

NEWS RELEASE
FOR IMMEDIATE RELEASE
PARKWAY LIFE REIT'S 4Q 2015 DPU ROSE 16.1% TO 3.37 CENTS

- Another record high quarterly DPU of 3.37 cents for 4Q 2015
- Strong DPU growth of 86.6% since IPO
- Increased interest rate hedge from 78% to approximately 95%
- Healthy gearing of 35.3%

TOTAL PORTFOLIO	4Q 2015 S\$'000	4Q 2014 S\$'000	Inc %	FY2015 S\$'000	FY2014 S\$'000	Inc %
Gross revenue	26,308	25,107	4.8	102,694	100,382	2.3
Net property income	24,583	23,465	4.8	95,997	93,775	2.4
Income available for distribution	20,351	17,530	16.1	80,385	69,698	15.3
- from recurring operations ¹	18,074	17,530	3.0	71,275	69,698	2.2
- from distribution of divestment gains	2,277	-	n.m. ²	9,110	-	n.m.
Available Distribution Per Unit (cents)³						
- DPU for the period	3.37	2.90	16.1	13.29	11.52	15.3
- Annualised DPU	13.48	11.60	16.1	13.29	11.52	15.3
Annualised Distribution Yield (%), based on closing market price of S\$2.33 as at 31 December 2015	5.79	4.98	16.1	5.70	4.94	15.3

Singapore, 26 January 2016 – 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, announced today that the Distribution per Unit (“DPU”) in the fourth quarter ended 31 December 2015 (“4Q 2015”) rose 16.1% to 3.37 Singapore cents, from 2.90 Singapore cents in the corresponding period a year ago (“4Q 2014”). For the financial year ended 31 December 2015, DPU growth was 15.3% year-on-year (“y-o-y”) at 13.29 cents.

Overall, annualised DPU for 4Q 2015 and FY2015 outperformed the corresponding period a year ago by 16.1% and 15.3% respectively. Excluding the distribution of one-time

¹ Net of amount retained for capital expenditure of S\$0.75 million per quarter.

² n.m. denotes not meaningful.

³ The number of units used to calculate the DPU comprises the number of units in issue as at end of respective periods.

divestment gains, DPU from recurring operations has grown by 3.0% for 4Q 2015 and 2.2% for FY2015.

Summary of PLife REIT's Financial Performance

PLife REIT delivered strong earnings with a 4.8% increase in gross revenue for 4Q 2015 to S\$26.3 million, from S\$25.1 million in 4Q 2014. For the financial year ended 31 December 2015 ("FY2015"), PLife REIT's gross revenue rose to S\$102.7 million, up 2.3% from S\$100.4 million in the previous year ("FY2014"). The stellar performance was bolstered by contribution from higher yielding properties acquired from the asset recycling initiative completed in March 2015 and higher rent from the Singapore properties⁴, offset by the depreciation of the Japanese Yen. Correspondingly, net property income rose 4.8% and 2.4% to S\$24.6 million and S\$96.0 million for 4Q 2014 and FY2015 respectively.

Commenting on the performance for FY2015, Mr Yong Yean Chau, Chief Executive Officer of the Manager said, "We have delivered yet another year of steady DPU growth, despite the volatility in the global financial market. Since IPO, our DPU has grown at a rate of 86.6%. This marks the ninth consecutive year of growth since 2007, and once again demonstrates the success of the REIT's resilient model. This has also resulted in an accumulated DPU payout since IPO, including 4Q 2015 of 81.1 cents."

The income hedge strategy on the Japanese Yen income continues to deliver positive impact, enhancing the stability of distributions to Unitholders. As a result, PLife REIT registered a realised foreign exchange gain of S\$0.6 million in 4Q 2015 and S\$2.7 million in FY2015.

PLife REIT's Sound Financial Metrics and Outlook

As part of PLife REIT's ongoing efforts to strengthen its balance sheet, the REIT has increased its interest rate hedge ratio from 78% to approximately 95%. It also has pre-emptively termed out existing maturing loans, ensuring no immediate long-term loan refinancing needs till FY2017. As at 31 December 2015, the current effective all-in cost of debt was 1.6% and weighted average debt to term to maturity stood at 3.5 years. Gearing remained at a healthy level of 35.3%.

⁴ Upward minimum guarantee rent revision of Singapore hospitals by 1.05% for 9th year of lease commencing 23 August 2015 to 22 August 2016.

In addition, independent valuations were performed for all properties in the portfolio as at 31 December 2015 and the REIT registered a valuation gain of S\$5.7 million for FY2015. Furthermore, the REIT's unit price's performance has also consistently outperformed both STI and S-REIT index over the past two years.

“Admittedly investors are becoming more conservative about the global economic environment particularly after the financial mayhem in China that sent panic across much of the world in the start of the year. However, the healthcare sector will remain resilient due to the strong demand for high quality healthcare driven by growing affluence and ageing population in the region. We are also confident that our robust fundamentals, favourable rental lease structures and deep market expertise in the market would ensure steady future rental growth and sustainable returns amid uncertain market conditions,” Mr Yong concluded.

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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 47 properties with a total portfolio size of approximately S\$1.6 billion as at 31 December 2015. 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 43 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 42 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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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.