

NEWS RELEASE**FOR IMMEDIATE RELEASE****PARKWAY LIFE REIT FURTHER STRENGTHENS ITS JAPAN PORTFOLIO**

- **DPU Yield accretive acquisition of a nursing home facility at net property yield of 6.7%¹**
- **Strategically located Hokkaido property with another established operator further enhances the quality of PLife REIT's Japan portfolio**

Singapore, 24 March 2016 – Parkway Trust Management Limited, as manager of Parkway Life Real Estate Investment Trust (“PLife REIT”, and as manager of PLife REIT, the “Manager”), one of Asia’s largest listed healthcare REITs, is pleased to announce the purchase of another nursing home facility, Silver Heights Hitsujigaoka Ichiban-kan & Niban-kan (the “Property”) for the price of JPY1,100 million (approximately S\$13.6 million)² from Kabushiki Kaisha Silver Heights Sapporo (the “Vendor”).

DPU Yield-accretive acquisition of a well-located nursing home facility in Sapporo City, Hokkaido Prefecture

HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT has through its wholly-owned subsidiary, Parkway Life Japan4 Pte. Ltd., entered into a *Tokumei Kumiai* agreement (or silent partnership, similar to the holding structure for PLife REIT’s previous acquisitions in Japan) for the acquisition of the Property. The acquisition will be at a discount to valuation³ and is expected to generate a net property yield of 6.7%⁴. The acquisition is targeted to be completed by the first quarter of 2016.

“With each acquisition, we seek to strengthen the quality of our portfolio and build on our stable and defensive foundation for sustained growth of PLife REIT.” said Mr Yong Yean

¹ The expected net property yield is computed by dividing the contractual net property income by the purchase price of the Property.

² All JPY reference in this press release are based on the exchange rate of S\$1.00 = JPY81.00 (“Exchange Rate”). Unless otherwise stated, all conversions of JPY amounts into S\$ in this press release will be based on the Exchange Rate.

³ K.K. Halifax Associates (Colliers International Tokyo) has independently valued the Property as at 29 February 2016 at JPY1,150 million (approximately S\$14.2 million).

⁴ The expected net property yield is computed by dividing the contractual net property income by the purchase price of the Property.

Chau, Chief Executive Officer of the Manager. “The acquisition of this well-located property deepens our presence in the Hokkaido region and allows us to embark on an exciting partnership with another established nursing home operator in Japan.” Mr Yong added.

Fresh 20-year master lease arrangement for the Property underpins enhanced resiliency of PLife REIT

The Property is located in the residential neighbourhood within Sapporo City, capital city of Hokkaido prefecture, with close proximity to Fukuzumi train station. With a fresh 20-year master lease arrangement secured with the Vendor, the lease arrangement will enhance the resiliency of PLife REIT’s portfolio and improve its weighted average lease expiry (by gross revenue) from 9.12 years⁵ to 9.23 years.

Sustainability of the returns to PLife REIT’s unitholders is further enhanced with a backup operator arrangement being secured for the Property.

A more diversified tenant base with the addition of another established operator

The Property is well managed by a reputable and experienced Sapporo based nursing home operator, Kabushiki Kaisha Silver Heights Sapporo, who started their operation since 1961. As at 31 December 2015, the operating occupancy of the Property is healthy at 94%. “Adding another established operator to PLife REIT’s Japan portfolio enhances the diversity of our tenant base. The partnership with new operator illustrates our credential as we reinforce our position as a credible partner with quality offerings in this sector.” Mr Yong added.

Continuous growth of the healthcare sector in Japan

Healthcare expenditure in Japan has been consistently increasing and is projected to rise significantly amidst a rapidly ageing population. With proportion of citizens aged 65 and over to reach nearly 40% of the population in 2060⁶, the expected increase of aged care supply will lead to the rise of the nation spending for healthcare related purposes at an average increment of 3%⁷ annually to 2018. Recognising the challenges ahead, the Japan

⁵ As at 31 December 2015

⁶ The Economist. (2015, June 27). What to do with Japan's elderly: Out to pasture. Retrieved January 26, 2016, from <http://www.economist.com/news/asia/21656238-plan-send-old-people-countryside-out-pasture>

⁷ Deloitte (2015). 2015 Health Care Outlook Japan. Retrieved January 26, 2016, from <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Life-Sciences-Health-Care/gx-lshc-2015-health-care-outlook-japan.pdf>

government has launched various cost efficiency initiatives on its healthcare system, such as encouraging more funding from the private sector and privatization of public hospitals⁸.

The ageing demographic trend, coupled with favourable governmental policies, translates to greater investment opportunity for PLife REIT. With approximately 520,000 elderly on the waiting lists for placements in nursing homes nationwide⁹, nursing home capacity is likely to remain inadequate, keeping demand for quality aged care properties in Japan strong.

Funding for the Acquisition

The acquisition cost will be funded via long-term JPY denominated debts. The deployment of JPY funding provides a natural hedge for foreign exchange risks arising from JPY denominated assets, thereby insulating PLife REIT from JPY foreign exchange fluctuations, and enabling it to maintain a stable net asset value. Post acquisition, PLife REIT's gearing will increase from 36.6% to 37.1%.

– End –

⁸ Deloitte (2016). 2016 Global Health Care Outlook. Retrieved February 16, 2016, from <http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Life-Sciences-Health-Care/gx-lshc-2016-health-care-outlook.pdf>

⁹ Matsuyama, K. (2015, February 20). Tokyo's Elderly Turned Away as Nursing Homes Faces Aid Cuts. Retrieved January 20, 2016, from Bloomberg: <http://www.bloomberg.com/news/articles/2015-02-19/tokyo-s-elderly-turned-away-as-nursing-homes-face-aid-cuts>

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 47 properties with a total portfolio size of approximately S\$1.6 billion as at 31 December 2015. 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 43 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 42 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:

Bell Pottinger

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

Chelsea Phua – cphua@bell-pottinger.com / (65) 8322 6409

Priscilla Loh – ploh@bell-pottinger.com / (65) 9423 4810

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 (the “Manager”), 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.