115)	-
Operating income before working capital changes		**24,222**	**23,438**
Changes in working capital			
Trade and other receivables		261	351
Trade and other payables		(3,334)	(4,269)
Security deposits		(973)	196
Cash generated from operations		20,176	19,716
Income tax paid		(1,266)	(1,039)
Cash flows generated from operating activities	**(a)**	**18,910**	**18,677**
Investing activities			
Interest received		-	3
Capital expenditure on investment properties		(1,719)	(1,151)
Net proceeds from sale of investment property		37,062	-
Divestment-related costs paid		(1,093)	-
Cash flows generated from/(used in) investing activities	**(b)**	**34,250**	**(1,148)**
Financing activities			
Interest paid		(935)	(1,909)
Distribution to Unitholders		(21,599)	(20,207)
Proceeds from borrowings		16,816	16,627
Repayment of borrowings		(7,750)	(6,544)
Borrowing costs paid		-	(361)
Repayment of lease liabilities		(8)	(8)
Cash flows used in financing activities	**(c)**	**(13,476)**	**(12,402)**
Net increase in cash and cash equivalents		**39,684**	**5,127**
Cash and cash equivalents at beginning of the period		**22,658**	**21,870**
Effects of exchange differences on cash balances		(4,048)	1,276
Cash and cash equivalents at end of the period		**58,294**	**28,273**

Note(s):

(a) The higher cash flows from operating activities in 1Q 2021 includes rental income from the nursing home acquired in December 2020 and higher rent from the Singapore properties, partially offset by the refund of security deposit in relation to the divested property in January 2021.

(b) The cash flows in investing activities in 1Q 2021 was mainly due to proceeds from the divestment of the P-Life Matsudo property in January 2021 offset by payment of capital expenditure on existing properties.

(c) The cash flows in financing activities in 1Q 2021 was mainly due to the payment of 4Q 2020 distribution to Unitholders offset by net proceeds from borrowings.

1(d)(i) Statement of changes in Unitholders' funds

	Notes	Group 1Q 2021 S$'000	Group 1Q 2020 S$'000
Unitholders' funds at beginning of period		1,183,615	1,181,848
Operations			
Total return after tax		28,669	15,631
Translation transactions			
Net movement in foreign currency translation reserve	(a)	5,068	(8,209)
Hedging reserve			
Net movement in hedging reserve	(b)	2,567	(802)
Cost of hedging reserve			
Net movement in cost of hedging reserve	(c)	608	206
Unitholders' transactions			
Distribution to Unitholders		(21,599)	(20,207)
Unitholders' funds at end of period		1,198,928	1,168,467

	Notes	Trust 1Q 2021 S$'000	Trust 1Q 2020 S$'000
Unitholders' funds at beginning of period		1,049,161	1,086,422
Operations			
Total return after tax		54,768	(31,981)
Hedging reserve			
Net movement in hedging reserve	(b)	2,567	(802)
Cost of hedging reserve			
Net movement in cost of hedging reserve	(c)	608	206
Unitholders' transactions			
Distribution to Unitholders		(21,599)	(20,207)
Unitholders' funds at end of period		1,085,505	1,033,638

Note(s):

(a) Foreign currency translation reserve encompasses the exchange differences arising from the translation of the financial statements of the foreign operations, as well as the effective portion of any currency differences arising from hedges of net investments in foreign operations.

(b) 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, as well as the intrinsic value of the interest rate caps.

(c) Cost of hedging reserve comprises the amortisation of costs and time value of interest rate caps.

1(d)(ii) Details of any changes in the units

	1Q 2021 '000	1Q 2020 '000
Units in issue at beginning and at end of period	**605,002**	**605,002**

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not Applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the year ended 31 December 2020.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not Applicable.

6 Earnings per unit ("EPU") and distribution per unit ("DPU") for the period

	Notes	1Q 2021 '000	1Q 2020 '000
Number of units in issue at end of period		**605,002**	**605,002**
Weighted average number of units for the period		**605,002**	**605,002**
Earnings per unit in cents (basic and diluted) (EPU)	(a)	**4.74**	**2.58**
Applicable number of units for calculation of DPU		**605,002**	**605,002**
Distribution per unit in cents (DPU)	(b)	**3.57**	**3.32**

Note(s):

(a) In calculating EPU, the total return for the period after tax, and the weighted average number of units issued as at the end of each period is used. The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

(b) In computing DPU, the number of units in issue as at the end of each period is used.

7 Net asset value per unit and net tangible asset per unit based on units issued at the end of the period

	Notes	Group 31/03/21 S$	Group 31/12/20 S$	Trust 31/03/21 S$	Trust 31/12/20 S$
Net asset value ("NAV") per unit	(a)	**1.98**	**1.96**	**1.79**	**1.73**
Adjusted NAV per unit (excluding the distributable income)		**1.95**	**1.92**	**1.76**	**1.70**
Net tangible asset per unit	(a)	**1.98**	**1.96**	**1.79**	**1.73**

Note(s):

(a) Net asset value per unit and net tangible asset per unit is calculated based on the number of units in issue as at the respective period end.

8 Review of the performance

	1Q 2021 S$'000	1Q 2020 S$'000	Inc/ (Dec) %
Gross revenue	**29,999**	**29,869**	**0.4**
Property expenses	(1,970)	(2,123)	(7.2)
Net property income	**28,029**	**27,746**	**1.0**
Management fees	(3,137)	(3,112)	0.8
Trust expenses	(812)	(1,278)	(36.5)
Net foreign exchange gain	142	82	73.2
Interest income	-	3	n.m.
Finance costs	(1,073)	(1,480)	(27.5)
Non-property expenses	**(4,880)**	**(5,785)**	**(15.6)**
Total return before changes in fair value of financial derivatives, investment properties and gain on disposal of investment property	**23,149**	**21,961**	**5.4**
Net change in fair value of financial derivatives	3,208	(4,431)	n.m.
Net change in fair value of investment properties	(5)	(5)	-
Gain on disposal of investment property	5,115	-	n.m.
Total return for the period before tax and distribution	**31,467**	**17,525**	**79.6**
Income tax expense	(2,798)	(1,894)	47.7
Total return for the period after tax before distribution	**28,669**	**15,631**	**83.4**
Net effect of non-tax deductible/(non-taxable) items	(6,336)	5,989	n.m.
Rollover adjustment	-	81	n.m.
Amount available for distribution to Unitholders	**22,333**	**21,701**	**2.9**
Amount retained for capital expenditure	(750)	(750)	-
Amount available for distribution (net of capex retention)	**21,583**	**20,951**	**3.0**
Amount retained for COVID-19 related relief measures	-	(850)	n.m.
Distributable income to Unitholders	**21,583**	**20,101**	**7.4**
Distribution per Unit (cents)	**3.57**	**3.32**	**7.4**
Annualised Distribution per Unit (cents)	**14.28**	**13.28**	**7.4**

1Q 2021 Vs 1Q 2020

Notwithstanding the divestment of P-Life Matsudo on 29 January 2021 and depreciation of the Japanese Yen, gross revenue for 1Q 2021 was slightly higher than 1Q 2020 mainly due to contribution from a nursing home acquired on 18 December 2020 and higher rent from the Singapore properties.

After deducting property expenses, we have achieved a net property income of S$28.0 million for 1Q 2021, which was S$0.3 million higher than 1Q 2020.

The increase in management fees was mainly due to higher deposited property value, higher net property income contributed by the property acquired in December 2020 and valuation gains on the existing property portfolio, partially offset by depreciation of Japanese Yen. This led to a corresponding increase in deposited property.

Trust expenses for 1Q 2021 were lower than 1Q 2020 due to lower professional fees incurred during the period. In 1Q 2021, the Group has recognised a realised foreign exchange gain of S$0.1 million from the delivery of quarterly Japanese Yen forward exchange contracts to hedge the net income from Japan.

Finance costs have decreased due to a reduction in net financing cost arising from the extension of interest rate hedges in 1Q 2020, loan refinancing initiative completed in 3Q 2020 and lower interest costs for the Singapore dollars debts, in addition to the depreciation of the Japanese Yen.

Overall, distribution per unit (DPU) of 3.57 cents for 1Q 2021 has outperformed by 7.4% or 0.25 cents as compared to 1Q 2020, mainly led by contribution from the property acquired in December 2020, rental growth of existing properties, financing cost savings and the absence of one-off COVID-19 related relief measures retained in 1Q 2020.

9 Review of the performance against Forecast/Prospect Statement

Not Applicable.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As the coronavirus vaccines rollouts get underway, there are raised hopes of stronger global economic recovery this year. Nonetheless, the outlook remains uncertain and challenging with renewed waves and new variants of the virus as countries worldwide continue to put in place varying degrees of travel and movement restrictions.

At Parkway Life REIT, in line with its asset recycling strategy to strengthen the growth potential of its Japan Portfolio, the Group divested the non-core asset (an industrial property used as a pharmaceutical manufacturing and distributing facility in Chiba Prefecture), in January 2021. The sale proceeds from the divestment will provide greater financial strength and flexibility to acquire other quality assets to strengthen Parkway Life REIT's position in the existing key market of Japan.

In the face of on-going uncertainties in the macro economy and volatility in the financial markets, Parkway Life REIT continues to engage in disciplined financial management to mitigate any potential refinancing risk as well as the exposure to interest rate risk and foreign currency risk. In March 2021, the Group had successfully refinanced its maturing fixed rate notes due in 2022 via the issuance of 6-year JPY3.3 billion (S$40.1 million[7]) senior unsecured fixed rate notes at an attractive rate of 0.51%, a validation of the confidence in Parkway Life REIT's overall investment and growth strategy in Japan. Interest rate risk is managed on an ongoing basis by largely hedging long-term committed borrowings using interest rate hedging financial instruments or issuance of fixed rate notes. This strengthens Parkway Life REIT's resilience against potential interest rate hikes. Foreign currency risk is managed by adopting a natural hedge strategy for the Japanese investments to maintain a stable net asset value and putting in place Japanese Yen forward exchange contracts to shield against Japanese Yen currency volatility.

On the whole, Parkway Life REIT's portfolio of 53 healthcare and healthcare-related assets continues to be operational with its healthcare tenants enforcing strict precautionary infection control measures to keep their employees and patients/ nursing care residents safe.

Parkway Life REIT continues to deliver sustainable returns while remaining in a stable financial position with a healthy gearing of 37.8% and interest cover of 20.9 times[8].

The portfolio is largely supported by favourable rental lease structures, where at least 95% of its Singapore and Japan portfolios have downside revenue protection[9] and 60% of the total portfolio is pegged to CPI-linked revision formula, ensuring steady rental growth whilst protecting revenue stability amid uncertain market conditions.

Going forward, Parkway Life REIT will continue to focus on driving resilient returns backed by solid financial management. The healthcare industry will remain critically essential in a rapidly aging population with greater demand for better quality healthcare and aged care services. Parkway Life REIT's assets place it in a good position to benefit from the resilient growth of the healthcare industry in the Asia Pacific region.

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[7] Based on the exchange rate of S$1.216 per JPY100.
[8] As at 31 March 2021.
[9] Based on existing lease agreements and subject to applicable laws.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: First quarter distribution for the period from 1 January 2021 to 31 March 2021

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	2.43
Exempt Income	0.51
Capital Distribution	0.63
Total	**3.57**

Par value of units: Not meaningful

Tax rate: **Taxable Income Distribution**

Qualifying Unitholders and individuals (other than those who hold their units through a partnership in Singapore or from the carrying on of a trade, business or profession) will generally receive pre-tax distributions. Individuals who derive any distribution through a partnership in Singapore or from the carrying on of a trade, business or profession will be taxed at the individual's tax rates.

Qualifying non-resident non-individual Unitholders or foreign funds will receive their distributions after deduction of tax at the rate of 10%.

All other Unitholders will receive their distributions after deduction of tax at the rate of 17%.

Exempt Income Distribution

Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders.

Capital Distribution

Capital distribution represents a return of capital to Unitholders for Singapore tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: First quarter distribution for the period from 1 January 2020 to 31 March 2020

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	2.37
Exempt Income	0.32
Capital Distribution	0.63
Total	**3.32**

Par value of units: Not meaningful

Tax Rate: **Taxable Income Distribution**

Qualifying Unitholders and individuals (other than those who hold their units through a partnership in Singapore or from the carrying on of a trade, business or profession) will generally receive pre-tax distributions. Individuals who derive any distribution through a partnership in Singapore or from the carrying on of a trade, business or profession will be taxed at the individual's tax rates.

Qualifying non-resident non-individual Unitholders will receive their distributions after deduction of tax at the rate of 10%.

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Exempt Income Distribution

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Capital Distribution

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(c) Book closure date: 3 May 2021

(d) Date payable: 31 May 2021

12 If no distribution has been declared/recommended, a statement to that effect.

Not Applicable.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Parkway Life REIT has not obtained a general mandate from Unitholders for interested parties transactions.

14 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

15 Confirmation pursuant to Rule 705(5) of the Listing Manual

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of Parkway Trust Management Limited (as Manager of Parkway Life REIT) which may render these unaudited interim financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors of
Parkway Trust Management Limited
(as Manager of Parkway Life REIT)

Yong Yean Chau	**Ho Kian Guan**
Chief Executive Officer and Executive Director	Chairman and Independent Director

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 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 the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board
Parkway Trust Management Limited
(as Manager of Parkway Life REIT)
Company Registration No. 200706697Z

Chan Wan Mei
Company Secretary
23 April 2021

This announcement has been prepared and released by Parkway Trust Management Limited, as manager of Parkway Life REIT.

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 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 Parkway Life REIT (the "**Manager**"), 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 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. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.