

NEWS RELEASE

FOR IMMEDIATE RELEASE

**PLIFE REIT DELIVERS RECORD HIGH
RECURRING DPU IN 4Q and FY 2019**

- DPU grew 2.0% and 2.5% to 3.34 cents and 13.19 cents for 4Q 2019 and FY 2019 respectively
- Achieved a portfolio revaluation surplus of S\$43.0 million
- Solidified position through geographical and tenant diversification within Japan

TOTAL PORTFOLIO	4Q 2019 S\$'000	4Q 2018 S\$'000	Inc / (Dec) %	FY 2019 S\$'000	FY 2018 S\$'000	Inc / (Dec) %
Gross revenue	28,039	28,569	(1.9)	115,222	112,838	2.1
Net property income	27,323	26,721	2.3	108,225	105,404	2.7
Total distributable income to Unitholders¹	20,245	19,849	2.0	79,822	77,897	2.5
Distribution per Unit (cents)² for the period						
- DPU for the period	3.34	3.28	2.0	13.19	12.87	2.5
- annualised DPU	13.36	13.12	2.0	13.19	12.87	2.5
Annualised distribution yield (%), based on the share price of S\$3.32 as at 31 December 2019	4.02	3.95	2.0	3.97	3.88	2.5

Singapore, 22 January 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 largest listed healthcare REITs, is pleased to announce Distribution per Unit (“DPU”) of 3.34 Singapore cents for the fourth quarter ended 31 December 2019 (“4Q 2019”) and 13.19 Singapore cents for the full year ended 31 December 2019 (“FY 2019”).

The DPU for 4Q 2019 and FY 2019 represents a y-o-y increase of 2.0% and 2.5% respectively. The increase was led by contribution from three Japan properties that the Group acquired in December 2019, rental growth of existing properties as well as cost savings arising from refinancing initiatives completed in 2018 and 2019.

¹ From recurring operations, net of amount retained for capital expenditure.

² In computing the Distribution per Unit (“DPU”), the number of units in issue as at the end of each period is used.

For FY 2019, gross revenue rose 2.1% or S\$2.4 million y-o-y to S\$115.2 million, mainly due to revenue contribution from Japan property acquisitions in February 2018 and December 2019, higher rent from existing properties and appreciation of the Japanese Yen (“JPY”). For 4Q 2019, a one-time reclassification of insurance reimbursement received during the year to property expenses resulted in lower gross revenue of S\$28.0 million for the quarter, compared to S\$28.6 million in 4Q 2018. Excluding the one-off reclassification, 4Q 2019 revenue would have grown by 2.4% over the same period last year.

As a result of the reclassification, property expenses were correspondingly lower as compared to the same quarter in 2018. Overall, there is no impact to the net property income. As such, the Group achieved a net property income of S\$27.3 million for 4Q 2019, an increase of 2.3% or S\$0.6 million y-o-y; and S\$108.2 million for FY 2019, up 2.7% in the same corresponding period.

Strong Capital Structure

The Group’s ongoing management of its capital structure has placed it in good stead to deliver stable and sustainable distributions to Unitholders. As at 31 December 2019, there was no long-term debt refinancing need for the Group till September of 2020³. Approximately 83% of the Group’s interest rate exposure is hedged and its interest coverage ratio stood at 14.0 times. Gearing remained optimal at 37.1%, well within the regulatory gearing limit of 45%. The Group has also JPY net income hedges in place till 1Q 2024, as a shield against JPY currency volatility, and has an all-in cost of debt of approximately 0.80%.

Strengthened Portfolio

During the quarter, the Group solidified its position through geographical and tenant diversification by acquiring three nursing rehabilitation facilities in Japan for JPY3,700 million (approximately S\$46.3 million⁴). The acquisition was made at approximately 7% below valuation and was expected to generate a net property yield of 6.8%, thereby delivering immediate yield growth to PLife REIT.

Following the acquisitions, the Group has an enlarged portfolio of 53 quality healthcare and healthcare-related properties in Singapore, Japan and Malaysia. In addition, an annual independent valuation performed for all properties brought about a portfolio valuation gain of

³ Which refers to the S\$75.2 million loan (approximately 10% of PLife REIT’s total debts) due in 3Q 2020.

⁴ At an exchange rate of S\$1.00 = JPY80.00 per announcement release on 3 December 2019.

S\$43.0 million, an increase of 2.2% in the total portfolio value. PLife REIT's total portfolio size stands at approximately S\$1.96 billion⁵ as at 31 December 2019.

Mr. Yong Yean Chau, Chief Executive Officer of the Manager, commented on the results: “Despite current uncertainties in the macro economy and volatility in the financial market, we are pleased to sustain our growth momentum in 2019 with acquisition of three properties in Japan, concluding the year on a strong footing.”

“PLife REIT will continue to evaluate opportunities to create value for our Unitholders. Our strong DPU growth of 108.7% since listing is testament to the long-term value that we have brought our investors. As one of the largest listed healthcare REITs in Asia, we are well-positioned to benefit from the fast-growing healthcare sector in the region, which is driven by aging populations and demand for quality healthcare and aged care services.”

- End -

⁵ Based on latest appraised values (excludes right-of-use assets).

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 billion⁶ as at 31 December 2019. 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.

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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.