NEWS RELEASE

FOR IMMEDIATE RELEASE

PLIFE REIT REPORTS CONTINUED GROWTH AND STRENGTHENED CAPITAL STRUCTURE

- **DPU from recurring operations for the quarter grew 3.2% year-on-year despite overall DPU decline due to absence of one-off divestment gain[1]**
- **Improved capital structure with JPY net income hedge extended till 1Q 2023**
- **Minimum Guaranteed Rent for Singapore Hospitals to increase by 1.38% for 12th year of lease term commencing 23 August 2018**

TOTAL PORTFOLIO	2Q 2018 S$'000	2Q 2017 S$'000	Inc / (Dec) %	1H 2018 S$'000	1H 2017 S$'000	Inc / (Dec) %
Gross revenue	**28,059**	**27,697**	**1.3**	**55,874**	**54,644**	**2.3**
Net property income	**26,201**	**25,879**	**1.2**	**52,162**	**51,020**	**2.2**
Total distributable income to Unitholders	**19,330**	**20,078**	**(3.7)**	**38,497**	**39,918**	**(3.6)**
- from recurring operations[2]	19,330	18,731	3.2	38,497	37,224	3.4
- from distribution of divestment gains[1]	-	1,347	n.m.	-	2,694	n.m.
Distribution per Unit (cents)[3]						
- DPU for the period	3.19	3.32	(3.7)	6.36	6.60	(3.6)
- annualised DPU	12.76	13.28	(3.7)	12.72	13.20	(3.6)
Annualised distribution yield (%), based on closing market price of S$2.72 as at 29 June 2018	**4.69**	**4.88**	**(3.7)**	**4.68**	**4.85**	**(3.6)**

Singapore, 26 July 2018 – 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, is pleased to announce Distribution per Unit ("DPU") of 3.19 cents for the second quarter ended 30 June 2018 ("2Q 2018"). DPU for the first half ended 30 June 2018 ("1H 2018") stood at 6.36 cents.

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[1] 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 was equally distributed over four quarters in FY2017.

[2] Net of amount retained for capital expenditure of S$0.75 million per quarter.

[3] In computing the Distribution per Unit ("DPU"), the number of units in issue as at the end of each period is used.

DPU from recurring operations continued to rise steadily, growing by 3.2% and 3.4% year-on-year ("y-o-y") from the preceding periods ("2Q 2017" and "1H 2017", respectively). On an overall basis, there was a 3.7% (2Q y-o-y) and 3.6% (1H y-o-y) decline due to the absence of one-off distribution of divestment gain.

Gross revenue for the periods under review registered a y-o-y growth of 1.3% and 2.3% for 2Q 2018 and 1H 2018 respectively. The increase was largely attributed to revenue contribution from the Japan property acquisition in February 2018, higher yielding properties acquired from the asset recycling initiative completed in February 2017 and higher rent from Singapore properties, offset by the depreciation of the Japanese Yen ("JPY"). Correspondingly, net property income rose 1.2% in 2Q 2018 and 2.2% in 1H 2018 from the year-ago period.

Minimum Guaranteed Rent for Singapore Hospitals to increase by 1.38%

Underpinned by the CPI[4] + 1% rental revision formula for its Singapore properties, the Group has been experiencing continual growth in property income. For the 12th year of lease term commencing from 23 August 2018 to 22 August 2019, the minimum guaranteed rent for the Singapore properties will see an upward revision of 1.38% over the total rent payable for the preceding year.

Fortifying the Capital Structure

With a portfolio of 46 healthcare properties in Japan, the Group remained proactive in managing its exposure to interest rate risk and foreign exchange risk. During the quarter in review, the Group extended its JPY net income hedge for another one year from 1Q 2022 thereby providing 100% shield against JPY currency volatility till 1Q 2023.

As at 30 June 2018, there were no long-term debt refinancing needs for the Group till 2019[5] and its interest rate exposure was largely hedged. The interest coverage ratio stood healthy at 13.5 times, with optimal gearing at 38.1%.

[4] CPI denotes the % increase in the Consumer Price Index announced by the Department of Statistic of Singapore for the relevant year compared to the immediately preceding year, computed on a 12-month average basis from July to June of the following year. When CPI is negative, it is deemed as zero in the computation of the rental increment.

[5] Which refers to the remaining $50.0 million term loan facility due in 2019.

Mr. Yong Yean Chau, Chief Executive Officer of the Manager, commented on the results: “For the first half of 2018, PLife REIT continues to deliver stable results. Recognising the importance of staying well prepared in an environment of continual uncertainties and rising interest rates, we embarked on various key finance initiatives such as the 6-Year JPY 3.5 billion Notes Issue and extension of JPY income hedges, to provide the REIT with greater certainty in dealing with its interest rate and foreign exchange exposures as well as to further optimise its average term to maturity and cost of borrowings. Our consistent disciplined approach coupled with the defensive lease structures of our diversified portfolio have filtered down to strong and sustainable DPU growth from recurring operations for PLife REIT.

With a focus on delivering sustainable, long-term growth for our Unitholders, we continue to pursue strategic opportunities to drive value for PLife REIT.”

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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 50 properties with a total portfolio size of approximately S$1.75 billion[6] as at 30 June 2018. 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 46 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 45 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

[6] Based on latest appraised values.

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.