NEWS RELEASE

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PARKWAY LIFE REIT'S DISTRIBUTION PER UNIT ("DPU") INCREASED 6.9% Y-O-Y TO 2.82 CENTS FOR 1Q 2014

- **Distributable income also up 6.9% to S$17.1 million, mainly driven by acquisitions in 2013 and rental growth from existing properties**
- **Completed three properties acquisition in Japan and three Asset Enhancement Initiatives in 1Q 2014**
- **Healthy gearing of 35.0% with ample headroom for growth**

TOTAL PORTFOLIO	1Q 2014 S$'000	1Q 2013 S$'000	Increase %
Gross revenue	**24,604**	**23,029**	**6.8**
Net property income	**22,984**	**21,504**	**6.9**
Income available for distribution (after deducting income retained for capital expenditure)	**17,066**	**15,965**	**6.9**
Available Distribution Per Unit (cents) [1]			
- **DPU for the period**	**2.82**	**2.64**	**6.9**
- **Annualised DPU**	**11.28**	**10.56**	**6.9**
Annualised Distribution Yield (%), based on closing market price of S$2.44 as at 31 March 2014	**4.62**	**4.33**	**6.9**

Singapore, 2 May 2014 – Parkway Trust Management Limited (the "Manager"), as manager of **Parkway Life Real Estate Investment Trust** ("PLife REIT" or the "Group"), one of Asia's largest listed healthcare REITs, announced today that the DPU in the first quarter ended 31 March 2014 ("1Q 2014") increased 6.9% to 2.82 Singapore cents, from 2.64 Singapore cents in the past corresponding period ("1Q 2013"), mainly led by acquisitions in 2013 and rental growth of existing properties.

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

Mr Yong Yean Chau, Chief Executive Officer of the Manager, said: "Once again, our steady growth is a testament to the strengths of our core strategies and favourable lease structures. The seven Japan properties acquired last July and September yielded rental income that largely boosted our revenue growth year-on-year. Having acquired another three properties in Japan and completed another three Asset Enhancement Initiatives in the first quarter of this year, the REIT is well on track with its proven strategies, as it continues to seek new opportunities that will further enhance value for unitholders."

Steady Financial Performance

PLife REIT's 1Q 2014 gross revenue rose to S$24.6 million, up 6.8% from S$23.0 million in 1Q 2013. The higher revenue was primarily derived from rental income contributions from Japanese properties acquired in July and September 2013. Singapore properties also generated higher rent, due to the increased growth rate of 4.44% as a result of the CPI + 1% rent review formula built into the REIT's lease structure in Year 7 of the lease term commencing 23 August 2013.

Despite the overall revenue increase being offset by the depreciation of the Japanese Yen, the impact was minimal to the Distributable Income due to PLife REIT's net income hedge strategy as the Group registered a net foreign exchange gain of S$0.6 million in 1Q 2014.

Gearing remained at a healthy level of 35.0% as at 31 March 2014, with ample headroom for growth. The weighted average term to maturity is 3.11 years, with current effective all-in cost of debt of 1.47%.

Growing Japan's portfolio

In March 2014, PLife REIT acquired two nursing homes and an extended-stay lodging facility for the elderly ("Properties") in Osaka, further expanding its portfolio in Japan, where it is already a market leader. Acquisition of the Properties is expected to generate a net property yield of 7.3%. With these acquisitions, PLife REIT's Japan portfolio increased to 43 properties, to stand at approximately S$500.9 million or about 32.7% of total assets under management as at 31 March 2014. To fund the acquisition, the Group has secured a up to JPY3,500 million (S$42.88 million[2]) 6-year revolving credit facility and drawn down JPY3,250 million (S$39.81 million) as at 31 March 2014 for the completion of the acquisition.

[2] All JPY references in this press release are based on the exchange rate of S$1.00 to JPY81.63.

Propelling organic growth

In line with its strategy of fuelling organic growth through Asset Enhancement Initiatives ("AEIs"), PLife REIT completed two such projects for its Japan nursing homes and a maiden project for the Malaysia Portfolio in 1Q 2014. The three initiatives yielded attractive return on investments, which ranged from 10% to 21.2%.

Outlook and future plans

The Group is cognisant of macroeconomic headwinds ahead, such as tapering of the U.S. bond-buying programme that would cause interest rates to rise. However, the Group believes that the long-term prospects of the regional healthcare industry will continue to be robust due to rising demand for better quality private healthcare services, as countries in Asia-Pacific face ageing populations. Over the next few years, approximately 11.3% of the region's population will be above 65 years old[3].

Commenting on the Group's plans for growth, Mr Yong said: "With our enlarged portfolio of 47 high-quality assets, we believe we are well-placed to benefit from the resilience of the healthcare industry in Asia-Pacific. We plan to consolidate our assets in Japan to generate operating synergies and enjoy further cost savings. At the same time, we will actively seek opportunities in other regional markets and continue with our proactive asset management strategy to enhance our competitiveness and extract more value from our portfolio."

– End –

[3] Frost & Sullivan "Market Research Report on the Healthcare Services Industry in China,Japan and Malaysia," February 25, 2013

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 47 properties with a total portfolio size of approximately S$1.5 billion as at 31 March 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[4]. In addition, it has 43 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 42 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 March 2014.