NEWS RELEASE

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PARKWAY LIFE REIT CONTINUES TO DELIVER DPU GROWTH FOR 2Q AND 1H 2013

- **Distributable income up 6.1% to S$15.9 million for 2Q and S$31.9 million for 1H 2013**
- **DPU of 2.63 cents for 2Q and 5.27 cents for 1H 2013**
- **Affirmed 'BBB' investment grade rating by Fitch Ratings**
- **Singapore Hospital Properties to enjoy 4.44% increase in minimum guaranteed rent for seventh year of lease term commencing 23 August 2013**
- **Extended JPY net income hedge till 1Q 2017, thereby achieving stable distribution growth**
- **Further expands Japan presence with two yield accretive nursing home acquisitions**

Singapore, 1 August 2013 – Parkway Trust Management Limited (the "Manager"), as manager of Parkway Life Real Estate Investment Trust ("PLife REIT") has today announced its results for the second quarter ("2Q 2013") and first six months ("1H 2013") ended 30 June 2013.

PLife REIT is pleased to report a distributable income for 2Q 2013 of S$15.9 million which is 6.1% higher than the S$15.0 million for the same period last year ("2Q 2012"). This represents a distributable income per unit ("DPU") of 2.63 cents for 2Q 2013, an increase of 6.1% over 2Q 2012. With that, DPU for 1H 2013 grew 4.5% year-on-year from 5.04 cents to 5.27 cents. Excluding the one-off IRAS tax adjustment of S$0.6 million in 1Q 2012, the year-on-year DPU growth for 1H 2013 DPU is 6.5%.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, "We are pleased to report a fruitful first half of 2013 as we continued delivering growing returns to Unitholders. Our natural hedging strategy for income and borrowings enabled us to mitigate the impact from the recent volatility in the Japanese Yen, thereby enhancing the stability of net asset value and distributions. With the majority of our portfolio having downside revenue protection, and built-in rental escalation for our Singapore properties boosting revenue, PLife REIT remains in a strong position to capture the opportunities offered by Asia Pacific's burgeoning healthcare industry for continued growth."

Summary of PLife REIT's Results

TOTAL PORTFOLIO	1 Apr 13 to 30 Jun 13 (2Q 2013) S$'000	1 Apr 12 to 30 Jun 12 (2Q 2012) S$'000	Variance %	1 Jan 13 to 30 Jun 13 (1H 2013) S$'000	1 Jan 12 to 30 Jun 12 (1H 2012) S$'000	Variance %
Gross revenue	**22,583**	**23,401**	**(3.5)**	**45,612**	**46,177**	**(1.2)**
Net property income	**21,111**	**21,739**	**(2.9)**	**42,615**	**42,854**	**(0.6)**
Income available for distribution (after deducting income retained for capital expenditure)	**15,925**	**15,013**	**6.1**	**31,890**	**30,523**	**4.5**
Available Distribution Per Unit (cents) [1] **- DPU for the period** **- Annualised DPU**	 **2.63** **10.52**	 **2.48** **9.92**	 **6.1** **6.1**	 **5.27** **10.54**	 **5.04** **10.08**	 **4.5** **4.5**
Annualised Distribution Yield (%), based on closing market price of S$2.36 as at 28 June 2013	**4.46**	**4.20**	**6.1**	**4.47**	**4.27**	**4.5**

PLife REIT registered gross revenue of S$22.6 million for 2Q 2013, S$0.8 million lower than that in 2Q 2012. This was primarily due to the depreciation of the Japanese Yen ("JPY") while partially offset by the full quarter's revenue contribution from the Malaysia properties acquired in August 2012 and higher rent from the Singapore properties.

Correspondingly, the net property income was S$21.1 million and S$42.6 million for 2Q 2013 and 1H 2013, representing year-on-year declines of 2.9% and 0.6% respectively. To mitigate any adverse impact from the depreciation of the JPY, PLife REIT has put in place the Japan net income hedge till 1Q 2017. As a result of the delivery of quarterly Japan net income hedge, a realised foreign exchange gain of S$0.5 million and S$0.8 million was recognised in 2Q 2013 and 1H 2013 respectively.

Overall, on the back of yield accretive Japan and Malaysian acquisitions, higher rent from existing properties, savings from lower financing costs and resulting net income hedge, distributable income for 2Q 2013 and 1H 2013 increased 6.1% and 4.5% respectively to S$15.9 million and S$31.9 million.

Minimum Guaranteed Rent for Singapore Hospitals to increase by 4.44%

PLife REIT's Singapore Hospital Properties[2] are poised to continue enjoying growth in minimum rent for the seventh year of its lease term from 23 August 2013 to 22 August 2014. Under the CPI + 1% rental revision formula, which pegs annual rental increments to Singapore's prevailing inflation rate, the Singapore properties are set to register a 4.44% increase in minimum guaranteed rent above the total rent payable for the previous year.

[1]The number of units used to calculate the DPU comprises the number of units in issue as at end of respective periods.
[2] The Singapore Hospital Properties comprise Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital.

Proactive capital and financial management strategies strengthening balance sheet
As part of ongoing efforts to strengthen its balance sheet, PLife REIT has pre-emptively termed out two-thirds of its FY2014 refinancing requirements amounting to S$95.1 million and its corresponding interest rate hedge to FY2018.

As at 30 June 2013, PLife REIT's effective all-in cost of debt was 1.52%. With a healthy gearing of 31.2%, well within the 60% allowable limit under the Money Authority of Singapore's Property Funds Appendix, PLife REIT has ample debt headroom which will allow it to capitalise on growth opportunities as they arise.

Affirmed Fitch 'BBB' Investment Grade Rating with 'Stable' outlook
As a testament to PLife REIT's fundamentals and resilience in a competitive environment, Fitch Ratings has on 16 July 2013 affirmed PLife REIT's Long-Term Issuer Default ("IDR") and senior unsecured ratings at 'BBB', with a 'Stable' outlook on the IDR. Supported by the healthcare sector's favourable outlook and downside protection offered by PLife REIT's rental structures, the rating reinforces PLife REIT's value proposition as a quality regional healthcare property player and investment choice.

Expanding Japan footprint
PLife REIT on 3 July 2013 announced its further expansion in Japan with the acquisition of two new nursing home properties, Palmary Inn Shin-Kobe and Heart Life Toyonaka ("Properties"), located in the Hyogo and Osaka Prefectures. At a combined purchase price of approximately S$23.1 million[3] (JPY1.755 billion), the acquisitions provide an attractive expected net property yield of 7.1%[4]. Favourably situated within residential and commercial districts, the Properties which enjoy a stable and healthy average occupancy rate of approximately 85% as at June 2013 are expected to contribute positively to PLife REIT's portfolio growth.

Opportunities and strategies
PLife REIT maintains a fair outlook about its near to medium term acquisition prospects, given ongoing uncertainties in the global economy, particularly with respect to currency volatility. Nonetheless, long term prospects of the regional healthcare sector remain robust due to rising demand for better quality private healthcare, driven by increasing affluence, chronic illnesses and fast-ageing populations.

In view of the Japanese government's push to develop the elderly care industry to support its fast ageing population, PLife REIT is well poised to capture this demand, leveraging its first mover advantage in Japan, sizeable portfolio, established track record and partnerships with strong local operators. The group will continue to strengthen its Japan presence by seeking out attractive acquisition opportunities, as well as explore the option of asset recycling to acquire higher yielding properties.

At the same time, PLife REIT will continue to deploy proactive asset management strategies to improve the performance and competitiveness of its assets, thereby extracting greater value from its overall portfolio. It will also focus on generating operational synergies to enhance efficiencies and derive cost savings.

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[3] Based on an exchange rate of S$1.00 to JPY76.00.
[4] The expected net property yield is computed by dividing the net property income of the Properties by the purchase price of the Properties.

Mr Yong commented, “Demand for healthcare is relatively inelastic regardless of the economic situation, as it is more correlated with the demographics of society. Moving into the second half of 2013, we intend to capitalise on the growing demand for high quality healthcare services and infrastructure in the Asia Pacific region. We are actively exploring opportunities to further boost our portfolio and financial performance, and to continue delivering stable returns to Unitholders.”

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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 39 properties with a total portfolio size of approximately S$1.4 billion as at 1 August 2013. It owns the largest portfolio of strategically-located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital, covering an aggregate of 730 beds[5]. In addition, it has 35 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 34 high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots at Gleneagles Intan Medical Centre Kuala Lumpur in Malaysia.

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[5] As at 31 December 2012.