

NEWS RELEASE**FOR IMMEDIATE RELEASE**

- **PARKWAY LIFE REIT'S DPU UP 3.5% TO 2.66 CENTS FOR 3Q 2013**
- **Distributable income increases 3.5% y-o-y to S\$16.1 million for 3Q 2013**
- **Further expands Japan presence with five yield accretive nursing home acquisitions**
- **Completed the pre-emptive refinancing of all debts due in FY2014, reducing any near term refinancing risk.**
- **Locked in JPY net income hedge for the next 4 to 6 years, thereby ensuring stable distribution growth**

Singapore, 7 November 2013 – Parkway Trust Management Limited (the “Manager”), as manager of Parkway Life Real Estate Investment Trust (“PLife REIT”), one of Asia’s largest listed healthcare REITs, announced today its results for the three months ended 30 September 2013.

PLife REIT reported distributable income of S\$16.1 million for 3Q 2013 which is 3.5% higher than the S\$15.6 million for the same period last year (“3Q 2012”). This represents a distributable income per unit (“DPU”) of 2.66 cents for 3Q 2013. Correspondingly, DPU for YTD 3Q 2013 grew 4.2% year-on-year from 7.62 cents to 7.93 cents. Excluding the one-off IRAS tax adjustment of S\$0.6 million in 1Q 2012, the year-on-year DPU growth for YTD 3Q 2013 DPU is 5.5%.

Bolstered by successful policies under Abenomics, Japan’s recovering economy bodes well for PLife REIT’s growth plans. Following the acquisition of two nursing home properties in July 2013, PLife REIT acquired a further five new Japan nursing home properties in September 2013. In all, the Group has acquired a total of seven properties at a combined purchase price of JPY6.26 billion (approximately S\$82.3 million¹) with attractive net property yield of about 7.0%. PLife REIT now holds a total of 40 properties under its Japan portfolio, amounting to S\$485.6 million as at 30 September 2013.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, “We are pleased to be able to once again report a steady growth in distribution to Unitholders. Despite the increasing competition in Japan nursing home segment, PLife REIT had further acquired 7 more nursing homes properties from our existing partners, a testament that our partnership approach is bearing fruits. Moving on, we intend to continue exploring opportunities to further boost our portfolio and financial performance, and to continue delivering stable returns to Unitholders, leveraging the growing demand for high quality healthcare services and infrastructure in the Asia Pacific region.”

¹ At an exchange rate of S\$1.00 to JPY76.00 as at point of acquisition

Summary of PLife REIT's Results

TOTAL PORTFOLIO	3Q 2013 S\$'000	3Q 2012 S\$'000	Inc/ (Dec) %	YTD 3Q 2013 S\$'000	YTD 3Q 2012 S\$'000	Inc/ (Dec) %
Gross revenue	23,345	23,910	(2.4)	68,957	70,087	(1.6)
Net property income	21,819	22,360	(2.4)	64,434	65,212	(1.2)
Income available for distribution (after deducting income retained for capital expenditure)	16,120	15,568	3.5	48,010	46,091	4.2
Available Distribution Per Unit (cents)²						
- DPU for the period	2.66	2.58	3.5	7.93	7.62	4.2
- Annualised DPU	10.64	10.32	3.5	10.58	10.16	4.2
Annualised Distribution Yield (%), based on closing market price of S\$2.35 as at 30 September 2013	4.5	4.4	3.5	4.5	4.3	4.2

PLife REIT achieved gross revenue of S\$23.3 million for 3Q 2013, a 2.4% decline over 3Q 2012, primarily due to depreciation of the Japanese Yen offset by recognition of rental income contributed from the properties acquired in July 2013. Revenue was also driven by higher rent from the Singapore properties.

Correspondingly, the net property income was S\$21.8 million and S\$64.4 million for 3Q 2013 and YTD 3Q 2013, representing year-on-year declines of 2.4% and 1.2% respectively. Any adverse impact from the depreciation of the JPY has been mitigated as PLife REIT has locked in the Japan net income hedge for the next few years. As a result of the delivery of quarterly Japan net income hedge, a realised foreign exchange gain of S\$0.4 million and S\$1.2 million was recognised in 3Q 2013 and YTD 3Q 2013 respectively.

Overall, on the back of yield accretive Japan and Malaysian acquisitions, higher rent from existing properties and the effect of net income hedge, distributable income for 3Q 2013 and YTD 3Q 2013 have increased by 3.5% and 4.2% respectively to S\$16.1 million and S\$48.0 million.

² The number of units used to calculate the DPU comprises the number of units in issue as at end of respective periods.

Enhanced balance sheet with pre-emptive refinancing

As part of ongoing efforts to strengthen its balance sheet, PLife REIT has been proactively lengthening its debt maturity profile to eliminate near-term refinancing risks ahead of time. By 30 September 2013, PLife REIT has successfully completed the pre-emptive terming out all of its debts due in FY2014 amounting to JPY11.43 billion (approximately S\$146.30 million)³ loan facilities, which constituted about 27% of the Group's total loan portfolio. By terming out its existing debts for the next 4 to 5 years, PLife REIT has minimised its near term refinancing risks. As at 30 September 2013, the gearing level of the Group stood at 35.2%.

Mr Yong commented, "We've further enhanced PLife REIT's resiliency with our continuous proactive lengthening of our debt maturity. In addition, we've also been able to insulate PLife REIT from exposure to potential foreign currency fluctuations by adopting a natural hedge strategy and having a net income hedge in place for the next four to six years. Our prudent financial management and strong balance sheet, combined with positive long-term prospects for the regional healthcare sector, positions us well for continued growth. As Asia's population ages and becomes more affluent, we see robust demand for quality private healthcare services that will drive our expansion."

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³ Based on an exchange rate of S\$1.00 to JPY78.125.

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 44 properties with a total portfolio size of approximately S\$1.5 billion as at 30 September 2013. 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 beds⁴. In addition, it has 40 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 39 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.

⁴ As at 31 December 2012.