NEWS RELEASE
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PARKWAY LIFE REIT REPORTS DPU OF 2.99 CENTS FOR 1Q 2016

- Recurrent DPU up 5.1% year-on-year despite overall DPU decline due to the absence of one-off distribution of divestment gain
- Further strengthened the REIT’s Japan portfolio with another accretive acquisition
- Diversified funding source and extended debt maturity profile via a maiden issuance of JPY-denominated Fixed Rate Notes
- Strong capital structure with no long-term debt refinancing needs till 3Q 2017

<table>
<thead>
<tr>
<th>TOTAL PORTFOLIO</th>
<th>1Q 2016 S$’000</th>
<th>1Q 2015 S$’000</th>
<th>Increase / (Decrease) %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross revenue</td>
<td>26,901</td>
<td>24,773</td>
<td>8.6</td>
</tr>
<tr>
<td>Net property income</td>
<td>25,135</td>
<td>23,165</td>
<td>8.5</td>
</tr>
<tr>
<td>Total Distributable Income to Unitholders</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- from recurring operations²</td>
<td>18,097</td>
<td>17,186</td>
<td>5.1</td>
</tr>
<tr>
<td>- from distribution of divestment gains¹</td>
<td>18,097</td>
<td>17,186</td>
<td>n.m³</td>
</tr>
<tr>
<td>Available Distribution Per Unit (cents)⁴</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- DPU for the period</td>
<td>2.99</td>
<td>3.21</td>
<td>(7.0)</td>
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<tr>
<td>- Annualised DPU</td>
<td>11.96</td>
<td>12.84</td>
<td>(7.0)</td>
</tr>
<tr>
<td>Annualised Distribution Yield (%), based on closing market price of S$2.39 as at 31 March 2016</td>
<td>5.00</td>
<td>5.37</td>
<td>(7.0)</td>
</tr>
</tbody>
</table>

Singapore, 26 April 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, reported today the Distribution per Unit (“DPU”) for the first quarter ended 31 March 2016 (“1Q 2016”) at 2.99 Singapore cents. The DPU from recurring operations continue to grow 5.1% year-on-year. On an overall basis, there is a 7.0% decline, due to the absence of one-off distribution of divestment gain that was recorded for the corresponding period a year ago (“1Q 2015”).

¹ Divestment gains of 1.5 cents (S$9.11 million) was equally distributed in the four quarters in FY2015
² Net of amount retained for capital expenditure of S$0.75 million per quarter
³ n.m denotes not meaningful
⁴ The number of units used to calculate the DPU comprises the number of units in issue as at end of respective periods
For the period under review, PLife REIT saw a gross revenue increase of 8.6% year-on-year, from S$24.8 million in 1Q 2015, to S$26.9 million in 1Q 2016. This performance was driven primarily by contribution from higher-yielding properties acquired from the asset recycling initiative, higher rent from the Singapore properties and appreciation of the Japanese Yen.

Correspondingly, net property income increased 8.5% to S$25.1 million in 1Q 2016, up from S$23.2 million in 1Q 2015.

Commenting on the performance for 1Q 2016, Mr. Yong Yean Chau, Chief Executive Officer of the Manager said: “Despite market volatility, PLife REIT continues to deliver resilient results. Notwithstanding the overall DPU decline this quarter due to the absence of one-off divestment gains, our DPU from recurring operations continue to register an increase.”

**Strengthening of the Japan Portfolio**

1Q 2016 also saw the completion of PLife REIT’s acquisition of a nursing home facility, Silver Heights Hitsujigaoka Ichiban-kan & Niban-kan (the “Property”), on 31 March 2016, for a purchase price of JPY1,100 million (approximately S$13.6 million)\(^5\) from Kabushiki Kaisha Silver Heights Sapporo (the “Vendor”).

The acquisition was 4.35% below valuation and is expected to generate a net property yield of 6.7%\(^6\).

The acquisition further strengthens PLife REIT’s Japan portfolio and is in line with the REIT’s commitment to create greater synergies and value in the market. It also marks the start of a partnership with another established nursing home operator in Japan, further diversifying PLife REIT’s tenant base.

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\(^5\) Based on the exchange rate of S$1.00 = JPY81.00 per announcement release on 24 March 2016

\(^6\) The expected net property yield is computed by dividing the contractual net property income by the Purchase Price of the Property
Strong Capital Structure with Maiden Issuance of JPY Fixed Rate Notes

On 29 March 2016, PLife REIT announced an issue of JPY3.3 billion (approximately S$40.7 million)\(^\text{7}\) 6-year senior unsecured Fixed Rate Notes (the “Notes Issuance”) at a competitive rate of 0.58% per annum. The proceeds from the Notes issue was used to pre-emptively refinance its existing JPY loan due in 1Q 2017 and fund the acquisition of a nursing home facility as mentioned above.

By tapping the capital market to issue the Notes, PLife REIT has diversified its funding source as well as extended its debt maturity profile to 2022. Further, the Notes Issuance which was denominated in JPY serves as a natural hedge for PLife REIT’s Japanese assets, mitigating any foreign exchange risk.

As part of PLife REIT’s ongoing efforts to strengthen its balance sheet, about 98% of its interest rate exposure is hedged. It also has pre-emptively termed out existing maturing loan with no immediate long-term loan refinancing needs till 3Q 2017. As of 31 March 2016, PLife REIT’s current effective all-in cost of debt was 1.5% and weighted average debt term to maturity stood at 3.5 years. Gearing remained at a healthy level of 36.4%.

Outlook

“The healthcare industry continues to present pockets of opportunities, with population expansion and rising affluence being strong drivers of health spending\(^\text{8}\). Going into FY2016, we remain cautiously optimistic and cognisant of challenges in acquisition opportunities given the market volatility. But we believe that our favourable rental lease structures and other robust fundamentals will continue to sustain long-term value for our Unitholders,” added Mr. Yong.

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\(^{7}\) At an exchange rate of S$1.00 = JPY81.00 per announcement release on 29 March 2016

\(^{8}\) Deloitte, 2016 Global health care outlook
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 48 properties with a total portfolio size of approximately S$1.7 billion as at 31 March 2016. 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 44 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 43 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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