

NEWS RELEASE
FOR IMMEDIATE RELEASE
PARKWAY LIFE REIT'S 4Q 2013 DPU ROSE 4.5% TO 2.82 CENTS

- Distributable income increases 4.5% y-o-y to S\$17.0 million in 4Q 2013, driven by recent acquisitions and rental growth from existing properties
- Strong DPU growth of 70.9% since IPO
- Value creation of attractive ROI, ranging from 10% to 21.2% from three Asset Enhancement Initiatives
- Healthy balance sheet with gearing at 33%

TOTAL PORTFOLIO	4Q 2013 S\$'000	4Q 2012 S\$'000	Inc/ (Dec) %	FY2013 S\$'000	FY2012 S\$'000	Inc/ (Dec) %
Gross revenue	24,736	23,987	3.1	93,693	94,074	(0.4)
Net property income	23,165	22,396	3.4	87,599	87,608	(0.0)
Income available for distribution (after deducting income retained for capital expenditure)	17,044	16,314	4.5	65,054	62,405	4.2
Available Distribution Per Unit (cents)¹						
- DPU for the period	2.82	2.69	4.5	10.75	10.31	4.2
- Annualised DPU	11.28	10.76	4.5	10.75	10.31	4.2
Annualised Distribution Yield (%), based on closing market price of S\$2.35 as at 31 December 2013	4.8	4.6	4.5	4.6	4.4	4.2

Singapore, 24 January 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 Distribution per Unit (“DPU”) in the fourth quarter ended 31 December 2013 (“4Q 2013”) rose 4.5% to 2.82 Singapore cents, from 2.69 Singapore cents in the corresponding period a year ago (“4Q 2012”), mainly led by recent acquisitions and rental growth of existing properties.

For the financial year ended 31 December 2013, DPU grew 4.2% year-on-year (“y-o-y”) to 10.75 Singapore cents. Excluding a one-off IRAS tax adjustment of S\$0.7 million in 2012, the DPU growth would have been 5.5%.

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

Summary of PLife REIT's Results

PLife REIT reported a 3.1% increase in gross revenue for 4Q 2013 to S\$24.7 million, from S\$23.9 million in 4Q 2012. Rental income contribution from properties acquired in July and September 2013 was a main driver for this quarter's revenue increase. Additionally, higher rent from the Singapore properties, due mainly to increased growth rate of 4.44% (under the CPI+1% rent review formula) for Year 7 of lease term commencing 23 August 2013, also contributed to the revenue growth. However, the increase was offset by the Japanese Yen depreciation in the quarter.

For the financial year ended 31 December 2013 ("FY2013"), gross revenue stood at S\$93.7 million, compared to S\$94.1 million in the previous year ("FY2012"). The flat revenue was due mainly to the impact the depreciation of the Japanese Yen had on the revenue. However, revenue contributions from the properties acquired in 2012 and 2013 and higher rent from existing properties were key factors cushioning the negative impact of the Japanese Yen depreciation.

As a result, while 4Q 2013 net property income rose 3.4% to S\$23.2 million from S\$22.4 million in 4Q 2012, FY2013 net property income remain unchanged from a year ago, at S\$87.6 million.

The income hedge strategy on the Japanese Yen income continued to deliver positive impact, enhancing the stability of distributions to Unitholders. As a result, the Group registered a realised foreign exchange gain of S\$0.5 million in 4Q 2013 and S\$1.7 million in FY2013 respectively. PLife REIT is further protected from exposure to potential foreign currency fluctuations by adopting a natural hedge strategy.

Commenting on the performance for the year, Mr Yong Yean Chau, Chief Executive Officer of the Manager, said, "Despite the challenging environment in 2013, we are pleased to be able to achieve steady growth in distributions to Unitholders, with the DPU for 4Q 2013 reaching 70.9% since our IPO. Our prudent financial management and strong balance sheet, combined with positive long-term prospects for the regional healthcare sector, position us well for continued growth."

In addition, through the successful Asset Enhancement Initiatives implemented last year with three properties – two of the Japanese nursing homes and the newly acquired Malaysia asset, the Group is able to achieve organic growth upon its expected completion by the first quarter of 2014. The three initiatives yielded attractive return on investments, which ranged from 10% to 21.2%.

On the year ahead, Mr Yong commented, “We believe 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 driven by the fast-ageing populations.

“The Group maintains a strong balance sheet with ample debt headroom for growth. At a healthy gearing level of 33% as at 31 December 2013, PLife REIT is in a good position to capitalise on opportunities when it 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 44 properties with a total portfolio size of approximately S\$1.5 billion as at 31 December 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 beds². 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.

² As at 31 December 2013.