

NEWS RELEASE
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PLIFE REIT ACHIEVES DPU GROWTH OF 3.5% TO 7.54 SINGAPORE CENTS IN 1H 2024

- *Distribution per unit (“DPU”) rises on the back of higher distributable income from Singapore hospitals and some Japanese nursing homes with step-up lease arrangements and contribution from the properties acquired in 2023.*
- *Sustained strength in balance sheet and capital structure, healthy gearing level of 35.3%, all-in cost of debt at a low 1.35%, and no debt refinancing needs till March 2025.*

Total Portfolio	1H 2024 S\$'000	1H 2023 S\$'000	Variance %
Gross revenue	72,420	74,402	(2.7)
Net property income	68,355	70,084	(2.5)
Distributable income to Unitholders (net of amount retained for capital expenditure)	45,609	44,084	3.5
Distribution Per Unit (cents)¹			
- DPU for the period	7.54	7.29	3.5
- Annualised DPU	15.08	14.58	3.5
Annualised distribution yield (%) (based on closing market price of \$3.50 as at 28 June 2024)	4.31	4.16	3.5

Singapore, 26 July 2024 – 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 with an enlarged portfolio of S\$2.23 billion², today announced its results for the first half -year ended 30 June 2024 (“1H 2024”).

The Group is pleased to announce a DPU of 7.54 Singapore cents for 1H 2024, representing an increase of 3.5% year-on-year (“Y-O-Y”) compared to 7.29 Singapore cents in 1H 2023.

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

² Based on latest appraised values (excludes right-of-use assets).

Due principally to the depreciation of JPY, gross revenue for 1H 2024 decreased marginally by 2.7% year-on-year to S\$72.4 million, partially offset by the contribution from two nursing homes the Group acquired in October 2023. 1H 2024 net property income correspondingly declined a marginal 2.5% to S\$68.4 million from S\$70.1 million a year ago. Additionally, the properties with step-up lease arrangements³ contributed to higher distributable income in 1H 2024.

In 1H 2024, the Group registered non-property expenses of S\$9.4 million in 1H 2024, a decline of 11.8% compared to S\$10.6 million in the corresponding period a year ago, due largely to realised foreign exchange gain amounting to about S\$4.7 million from the settlement of Japanese Yen forward contracts in 1H 2024 compared to realised foreign exchange gain of S\$3.3 million from the settlement of Japanese Yen forward contracts in 1H 2023. 1H 2024 net finance costs increased mainly due to the funding of capital expenditure and new acquisitions, as well as higher interest costs from Singapore dollar and Japanese Yen debts, partially offset by the depreciation of JPY.

Overall, distributable income to unitholders grew by 3.5% to S\$45.6 million in 1H 2024, as compared to S\$44.1 million in the corresponding period a year ago. The Group's distribution yield based on closing market price of S\$3.50 as at 28 June 2024 has also increased to 4.31% from 4.16% a year ago.

Prudent capital management and strong financial position

Notwithstanding the macroeconomic uncertainties and challenges ahead, PLife REIT continues to adhere to a disciplined financial management framework to mitigate any potential refinancing risk, as well as actively manage any exposure to interest rate and foreign currency risks on an ongoing basis. As at 30 June 2024, the Group has put in place Japanese Yen forward income hedges till 1Q 2029 with about 90% of interest rate exposure hedged. The Group has effectively managed its debt maturity profile with no immediate long-term debt refinancing needs till March 2025.

³ Referring to the new 20.4-year master lease agreements for the three Singapore hospitals and the 20-year lease agreements for the 3 Japan nursing home (More Habitation) properties. As part of revenue recognition, the step-up lease arrangements were accounted on a straight line basis over the lease term.

As at 30 June 2024, the Group has a weighted average term to maturity of 3.3 years and interest coverage ratio of 10.6 times. Gearing remains healthy at 35.3% well within the regulatory gearing limit of 50.0%.

Commenting on the results, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: “Over the years, we have grown PLife REIT into a defensive play with significant downside protection given the Group’s long-term lease structure which supports the Group with stable income streams supported by regular rental revisions on a diversified portfolio of high quality and yield accretive properties. We continue to maintain a robust balance sheet and capital structure to grow PLife REIT’s portfolio of assets to ensure that the Group continues to benefit from the resilient growth of the healthcare industry in and beyond Singapore. PLife REIT will continue to focus on driving resilient returns backed by solid financial management even as the healthcare industry becomes critically essential in a rapidly ageing population with greater demand for better quality healthcare and aged care services.”

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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 63 properties located in the Asia Pacific region, with a total portfolio size of approximately S\$2.23 billion². 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 59 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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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.