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

ANNUAL GENERAL MEETING ON 24 APRIL 2023

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 Parkway Life REIT's notice of annual general meeting ("**AGM**") and the accompanying AGM announcement dated 31 March 2023.

The Manager has not received any question from the unitholders of Parkway Life REIT in advance of the AGM.

Please refer to the Annex hereto for the Manager's responses to the questions which have been submitted by the Securities Investors Association (Singapore).

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
17 April 2023

Annex

Responses to Questions from the Securities Investors Association (Singapore)

Question 1

As disclosed in the message to unitholders, the renewal term of 20.4 years for the three hospitals in Singapore commenced on 23 August 2022. Under the new lease, the trust enjoys a guaranteed 2.0% rental step-up for the interim period from 23 August 2022 to 31 December 2022 and a 3.0% annual rental step-up for the next three years (1 January 2023 to 31 December 2025).

Effective FY2026, the annual rent review formula of CPI+1% will commence for the subsequent 17 years till FY2042, with projected rental uplift of approximately 24.4% for FY2026 compared to the preceding year.

The REIT has executed its growth strategies of "Targeted investment", "Proactive asset management", "Asset recycling and development", supported by "Dynamic capital and financial management", to deliver consistent DPU growth year on year to unitholders.

(i) How will Mount Elizabeth Hospital (MEH) be transformed in terms of floor space, size, facilities, green features, etc., after the completion of the $150 million renewal capex works?

Manager's Response: Upon completion of the S$150 million Renewal Capex Works at MEH ("MEH S$150m RCW") by PLife REIT, MEH is expected to be transformed into an up-to-date medical institution and the key areas include:

- Building infrastructure and systems will undergo a major update for improved building safety and future-proofing. The replacement works will be in compliance with latest building fire code and covers the air-conditioning and mechanical ventilation (ACMV), electrical, plumbing & sanitary, fire protection and medical gas systems of MEH.
- Operational efficiencies and safety aspects will be enhanced with rationalized and improved operational flows and functional layouts. There will be clear segregation of patient, services routes from publicly accessible areas with new connecting bridges and right-siting of services. 4 new lifts will be added, from the current 10 lifts, to ease human congestion and reduce waiting time.
- Hospital service mix will be improved to address patient demand and evolving healthcare trends. The hospital will undergo a major reconfiguration of the layouts to maximize the efficiency of the space with no change in its overall gross floor area. Some examples include the upgrading of endoscopy and dayward, re-organization of radiology including nuclear medicine and refreshment of intensive care unit, creation of a distinct outpatient cluster at medical centre (e.g. the phlebotomy and healthcare screening centre etc).
- Accessibility will be improved to enable intuitive and seamless accesses to services within the hospital e.g. creation of new patient drop-off point etc.
- MEH to be certified with Green Mark Platinum, meeting with the requirements under the latest BCA 2021 Green Mark standards. The hospital will be equipped with building management system for improved building performance.

- The "Mount Elizabeth" patient experience will be redefined with the new premium Mount Elizabeth brand. Refurbishment works will be carried out to most parts of the hospital such as new and refreshed drop-off points, main entrance lobby, lift lobbies and lifts, common corridors and toilets, nurse stations, cashier and waiting areas etc.

MEH will be progressively closed and the trust will also use the opportunity to carry out most of its regular capital expenditure works for MEH during the construction period.

(ii) What is the manager's role in relation to the renewal capex works? Is the master lessee or the REIT manager responsible for project management?

Manager's Response: The REIT Manager is responsible for undertaking and completing the Renewal Capex Works at MEH and an external project manager has been appointed.

(iii) Who is the party accountable for any budget overruns and project delays?

Manager's Response: The Renewal Capex Costs at MEH is capped at S$150 million ("MEH S$150m RCW") and shall be for the total value of the works which includes construction costs, consultancy fees, submission to any local authorities and applicable taxes, agreed variations and any such other related costs and expenses.

In the event of any potential costs over-run in respect of the MEH S$150m RCW (including conditions or additional costs imposed by the relevant laws and/or required by the relevant authorities), PLife REIT and the Master Lessee shall negotiate in good faith with the view of agreeing on appropriate measures to contain the costs within the capped amount of S$150 million. For information, a contingency sum has currently been set aside to cover potential costs over-run and agreed variations to the MEH S$150m RCW.

Currently, the MEH S$150m RCW is progressing on-track and both PLife REIT and the Master Lessee are committed to meet with the overall scheduled completion of the works, which is targeted to be by end of 2025.

However, in situations such as extension of time granted under the building contract to the building contractor to complete the MEH S$150m RCW due to necessary compliances with government regulations/ requirements, period of delay due to actions attributable to the Master Lessee etc., the project timeline shall be automatically extended by such period of extension/delay without any liability on PLife REIT (for breach or failure to perform any obligation(s) under the Renewal Capex Agreement).

(iv) Are there any upgrades to Gleneagles Hospital and Parkway East Hospital?

Manager's Response: As with the rest of PLife REIT's portfolio, we constantly engaged with our lessees to assess potential opportunities for strategic collaborative asset enhancement initiatives ("AEI") at Gleneagles Hospital and Parkway East Hospital as well. Relevant information in relation to the upgrading plans or AEIs for the properties will be disclosed, as appropriate.

(v) The REIT announced another 3-year $350 million project on 3 January 2023 that will involve retrofitting and rejuvenating MEH. Can the manager explain how "Project Renaissance" fits in with the renewal capex works? What is the trust's contribution in terms of capital? Would this constitute an Interested Person transaction similar to the master lease agreement?

Manager's Response: As announced, the S$350 million "Project Renaissance" is a transformational major refurbishment of MEH project, jointly conducted and funded by IHH Healthcare Singapore and PLife REIT. The S$150 million Renewal Capex Works at MEH ("MEH S$150m RCW") undertaken by PLife REIT forms an integral part of Project Renaissance, in which its scale of work is extensive in nature and will impact almost the entire hospital. In order to minimise operational disruptions and allow major clinical services to continue, the MEH S$150m RCW will be taking place in phases over a 3-year period. At the operational level, certain services may have to be temporarily relocated within the hospital and decanted to MEH's sister hospitals under IHH Healthcare Singapore.

To minimise further disruptions to the hospital operations and inconveniences as a whole (e.g. to patients, doctors, staffs and visitors etc), it is opportune for PLife REIT to leverage on the phase closure period to synchronise the carrying out its regular capital expenditure works to the extent possible ("MEH Synchronised Regular Capex Works") within the 3-year period of the MEH S$150m RCW.

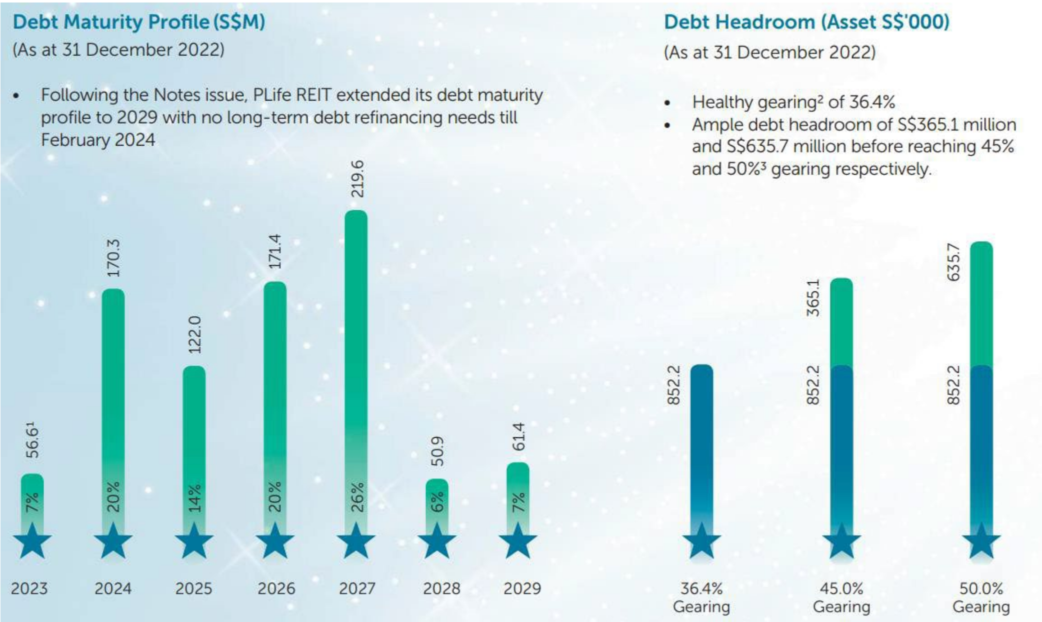
To enhance the positioning and competitiveness of MEH, IHH Healthcare Singapore has committed to inject additional capital to upgrade certain services at MEH (e.g. Parkway Cancer Centre, laboratories, improvement to ward configurations etc) within the 3-year period as well. As part of the Project Renaissance, IHH Healthcare Singapore has also launched the Mount Elizabeth Hospital Campus Masterplan, under which certain healthcare services requiring less clinical support from the hospital will be moved to adjacent buildings in the vicinity (e.g. Mount Elizabeth Fertility Centre, Haematology and Stem Cell Transplant Centre, back-of house support staff etc).

In terms of PLife REIT's capital contribution under Project Renaissance, it is limited to the S$150 million Renewal Capex Costs (as approved by the unitholders at the extraordinary general meeting held on 30 September 2021) and the costs in relation to the execution of the MEH Synchronised Regular Capex Works of approximately S$44.3 million. For avoidance of doubt, the MEH Synchronised Regular Capex Works is in line with PLife REIT's Capex obligation under the master lease agreement of MEH. The works are contracted with third party vendors and therefore would not constitute as interested person transactions ("IPT").

For the rest of the works under Project Renaissance by IHH Healthcare Singapore, in the event such works constitute as IPT for PLife REIT, all IPTs will be reviewed by the Audit and Risk Committee ("ARC") to ensure compliance with the REIT Manager's internal control system, and with the relevant provisions of the listing manual of the Singapore Exchange Securities Trading Limited as well as the Property Funds Appendix issued by the Monetary Authority of Singapore. Prior approval of the ARC is required for IPTs (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3% but below 5% of the value of PLife REIT's net tangible assets and announcement will be accordingly made. For IPT (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5% of the value of PLife REIT's net tangible assets, such transaction is subject to review and prior approval of the ARC with the approval of unitholders at a general meeting of PLife REIT.

Question 2

The trust has a weighted average debt maturity of 3.4 years as at 31 December 2022. The effective all-in cost of debt stood at 1.04%.



(Source: annual report)

In December 2022, the trust further diversified its funding sources with issuance of a 6-year JPY5.0 billion and a maiden 7-year JPY6.04 billion senior unsecured Fixed Rate Notes at a competitive pricing of 0.85% and 0.97% per annum respectively.

The proceeds of the 6-year JPY5.0 billion fixed rate notes due in 2028 would be partially used to pay off the JPY medium term notes and the $36.3 million Singapore dollar loan. It is noted that the maturing notes cost 0.57% while the new issues are at 0.85% and 0.97%.

As of 31 December 2022, the manager has put in place JPY forward contracts till 1Q 2027 and also hedged about 80% of its interest rate exposure.

(i) What is the manager's view on the JPY interest rate trends and JPY:SGD exchange rates?

Manager's Response: The Fed had executed several rounds of interest rate hikes in 2022 and continued with a further hike in March 2023, but they have signalled a more cautious approach going forward. On the other hand, BOJ has maintained its easy monetary policy stance during the same period. As a result, during 2022, the JPY exchange rate has been extremely volatile due to this disparity, compounded by the uncertainty in global economy and the ongoing war. While the Manager is unable to forecast the interest rate or the foreign exchange ("Forex") rate trend forward, we adopt a prudent financial risk management to manage the exposure to interest rate risk and Forex risk. Our policy is to hedge at least 50% (up to 100%) of all financial risks.

(ii) What is the overall net impact on the net asset value of the trust due to the depreciation of the Japanese Yen in 2022?

Manager's Response: PLife REIT strives to hedge Forex risk on the capital we deployed overseas which will allow PLife REIT to maintain a stable net asset value, as the Forex fluctuation on foreign asset will offset the Forex fluctuation of the hedging instrument. Denominating the borrowings in JPY serves as a natural hedge for PLife REIT's Japanese assets as it mitigates any foreign exchange risk. As such, PLife REIT adopts a natural hedge strategy for its Japanese investments by funding them via JPY debts thereby maintaining a stable net asset value ("NAV"). The NAV stood at $2.33 as of 31 December 2022 (2021: $2.37).

PLife REIT also aims to hedge the Forex risk on net overseas income which will provide PLife REIT with stability in distributable income, as PLife REIT will be shielded from exchange rate fluctuation on foreign income. As at 31 December 2022, the Group has put in place Japanese Yen forward exchange contracts till 1Q 2027.

(iii) What are the durations of the interest rate swaps? What are the costs associated with entering into the interest rate swaps, interest rate caps and currency interest rate swaps?

Manager's Response: Interest rate risk is managed on an ongoing basis with the primary objective of limiting the extent to which net interest expenses could be affected by adverse movements in interest rates, by hedging the long term committed borrowings through the use of interest rate hedging financial instruments. Typically, the duration of these financial hedging instrument matches the tenor of the underlying loan, which ranges from 3 to 6 years. Currently, we have hedged 100% of JPY denominated debts via interest rate swaps, interest rate caps and currency interest rate swap. The associated costs of these hedging instruments (i.e. swap costs and cap premiums) are relatively low and are reflected in PLife REIT's all-in effective cost of debt which stood at 1.04% as at 31 December 2022.

Further, it is imperative for PLife REIT to secure fixed rate long-term funding for refinancing needs before the JPY interest rates move up further. This is also part of our prudent capital management strategy to pre-emptively term out maturing debts to mitigate any potential refinancing risk. Despite the challenging financial market environment, PLife REIT was able to issue a maiden 7-year note at an attractive fixed rate of 0.97% per annum. In terms of the proceeds of the 6-year JPY5.0 billion fixed rate notes due in 2028 ("2028 Notes"), it would be entirely used to refinance existing fixed rate notes due in 2023 ("2023 Notes"). On 6 December 2022, part of the proceeds (JPY3.0 billion) from the 2028 Notes had been used to partially pay off the 2023 Notes. The balance proceeds of the 2028 Notes will be fully used to pay off the remaining JPY2.0 billion of 2023 Notes on 6 June 2023.

As at 31 December 2022, about 80% of interest rate exposure is hedged. Going forward, PLife REIT will continue to maintain a healthy balance sheet and position ourselves for a growth trajectory that would generate long-term value for our Unitholders.

(iv) Separately, how do interest rates influence the trust's M&A decisions, particularly the potential acquisition of Mount Elizabeth Novena Hospital, for which the REIT has the right of first refusal?

Manager's Response: The REIT's focus is to make quality yield-accretive acquisition regardless whether it is a 3rd party property or the potential acquisition of Mount Elizabeth Novena Hospital. The interest rates movement and cost of funding are factors taken into consideration as part of the evaluation as and when the REIT considers investment opportunities.

Question 3

In February 2023, the REIT announced the cessations of Mr. Takeshi Saito and Dr. Kelvin Loh Chi-Keon.

Mr. Takeshi Saito was a director on the board of IHH Healthcare Berhad ("IHH") before stepping down from the IHH board, while Dr. Kelvin Loh Chi-Keon resigned as managing director of IHH.

(i) Is the manager considering appointing new directors to the board following the cessations of the two non-executive directors?

Manager's Response: The appointment of the directors is based on the candidate's academic and professional qualifications, expertise, commercial experience and knowledge, taking into account the scope and nature of operations of the Manager and PLife REIT. New director will be appointed when suitable candidate(s) is identified.

(ii) Is the current board size and composition appropriate for facilitating effective decision-making and constructive debate, particularly as the trust undertakes major renewal, retrofitting, and rejuvenation projects?

Manager's Response: Our track record validates the quality and composition of our Board of Directors ("Board") in terms of effective decision-making and constructive debate. The Board, with the support of the Nominating and Remuneration Committee, reviews the composition of the Board regularly to ensure that the Board has the appropriate mix of expertise and experience and is of the appropriate size. Current Board members are with varied backgrounds, expertise and experience, including in finance, banking, investment, real estate, healthcare business and operations, business and general management. More details of the directors' profile can be referred in page 16 to 21 of the latest annual report of PLife REIT.

(iii) What is the search and nomination process for directors? Has the board/nominating and remuneration committee considered using a professional search firm to broaden the search rather than relying on personal contacts and recommendations?

Manager's Response: The appointment of director is a matter reserved for Board approval. The search for candidates is conducted through contacts and recommendations. The Nominating and Remuneration Committee ("NRC") of the Manager will evaluate and assess the candidate based on the directors' criteria approved by the Board, candidate's academic and professional qualifications, expertise, commercial experience and knowledge, taking into account the scope and nature of operations of the Manager and PLife REIT. Suitable candidates are recommended by the NRC to the Board for approval. The Board will deliberate and review the proposed appointment of a new director taking into account the recommendation by the NRC. Such appointment is subject to the approval of MAS. If and when there is a need to, the Manager is open to all means to get the appropriate talent on Board. All engagements are based on merit and are arm's length in nature.

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.