



(Constituted in the Republic of Singapore pursuant to a trust deed dated 12 July 2007 (as amended))

Clarification on The Business Times article

Parkway Trust Management Limited, as manager of Parkway Life Real Estate Investment Trust ("**PLife REIT**") and as manager of PLife REIT, the "**Manager**") refers to the article entitled "*Parkway Life Reit lost S\$3.3m in property deal*" published in The Business Times on 30 December 2014, and wishes to clarify as follows:-

PLife REIT has adopted a prudent strategy since its first investment in Japan in 2008. PLife REIT's 'natural hedge strategy' of borrowing loans denominated in Japanese Yen ("**Yen**") to fund its acquisitions in Japan has fully offset the impact of the Yen depreciation on its asset value, hence protecting its asset value from currency volatility. The loans denominated in Yen used to finance the acquisition of the divested properties have correspondingly declined in tandem with the asset value.

As stated in the recent announcement released on 26 December 2014, PLife REIT is expected to recognise an estimated divestment gain¹ of approximately S\$12.3 million over the book value of the divested properties as at 31 December 2013. The divestment has rebalanced and strengthened the overall quality and growth potential of PLife REIT's Japan portfolio.

For more details, investors can refer to the announcement and press release announced via the SGX in connection with PLife REIT's divestment of seven nursing home properties located in Japan on 26 December 2014.

BY ORDER OF THE BOARD

Parkway Trust Management Limited
(Company Registration no. 200706697Z)
As manager of Parkway Life Real Estate Investment Trust

Yong Yean Chau
Executive Director / CEO
30 December 2014

Important Notice

This announcement 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 ("**Parkway Life REIT**") and the units in Parkway Life REIT, the "**Units**").

The value of Units and the income 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 Parkway Life REIT (the "**Manager**") or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Parkway Life REIT may only deal in their Units through trading on Singapore

¹ Net of tax but inclusive of Japanese consumption tax rebate receivable.

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 Parkway Life REIT or the Manager is not necessarily indicative of the future performance of Parkway Life REIT or the Manager.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and on the terms necessary to support Parkway Life REIT’s future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.