

NEWS RELEASE

FOR IMMEDIATE RELEASE

**PARKWAY LIFE REIT POSTS
ITS TENTH YEARS OF SUSTAINED GROWTH WITH 10.1% DPU
INCREASE Y-O-Y TO 3.37 CENTS FOR 3Q 2017**

- Overall DPU of 3.37 cents for 3Q 2017, representing a 10.1% increase over 3Q 2016
- DPU increase of 2.8% (3Q Y-O-Y) from recurring operations
- Completion of two AEIs for Japan Portfolio drives value
- 100% shield against JPY currency volatility till 1Q 2022 with the extension of JPY net income hedges

Total Portfolio	3Q 2017 S\$'000	3Q 2016 S\$'000	Inc / (Dec) %	YTD 3Q 2017 S\$'000	YTD 3Q 2016 S\$'000	Inc / (Dec) %
Gross revenue	27,700	28,106	(1.4)	82,344	82,392	(0.1)
Net property income	25,883	26,202	(1.2)	76,903	76,867	0.0
Total distributable income to Unitholders	20,383	18,513	10.1	60,301	54,820	10.0
- from recurring operations ¹	19,035	18,513	2.8	56,259	54,820	2.6
- from distribution of divestment gains ²	1,348	-	n.m. ³	4,042	-	n.m. ³
Distribution Per Unit (cents)⁴						
- DPU for the period	3.37	3.06	10.1	9.97	9.06	10.0
- Annualised DPU	13.48	12.24	10.1	13.29	12.08	10.0
Annualised distribution yield (%), based on closing market price of S\$2.70 as at 29 September 2017	4.99	4.53	10.1	4.92	4.47	10.0

Singapore, 9 November 2017 – Parkway Trust Management Limited (the “Manager”), as manager of **Parkway Life Real Estate Investment Trust** (“PLife REIT” or the “Group”), reported today a Distribution per Unit (“DPU”) of 3.37 Singapore cents and 9.97 Singapore

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

² In relation to the divestment of four Japan properties in December 2016 as announced on 22 December 2016. Divestment gains (after tax) of S\$5,390,000 will be equally distributed to Unitholders over four quarters in FY2017.

³ n.m. denotes not meaningful.

⁴ In computing the Distribution per Unit, the number of units in issue as at the end of each period is used.

Cents for the third quarter (“3Q 2017”) and nine months ended 30 September 2017 (“YTD 3Q 2017”) respectively.

On an overall basis, there was a year-on-year (“Y-O-Y”) growth of 10.1% and 10.0% for 3Q 2017 and YTD 3Q 2017 respectively. Excluding the distribution of one-time divestment gains, DPU growth from recurring operations registered a steady increase of 2.8% for 3Q 2017 and 2.6% for YTD 3Q 2017.

In addition, Parkway East Hospital’s adjusted hospital revenue for the 10th year lease (23 August 2016 to 22 August 2017) has outperformed its minimum guaranteed rent, attributing to the increase in 3Q 2017 DPU.

Gains from higher rent received from the Singapore properties and contributions from the asset recycling exercise were offset by the depreciation of the Japanese Yen (“JPY”). As a result, PLife REIT saw a slight decline in gross revenue by 1.4% to S\$27.7 million for 3Q 2017 and 0.1% to S\$82.3 million for YTD 3Q 2017.

After deducting property expenses, net property income stood at S\$76.9 million for YTD 3Q 2017, largely unchanged from the year ago period, and S\$25.9 million for 3Q 2017, which was S\$0.3 million lower than 3Q 2016.

Notwithstanding a lower net property income, PLife REIT registered higher distributable income to Unitholders from recurring operations mainly due to financing cost savings arising from the refinancing initiatives completed in 2016 and 2017.

Value Creation through Robust Asset Enhancement Strategy

For the period under review, PLife REIT completed two Asset Enhancement Initiatives (“AEIs”) at a total cost outlay of JPY 11 million (S\$0.13 million)⁵ for its newly acquired Japan nursing home properties, Sanko and Kikuya Warakuen⁶. Following the completion of the AEIs, the rent for Sanko and Kikuya Warakuen will increase by 0.63% and 1.07% respectively for the remaining lease term of 29.2 years effective 1 August 2017. The AEIs, which involved the

⁵ Based on exchange rate of exchange rate at S\$1: JPY82.78

⁶ The properties, Sanko and Kikuya Warakuen, were part of the acquisition involving 5 properties which were completed on 24 February 2017.

replacement of existing lightings at the properties with energy efficient systems, correspond well with our robust asset enhancement strategy in driving sustainability, both in terms of real estate value and business growth for our tenants. For this year, including this maiden AEI initiative with our newest operator, K.K. M.C.S., we have successfully executed three AEIs for the Japan portfolio.

Resiliency through Active Capital and Financial Management

In 3Q 2017, the Group continues on its active capital and financial management to strengthen the balance sheet and fortify PLife REIT's resilience amidst the financial market volatility. With the latest round of initiatives, its JPY net income hedges are extended for another two years from 2020, thereby providing a 100% shield against currency volatility till 1Q 2022. Interest cover ratio stands healthy at 11.2 times with interest rate exposure largely hedged.

As at 30 September 2017, gearing remains optimal at 37.3% with a low effective all-in cost of debt of 1.1% and no long-term debt refinancing needs till 2019.

Outlook

"This quarter marks a special milestone for PLife REIT as we celebrate its tenth year anniversary since listing on 23 August 2007. Over the years, our strategic dedication to cultivate a quality asset portfolio with sound core fundamentals have enabled us to consistently deliver sustained DPU growth since IPO. Today, with a well-diversified portfolio of 49 properties of approximately S\$1.7 billion, PLife REIT remains one of Asia's largest listed healthcare REITs by asset size and we are proud to celebrate our **10 years of Resiliency, Stability and Strength** with our valued stakeholders, partners and Unitholders," said Mr. Yong Yean Chau, Chief Executive Officer of the Manager.

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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 49 properties with a total portfolio size of approximately S\$1.7 billion as at 30 September 2017. 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 45 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 44 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.

For media queries, please contact:

Klareco Communications

Tel: (65) 6333 3449 Fax: (65) 6438 3442

Chelsea Phua – cphua@klarecocomms.com / (65) 8322 6409

Tara Wong – twong@klarecocomms.com / (65) 9069 8266

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.