

NEWS RELEASE**FOR IMMEDIATE RELEASE****PARKWAY LIFE REIT DIVESTS SEVEN NURSING HOMES IN JAPAN**

- **Maiden divestment is in line with PLife REIT’s recycling strategy to rebalance and strengthen the overall quality and growth potential of PLife REIT’s Japan Portfolio**
- **Sale price is approximately 28.1% higher than the original purchase price, 16.1% higher than the book value¹ and 8.3% higher than the latest independent valuation²**
- **Divestment proceeds will further strengthen PLife REIT’s balance sheet and provide greater financial flexibility for PLife REIT to seize other attractive investment opportunities offering better value**

Singapore, 26 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 that PLife REIT, has through its special purpose entities incorporated in Japan (collectively, the “**Vendors**”), entered into a purchase and sale agreement with the special purpose vehicle of a leading global investment firm, Fortress Japan Investment Holdings LLC (the “**Purchaser**”), for the sale of seven nursing homes in Japan (the “**Divestment Properties**”) for a total sale consideration of ¥7,950,000,000 (approximately S\$88.3 million)³. Completion has taken place on the same day. The sale consideration has been paid in cash by the Purchaser to the Vendors today after the relevant adjustments have been made for security deposits and allocations of taxes, expenses and revenues in relation to the Divestment Properties pursuant to the terms of the respective purchase and sale agreements.

¹ As at 31 December 2013

² Based on the latest independent valuation conducted by K.K. Halifax Associates, Colliers International Tokyo for Supercourt Kadoma, Supercourt Takaishi Hagoromo, Sawayaka Nokatakan, Sawayaka Hirakatakan, Sawayaka Parkside Shinkawa and DTZ Debenham Tie Leung K.K. for Fureai no sono Takanodai and Himawari Home Kamakura, all as at 1 November 2014. The valuations were prepared with the emphasis on the income capitalisation approach value (estimated using the direct capitalisation and discounted cash flow methods) with reference to the cost approach value.

³ All ¥ references in this press release are based on the exchange rate of S\$1.00: ¥90.00.

The Divestment Properties were originally purchased by PLife REIT for ¥6,204,000,000 (approximately S\$68.9 million) (the “**Original Purchase Price**”) and their net book value as at 31 December 2013 is approximately S\$75.7 million (the “**Net Book Value**”). Arising from the investment exuberance in the nursing home market in Japan, there has been much compression in terms of cap rates for nursing home properties, as reflected in the valuation of the Divestment Properties as at 1 November 2014 of ¥7,341,000,000 (approximately S\$81.6 million) (the “**Latest Valuation**”)².

The total sale consideration of ¥7,950,000,000 (approximately S\$88.3 million) was arrived at on a willing-buyer, willing-seller basis taking into account the Latest Valuation, and is 8.3% above the Latest Valuation, 16.1% above the Net Book Value and 28.1% above the Original Purchase Price of the Divestment Properties.

PLife REIT is expected to recognise an estimated divestment gain (net of tax but inclusive of the Japanese consumption tax rebate receivable) of approximately S\$12.3 million over the Net Book Value. The proceeds received from the divestment will further strengthen PLife REIT’s balance sheet and provide greater financial flexibility to seize other attractive investment opportunities offering better value.

Mr Yong Yean Chau, Chief Executive Officer of the Manager, said: “The proposed divestment which sees us divesting those assets of less strategic value resonates well with our recycling strategy to rebalance and strengthen the overall quality and growth potential of PLife REIT’s Japan Portfolio”.

“As a first mover in the market, PLife REIT is well-positioned to take advantage of the growing elderly care healthcare market in Japan which has of late spurred increased competition from private sector investors resulting in a more robust and exuberant investment market. This maiden divestment capitalises on an unique opportunity for PLife REIT to realise the seven properties at a good price as we strengthen our Japan portfolio mix. As we remain competitive in making our acquisitions, the divestment proceeds will enable us to acquire other attractive assets which would serve to enhance the overall value and growth potential of PLife REIT”, added Mr Yong.

The Divestment Properties

- Fureai no sono Nerima Takanodai, located at Nerima City, Tokyo Prefecture
- Himawari Home Kamakura, located at Kamakura City, Kanagawa Prefecture
- Supercourt Kadoma, located at Kadoma City, Osaka Prefecture
- Supercourt Takaishi Hagoromo, located at Takaishi City, Osaka Prefecture
- Sawayaka Hirakatakan, located at Hirakata City, Osaka Prefecture
- Sawayaka Nokatakan, located at Fukuoka City, Fukuoka Prefecture
- Sawayaka Parkside Shinkawa, located at Kitakyushu City, Fukuoka Prefecture

Details of the Divestment Properties can be found in the announcement dated 26 December 2014 entitled “*Divestment of Seven Nursing Home Properties Located in Japan*”.

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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 41 properties with a total portfolio size of approximately S\$1.5 billion as at 26 December 2014. 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 26 December 2014. In addition, it has 37 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 36 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 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.