NEWS RELEASE

FOR IMMEDIATE RELEASE

PLIFE REIT DELIVERS DPU OF 3.28 CENTS FOR 4Q 2018

- **Excluding the one-off divestment gain[1], DPU from recurring operations rose 3.9% (4Q Y-O-Y) and 3.4% (full year)**
- **Achieved a portfolio revaluation surplus of S$77.9 million**
- **Gearing remains optimal at 36.1%**

TOTAL PORTFOLIO	4Q 2018 S$'000	4Q 2017 S$'000	Inc / (Dec) %	FY 2018 S$'000	FY 2017 S$'000	Inc / (Dec) %
Gross revenue	**28,569**	**27,537**	**3.7**	**112,838**	**109,881**	**2.7**
Net property income	**26,721**	**25,746**	**3.8**	**105,404**	**102,649**	**2.7**
Total distributable income to Unitholders	**19,849**	**20,452**	**(2.9)**	**77,897**	**80,753**	**(3.5)**
- from recurring operations[2]	19,849	19,104	3.9	77,897	75,363	3.4
- from distribution of divestment gains[1]	-	1,348	n.m.[3]	-	5,390	n.m.[3]
Total Distribution per Unit (cents)[4] for the period	**3.28**	**3.38**	**(2.9)**	**12.87**	**13.35**	**(3.5)**
- from recurring operations[2]	3.28	3.15	3.9	12.87	12.46	3.4
- from distribution of divestment gains[1]	-	0.23	n.m.[3]	-	0.89	n.m.[3]
Annualised DPU	13.12	13.52	(2.9)	12.87	13.35	(3.5)
Annualised distribution yield (%), based on closing market price of S$2.63 as at 31 December 2018	**4.99**	**5.14**	**(2.9)**	**4.89**	**5.08**	**(3.5)**

Singapore, 28 January 2019 – 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 Distribution per Unit ("DPU") of

[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 (S$0.89 cents) was equally distributed over four quarters in FY2017.

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

[3] n.m. denotes not meaningful

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

3.28 Singapore cents and 12.87 Singapore cents for the fourth quarter ("4Q 2018") and full year ended 31 December 2018 ("FY 2018") respectively.

On an overall basis, DPU for 4Q 2018 and FY 2018 declined y-o-y by 2.9% and 3.5% respectively, due to the absence of one-off distribution of divestment gain[1]. Excluding the one-off gain, DPU from recurring operations registered a steady y-o-y increase of 3.9% and 3.4% from the preceding periods ("4Q 2017" and "FY 2017", respectively).

Gross revenue rose 3.7% y-o-y in 4Q 2018 to S$28.6 million, mainly due to revenue contribution from the Japan nursing rehabilitation facility acquired in February 2018, higher rent from the Singapore properties and Japanese Yen ("JPY") appreciation as compared to the same period last year. After deducting property expenses, the Group recorded a net property income of S$26.7 million in 4Q 2018, which was 3.8% higher than 4Q 2017.

Similarly, gross revenue for FY 2018 was S$112.8 million, a y-o-y increase of 2.7% from FY 2017. The growth was largely attributed to the contribution from the Japan acquisition, higher yielding properties acquired from the asset recycling initiative completed in February 2017 and higher rent from the existing properties, offset by the depreciation of the JPY. For the FY 2018 period, net property income edged up 2.7% y-o-y.

Despite the portfolio growth, finance costs[5] have decreased by 12.7% and 15.3% y-o-y in 4Q 2018 and FY 2018 respectively largely due to cost savings arising from refinancing initiatives in 4Q 2017, 1Q 2018 and 3Q 2018. The net income hedges put in place for the Japan portfolio continue to act as effective shield against JPY currency fluctuation. In FY 2018, the Group registered a realised foreign exchange gain amounting to S$0.7 million from the delivery of Japan forward contracts.

Following the acquisition of a yield-accretive nursing rehabilitation facility in FY 2018, the Group has an enlarged portfolio of 50 quality healthcare and healthcare-related properties in Singapore, Japan and Malaysia. In addition, an annual independent valuation performed for all properties brought about a portfolio revaluation gain of S$77.9 million, an increase of 4.4% in the total portfolio value. As a result, PLife REIT's total portfolio size stands at approximately S$1.86 billion as at 31 December 2018.

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[5] Finance costs largely consist of interest expense on loans, settlement on interest rate swaps that provide fixed rate funding on loans and amortisation of transaction costs of establishing debt facilities.

Outlook

Mr. Yong Yean Chau, Chief Executive Officer of the Manager, commented on the Group's outlook: "With healthy fundamentals in place, underpinned by supportive demographic trends and the higher demand for better quality healthcare and aged care services, the long-term outlook of the healthcare industry in Asia remains strong. Nonetheless, we remain cautious and vigilant given the current uncertainties in the macro economy and volatility in the financial markets. We will continue to adopt prudent financial risk management to manage our exposure to interest rate and foreign currency risks, in order to enhance the defensiveness of our portfolio."

As at 31 December 2018, PLife REIT has a low all-in cost of debt of 0.97% and its interest rate exposure is largely hedged to strengthen resilience against potential interest rate hikes. The interest coverage ratio stood healthy at 13.7 times, with optimal gearing at 36.1%.

"With the Group's fortified capital structure, coupled with the favourable rental lease structures across the portfolio, PLife REIT stands in good stead to deliver continued stable distributions to Unitholders. As and when compelling opportunities arise, we will also look to sharpen the quality of our portfolio through asset enhancement initiatives and selective acquisitions," Mr. Yong added.

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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$1.86 billion[6] as at 31 December 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.

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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.