NEWS RELEASE

FOR IMMEDIATE RELEASE

PARKWAY LIFE REIT ANNOUNCES DISTRIBUTABLE INCOME OF S$16.0 MILLION FOR 1Q 2013

- **Distribution per unit ("DPU") increased 2.9% year-on-year to 2.64 cents due to one-off IRAS tax adjustment[1] (of approximately S$0.6 million) in 1Q 2012**
- **Excluding one-off tax adjustment, DPU growth would be 7.0% year-on-year in 1Q 2013**
- **Well-equipped for further growth in robust regional healthcare industy**

TOTAL PORTFOLIO	1 Jan 13 to 31 Mar 13 (1Q 2013) S$'000	1 Jan 12 to 31 Mar 12 (1Q 2012) S$'000	Increase %
Gross revenue	23,029	22,776	1.1
Net property income	21,504	21,115	1.8
One-off IRAS tax adjustment[1]	-	588	100.0
Income to be distributed (including IRAS tax adjustment)	15,965	15,510	2.9
Income to be distributed (excluding IRAS tax adjustment)	15,965	14,922	7.0
Distribution Per Unit (cents) [2] - DPU for the period - Annualised DPU	 2.64 10.56	 2.56 10.24	 2.9 2.9
Annualised Distribution Yield (%), based on closing market price of S$2.53 as at 28 March 2013	4.17	4.05	2.9

Singapore, 9 May 2013 – Parkway Trust Management Limited (the "Manager"), as manager of Parkway Life Real Estate Investment Trust ("PLife REIT") has today announced its results for the first quarter ended 31 March 2013 ("1Q 2013").

PLife REIT registered higher gross revenue of S$23.0 million and net property income of S$21.5 million for 1Q 2013. This was mainly due to full-quarter contributions from the Japan and Malaysia properties acquired in March and August 2012 respectively[3], and higher rent from the Singapore properties largely due to the increased growth rate of CPI + 1% (i.e. 6.31%) in Year Six of the

[1] For FY 2012, this represents the difference between the taxable income previously distributed and the quantum finally agreed with the Inland Revenue Authority of Singapore ("IRAS") for the Years of Assessment 2008 to 2010 and had been adjusted under the rollover adjustment mechanism agreed with the IRAS.

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

[3] PLife REIT completed the acquisition of 3 Japan nursing home properties in March 2012. In August 2012, it completed the acquisition of strata-titled units / lots at Gleneagles Intan Medical Centre, Kuala Lumpur, Malaysia.

lease term commencing 23 August 2012. Revenue growth was partially offset by the depreciation of the Japanese Yen in 1Q 2013.

Correspondingly, distributable income (after deducting amount retained for capital expenditure) for 1Q 2013 increased 2.9% year-on-year to S$16.0 million, up from 1Q 2012's S$15.5 million (including a S$0.6 million one-off IRAS tax adjustment in 1Q 2012[1]). Accordingly, DPU for 1Q 2013 rose 2.9% to 2.64 cents, from 2.56 cents in 1Q 2012. Excluding the one-off tax adjustment, both distributable income growth and DPU growth for 1Q 2013 would have been 7.0% year-on-year.

Mr Yong Yean Chau, Chief Executive Officer of the Manager said, “We are pleased with this quarter's results as it demonstrates PLife REIT's resilience amid challenging market conditions. Our steady growth is further augmented by strong performance from our properties and contributions from recent acquisitions.”

Defensive REIT model driven by favourable rent structures

As at 31 March 2013, PLife REIT maintained 100% occupancy at its properties with locked-in long-term master leases. In addition, 90% of its total portfolio enjoys downside revenue protection with 68% of the total portfolio pegged to a CPI-linked rent revision formula. These provide earnings visibility during times of economic uncertainty as well as rental income growth upside.

Robust balance sheet with dynamic financial and capital management

PLife REIT employs dynamic financial and capital management strategies to strengthen its fundamentals and boost its defensiveness.

For its properties acquired in Japan, PLife REIT adopts a natural hedge strategy to match its assets and liabilities that are denominated in Japanese Yen. Further, it has entered into interest rate swaps and foreign currency forward contracts to hedge its floating rate loans and net foreign income from Japan respectively. As of 31 March 2013, PLife REIT has put in place its Japanese Yen net income hedges until the first quarter of FY2017, thereby mitigating attendant risks arising out of currency fluctuations and ensuring the stability of distributions to Unitholders.

As at 31 March 2013, PLife REIT's weighted average term to debt maturity was 2.32 years, and effective all-in cost of debt was 1.54%. Gearing level stands at 31.6%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Funds Appendix. With ample debt headroom and diversified funding sources in place, PLife REIT is well-positioned for future acquisitions and growth.

Outlook

Moving forward, PLife REIT remains cautiously optimistic about its near to medium term acquisition prospects. Despite ongoing uncertainties in the global markets, PLife REIT believes that the region's healthcare industry will remain robust due to rising demand for better quality private healthcare service driven by fast-ageing populations.

Mr Yong commented, “We continue to see opportunities in the region’s growing healthcare sector and aim to capitalise on this trend to grow further. Our healthy gearing level provides us with the flexibility to make yield-accretive acquisitions as and when the right opportunity arises.”

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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 37 properties with a total portfolio size of approximately S$1.4 billion as at 31 March 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 beds. In Japan, has 33 assets, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 32 high quality nursing home and care facility properties in various prefectures. It also owns strata-titled units/lots at Gleneagles Intan Medical Centre Kuala Lumpur in Malaysia.

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