

NEWS RELEASE
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**PARKWAY LIFE REIT BOOSTS JAPAN PRESENCE WITH
SIX NEW NURSING HOME AND CARE FACILITY PROPERTIES**

- **Acquires properties at an attractive purchase consideration of S\$60.5 million¹**
- **Highly yield-accretive with expected net property yield of 8.08%²**
- **Fresh 20-year master lease / operating lease agreements, back-up operators and rental income guarantees enhances stability of overall portfolio**
- **Fully funded by 5-year unsecured committed Japanese yen facility at an attractive rate of 2.0%**

Singapore, 9 June 2010 – Parkway Trust Management Limited (the “Manager”), as the manager of Parkway Life Real Estate Investment Trust (“PLife REIT”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of PLife REIT (the “Trustee”) has through its wholly owned-subsiidiary, Parkway Life Japan4 Pte. Ltd., entered into five *Tokumei-Kumiai* agreements (similar to the holding structure for all of PLife REIT’s earlier acquisitions in Japan) for the acquisition of six nursing home and care facility properties (the “Properties”) located in Japan. Acquisition of the Properties is expected to be completed by 24 June 2010.

The Properties will be acquired at a purchase price of approximately JPY3.9 billion (approximately S\$60.5) million from Kabushiki Kaisha Sawayaka Club (“Sawayaka”) and Kabushiki Kaisha Bonheure (“Bonheure”), both subsidiaries of Kabushiki Kaisha Uchiyama Holdings (“Uchiyama”), a Japan-based company in the nursing homes, family karaoke and F&B businesses. Black Hills Investment Ltd, a private real estate asset management firm, will be appointed asset manager of the Properties.

¹ All JPY reference in this press release are based on the exchange rate of S\$1.00 = JPY65.0

² The expected net property yield is computed by dividing the contractual net property income (“NPI”) of the Properties by the purchase price of S\$60.5 million.

Mr Yong Yean Chau, Chief Executive Officer of the Manager, said, “We are delighted to further expand our presence in Japan with this new batch of high-quality nursing home and care facility properties, hot on the heels of our last acquisition in November 2009. With a 8.08% net property yield, this acquisition is yield-accretive to our Unitholders. This is in line with PLife REIT’s strategy of seeking growth through value-enhancing acquisitions, and achieving greater diversity in revenue stream to ensure stability of returns to our Unitholders.”

Rationale for the acquisition

The Properties are well-equipped, in good physical condition and strategically-situated in residential districts. Offering a wide range of nursing care services, the facilities are operated by experienced service and nursing staff, making them attractive retirement facilities. While the Properties are relatively new with an average age of 3.4 years, they enjoy a high average occupancy of approximately 93.9% as at 31 May 2010.

Each of the Properties will have a fresh 20-year master lease / operating lease agreement with Sawayaka, currently the largest private nursing home operator in Kyushu Island. The long lease term will improve the total portfolio weighted average lease term to expiry (by gross revenue), which stands at 13.2 years as at 31 March 2010, thereby boosting the resiliency of PLife REIT’s portfolio. The stability of the overall portfolio is further enhanced with backup operator arrangements secured for the Properties in the event Sawayaka is unable to continue operating the Properties.

To mitigate the risk of any potential rental defaults, Uchiyama and Bonheure will provide rental income guarantees for the Properties for the entire lease period, thereby providing greater certainty of future returns to PLife REIT’s Unitholders.

In addition, Uchiyama and its subsidiaries have entered into a Memorandum of Understanding in relation to a Right of First Refusal over future sales of nursing homes owned by them. This arrangement will enhance the growth potential of PLife REIT in Japan.

Clustering and partnership approach – the first step towards building a healthcare eco-system

PLife REIT’s long term strategy is to establish a “healthcare eco-system”, in which its hospitals and nursing homes meet the demands of ageing populations in the region. With this vision in mind, PLife REIT is embarking on the next phase of growth with a clustering acquisition and partnership approach to achieve critical mass and reap economies of scale in its core markets of operations, starting with Japan.

The prospects of the elderly care industry in Japan remain bright and viable, offering new opportunities for owners of quality facilities such as PLife REIT. As demand for senior living facilities in ageing Japan continues to be on the uptrend, the Japanese government is pushing for further development and rationalisation of the healthcare industry by encouraging stronger private sector participation, thereby resulting in more elderly care facilities and operation by private healthcare operators.

“By prioritising and clustering our acquisitions, we are one step closer to reaching an optimal size which will enable us to generate greater operating synergies, derive further cost savings, and manage our assets more effectively to grow the size and value of our portfolio, especially in the fast-expanding Japan nursing homes industry”, Mr Yong added.

Investment and expected returns

At a purchase price of JPY3.9 billion (approximately S\$60.5 million), the acquisition of the Properties is expected to have a net property yield of 8.08%, which compares favourably to the current property yield of 6.97%³ for PLife REIT’s existing Japan portfolio.

Funding for the acquisition

The acquisition is expected to be fully funded via a 5-year committed unsecured JPY Term Loan Facility of JPY4.2 billion (approximately S\$64.6 million) at an all-in funding cost of about 2.0% p.a., which is a better rate compared to the recent similar financing in November 2009 secured at 3.22% p.a. The longer term financing tenure enables PLife REIT to reduce its immediate refinancing risk and extend its debt maturity profile. With this funding, PLife REIT’s gearing will increase from 28.5% as at 31 March 2010 to 32.2%. The facility is secured from CIMB Bank Berhad, one of PLife REIT’s key partner banks. With CIMB’s good market standing providing PLife REIT the assurance of working with a creditworthy funding provider, the Group looks forward to leveraging on CIMB’s strong presence in the region to pursue more opportunities in the future.

General description of the Properties

Five of the Properties are located in densely populated residential areas in the Fukuoka Prefecture, serving the needs of the local community within a 5-10 km radius. The Sakura-kan property is located within a suburban residential area in the Akita Prefecture, enjoying a steady supply of residents and strong occupancy rate with no direct competitors within its 50 km radius catchment area.

³ The current property yield is computed by dividing PLife REIT’s existing Japan Portfolio NPI by the value of existing Japan Portfolio investment properties as at 31 March 2010.

The Properties are:

1. Obatake Ichiban-kan, (78 rooms) located in Kitakyushu City, Fukuoka, Japan;
2. Obatake Niban-kan, (26 rooms) located in Kitakyushu City, Fukuoka, Japan;
3. Shinmoji-kan, (112 rooms) located in Kitakyushu City, Fukuoka, Japan;
4. Nokata-kan, (100 rooms) located in Fukuoka City, Fukuoka, Japan;
5. Nogata-kan, (78 rooms) located in Nogata City, Fukuoka, Japan; and
6. Sakura-kan, (110 rooms) located in Semboku City, Akita, Japan.

Mr Yong concluded, "We are excited about working with Uchiyama and will continue to explore future acquisition or collaboration opportunities, such as having them as backup operators or replacement operators for the other nursing homes in PLife REIT's portfolio. Working closely with the operators of our properties, we will continue to proactively explore asset enhancement initiatives to optimise space utilisation, and negotiate additional variable components for our rentals where possible, to further enhance returns from our portfolio."

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About Parkway Life REIT

Parkway Life Real Estate Investment Trust ("PLife REIT") is Asia's largest listed healthcare REIT 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's total portfolio size stands at approximately S\$1.15 billion as at 31 March 2010. 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 1,039 licensed beds. In addition, it has 18 assets located in Japan, namely a pharmaceutical product distributing and manufacturing facility in Chiba Prefecture, and 17 high quality nursing homes in various prefectures of Japan.

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