NEWS RELEASE
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PARKWAY LIFE REIT EXPANDS JAPAN NURSING HOME PORTFOLIO WITH EIGHT NEW PROPERTIES

- Acquires properties at an attractive purchase consideration of S$77.59 million
- Expected net initial yield of 8.29%

Singapore, 13 November 2009 – Parkway Trust Management Limited (the "Manager"), the manager of Parkway Life Real Estate Investment Trust ("PLife REIT"), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT (the "Trustee") through its wholly owned-subsidiary, Parkway Life Japan3 Pte. Ltd., has entered into *Tokumei-Kumiai* agreements (similar to the holding structure for all of the earlier acquisitions in Japan) for the acquisition of eight nursing homes (the "Properties") located in Japan. The properties will be acquired at a total purchase price of JPY 5.0 billion (approximately S$77.59 million[1]) from subsidiaries of Kenedix Inc. ("Kenedix"), a real estate asset manager in Japan with JPY 879 billion (approximately S$13.64 billion[1]) of assets under management, and Kenedix Advisors, Inc. will be appointed as the asset manager of the properties. Acquisition of the properties is expected to be completed by 17 November 2009.

Mr Yong Yean Chau, Chief Executive Officer of the Manager, said, "With a favourable pricing and 8.29% net property yield, the proposed acquisition is highly yield-accretive to our Unitholders. This demonstrates PLife REIT's commitment and ability to make attractive acquisitions despite the tough current economic conditions to bring our business to the next level of growth.

In line with our strategy to increase asset and geographical diversity, as well as reduce our reliance on a single tenant, the latest additions to our portfolio will further enhance the stability and defensiveness of PLife REIT."

[1] All JPY references in this press release are based on the exchange rate of SGD1 = JPY 64.44.

Rationale for the investments

All of the eight nursing homes are well-equipped and strategically located in dense residential districts, making them attractive retirement facilities. Each of the nursing homes has a long term lease agreement with the operators, with a weighted average lease term to expiry (by gross rental income) of 19.29 years. This will help to improve PLife REIT's portfolio weighted average lease term to expiry (by gross rental income) from 12.98 years to 13.60 years. Five of the eight properties also have backup operator agreements.

In addition, Kenedix will provide a rental deficit support for seven years, capped at 5% of the purchase price. The rental deficit support enhances the credit quality of PLife REIT's portfolio and provides certainty for future returns to investors.

Besides achieving better economies of scale and synergy in asset management, an expanded portfolio will allow PLife REIT to establish a presence and gain stronger foothold as a quality player in the fast-growing Japan nursing home industry.

"Strengthening our position in Japan is grounded on our confidence in the increasing demand and long term viability of the nursing care industry", commented Mr Yong. Currently, Japan has the fastest ageing population in the world, with 1 out of 4 Japanese expected to be over 65 years old by 2025. In addition, the population of "super-seniors" (aged 75 years or older) is expected to reach 15.7 million in 2015 and exceed 20 million in 2025. The situation is exacerbated by the trend towards nuclear families and women entering the workforce, which has led to difficulty in caring for the elderly at home. In view of this, Japan has been actively promoting the development of its nursing care sector with a focus on building nursing homes catering to elderly with long term care requirements.

Strengthening foothold in Japan

As it gains greater experience and confidence in the Japan market, PLife REIT will also actively explore opportunities to enhance its investment capabilities in Japan via collaborations with reputable organisations. Knowledge and software transfer, as well as staff exchange programmes with these organisations will allow PLife REIT to deepen its understanding of Japan's business and cultural environment.

"By working with strong local partners in Japan, we will be able to greatly boost our investment knowledge and competence, as well as strengthen our asset management capabilities for organic growth. These will contribute to the further expansion of our portfolio and presence in Japan", said Mr Yong.

Mr Yong added, “While we continue to explore nursing home and other acquisition opportunities in Japan, we will also work to ensure optimisation of our assets, property mix and country allocation for PLife REIT’s overall portfolio”.

Expected investment returns

At a purchase price of JPY 5.0 billion (approximately S$77.59 million), the acquisition of the eight nursing homes is expected to have a net property yield of 8.29%, which compares favorably to that of 6.14% for PLife REIT’s existing nursing home portfolio.

Funding for the investments

The proposed acquisition is expected to be fully funded via equity injection by PLife REIT through a five-year committed unsecured Term Loan Facility of JPY 5.3 billion (approximately S$82.25 million[2]) at favourable all-in funding cost of about 3.22% p.a. With this funding, PLife REIT’s gearing will increase from 23.2% to 28.7%.

General description of the properties

The eight nursing homes are well nestled in conducive living areas and enjoy strong demand from their immediate residential surroundings, with several of the properties benefiting from a healthy source of demand through referrals from nearby hospitals. Six of the eight properties are located in the Osaka Prefecture and one each in the Fukuoka and Okayama Prefecture.

The eight properties are namely:

- Amille Nakasyo
- Hapine Fukuoka Noke
- Fiore Senior Residence Hirakata
- Supercourt Kadoma
- Supercourt Takaishi-Hagoromo
- Maison des Centenaire Ishizugawa
- Maison des Centenaire Haruki
- Iyashi no Takatsuki Kan

“While currently already running at high occupancy rates, most of these nursing homes are expected to reach full capacity in the near term as several of the vacant units have already been reserved. This

[2] The bank loan to be drawndown to fund the acquisition takes into account 5% consumption tax payable to the tax authority and other acquisition related expenses.

presents good potential for asset enhancement initiatives in the future, further expanding the revenue stream for PLife REIT and greater returns for our Unitholders", concluded Mr Yong.

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Awards

In October 2008, PLife REIT was awarded the "Most Transparent Company Award 2008" from SIAS (Securities Investors Association Singapore) Investors' Choice Awards 2008 in the New Issues Category, providing recognition to PLife REIT for maintaining the highest standard of corporate governance and transparent communication. In February 2009, PLife REIT was awarded the 2008 "Best Managed Small-Cap Corporate" in Singapore by Asiamoney, for its effective management vision and strategy, exemplary business achievements, and commitment to growing Unitholders' value.

About Parkway Life REIT

Parkway Life Real Estate Investment Trust ("PLife REIT") is Asia's largest listed healthcare REIT 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's total portfolio size stands at approximately S$1.05 billion as at 30 September 2009. It owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital, and East Shore Hospital, covering an aggregate of 1,039 licensed beds. In addition, it has ten assets located in Japan, namely a pharmaceutical product distributing and manufacturing facility in Chiba Prefecture, and nine high quality nursing homes in Chiba Prefecture, Hyogo Prefecture, Kanagawa Prefecture, Osaka Prefecture, Saitama Prefecture and Tokyo Prefecture.

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This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.