

NEWS RELEASE**FOR IMMEDIATE RELEASE****PARKWAY LIFE REIT FORTIFIES ITS NURSING HOME AND CARE FACILITIES
PORTFOLIO IN JAPAN WITH ITS SECOND ACQUISITION IN FOURTH
QUARTER 2014**

- **Yield accretive acquisition at net property yield of 6.9%¹**
- **Well-located facility and further tenant diversification**
- **Japan's aged care market to continue providing valued opportunities for PLife REIT**

Singapore, 19 December 2014 – 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 and care facility property, Ocean View Shonan Arasaki (the “Property”) for a purchase price of JPY1,700 million (approximately S\$18.9 million)² from Oueikikaku Kabushiki Kaisha (“Oueikikaku”). This announcement follows the earlier acquisition of Habitation Jyosui announced on 28 November 2014 as PLife REIT seeks to fortify and enhance the value of its portfolio in Japan.

Acquisition of yield-accretive nursing home and care facility property in Kanagawa prefecture, Japan

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. It is expected to generate a net property yield of 6.9%¹ and the acquisition is expected to be completed by January 2015.

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 = JPY90.00.

³ K.K. Halifax Associates (Colliers International Tokyo) has independently valued the Property as at 31 October 2014 at JPY1,810,000,000 (approximately S\$20.1 million).

“As we continually seek to fortify our Japan portfolio, the attractive attributes of the Ocean View Shonan Arasaki and the recently acquired Habitation Jyosui will serve to enhance the earnings resiliency of PLife REIT.” said Mr Yong Yean Chau, Chief Executive Officer of the Manager. “We are pleased to be in a position to augment our stable of eldercare facilities in Japan with these high-quality assets as part of our continuous effort to capitalise on PLife REIT’s strong fundamentals as a first-mover amidst growing investment enthusiasm.” Mr Yong added.

With the acquisition, PLife REIT’s Japan portfolio will stand at approximately S\$518 million or about 33% of total assets under management.

Well situated bay view property underpinned by long and stable master lease

The Property is well located in the residential area of Yokosuka City, one of the major cities in the Kanagawa Prefecture. Situated along the scenic Sagami Bay which is at the east side of Miura Peninsula, the Property is accessible via Misakiguchi train station. Secured with a fresh 20-year master lease arrangement with Oueikikaku, the weighted average lease expiry (by gross revenue) of PLife REIT’s portfolio is expected to improve from 10.00 years⁴ to 10.08 years.

New operator enhances diversification of tenant base

The Property which is currently operated by Oueikikaku is well maintained and enjoys stable operational occupancy rate of 96% as at 31 August 2014. With the addition of another established operator within PLife REIT’s portfolio, it paves the way for new business partnerships while tenant risk exposure is being further diversified. As with the recently acquired Habitation Jyosui property, a backup operator arrangement has been put in place for the Property to enhance PLife REIT’s revenue stability.

Funding for the Acquisition

The acquisition cost will be funded via a 5-year committed and unsecured JPY term loan facility which has been put in place on 12 December 2014. 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

⁴ As at 1 October 2014.

maintain a stable net asset value. Coupled with the acquisition of Habitation Jyosui, PLife REIT's post acquisition gearing will increase to 35.1% from 33.3%⁵.

- End -

⁵ As at 30 September 2014.

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 48 properties with a total portfolio size of approximately S\$1.5 billion as at the date of the press release. It owns the largest portfolio of strategically-located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital, covering an aggregate of 730 beds as at 30 September 2014. In addition, it has 44 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 43 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 (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.