NEWS RELEASE

FOR IMMEDIATE RELEASE

PARKWAY LIFE REIT DELIVERS STRONG Y-O-Y DPU GROWTH OF 10.2% FOR 2Q 2014

- **Distributable income also grew 10.2% to S$17.5 million for 2Q 2014, driven mainly by acquisitions and rental growth of existing properties**
- **Another record high quarterly DPU of 2.90 cents for 2Q 2014**
- **Minimum Guaranteed Rent for Singapore Hospitals to increase by 2.81% for the 8th year of lease term commencing from 23 August 2014**
- **Successful terming out 52% of FY2015 refinancing requirements in July 2014 and extended weighted average term to maturity from 2.88 years to 3.48 years**
- **Affirmed 'BBB' and 'Baa2' investment grade rating by Fitch and Moody's respectively**

TOTAL PORTFOLIO	2Q 2014 S$'000	2Q 2013 S$'000	Increase %	1H 2014 S$'000	1H 2013 S$'000	Increase %
Gross revenue	25,339	22,583	12.2	49,943	45,612	9.5
Net property income	23,641	21,111	12.0	46,625	42,615	9.4
Income available for distribution (after deducting income retained for capital expenditure)	17,542	15,925	10.2	34,608	31,890	8.5
Available Distribution Per Unit (cents)[1]						
- DPU for the period	2.90	2.63	10.2	5.72	5.27	8.5
- Annualised DPU	11.60	10.52	10.2	11.44	10.54	8.5
Annualised Distribution Yield (%), based on closing market price of S$2.36 as at 30 June 2014	4.92	4.46	10.2	4.85	4.47	8.5

Singapore, 4 August 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, today announced higher distribution per unit ("DPU") of 2.90 cents for the second quarter ended 30 June 2014 ("2Q 2014"), representing a 10.2% increase over the same period of the preceding year ("2Q 2013"). For six months ended 30 June 2014 ("1H 2014"), DPU growth was 8.5% year-on-year (y-o-y) at 5.72 cents which represents 53% of FY2013 DPU.

[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: "Our strong results this quarter was driven mainly by acquisitions and rental growth of existing properties, underlining the success of our strategies. We continue to be a defensive play that delivers stable returns to our unitholders. Properties we acquired in Japan in the second half of 2013 and first quarter of 2014 have boosted our revenue, contributing to our healthy and steadfast DPU growth that has been on the rise since our IPO in 2007. In fact, we experience another record high quarterly DPU of 2.90 cents for 2Q 2014."

Strong Financial Performance

In 2Q 2014, PLife REIT's gross revenue rose 12.2% to S$25.3 million, from S$22.6 million in 2Q 2013, largely bolstered by properties acquisitions in 2H 2013 and 1Q 2014. Net property income for 2Q 2014 was S$23.6 million, 12% higher compared with a year ago. Revenue was also driven by higher rent from the Singapore Hospitals.

On a half-year comparison, PLife REIT's gross revenue rose 9.5% to S$49.9 million, from S$45.6 million in 1H 2013. Net property income for 1H 2014 rose correspondingly to S$46.6 million, a 9.4% y-o-y improvement from the same period in 2013. With yield accretive acquisitions, higher rent from existing properties and the positive effect of net income hedge, Plife REIT's 1H2014 distributable income rose to S$34.6 million, an increase of 8.5% y-o-y.

Any adverse impact from the depreciation of the Japanese Yen has been mitigated as PLife REIT has locked in the Japan net income hedge for the next few years.

As part of PLife REIT's prudent financial management to maintain a robust balance sheet, the REIT has also successfully termed out 52% of FY2015 refinancing requirements in July 2014 and extended its corresponding interest rate hedge to the second half of FY2019. With this, the weighted average term to maturity is extended from 2.88 years to 3.48 years, with current effective all-in cost of debt of 1.46%.

Gearing remained healthy at 35.3% as at 30 June 2014, with ample debt headroom for growth.

‘Stable’ outlook by Fitch and Moody’s reflects PLife REIT’s sound financial metrics

As a testament to PLife REIT’S strong fundamentals, Fitch affirmed PLife REIT’s long-term issuer default, senior unsecured rating and the SGD500 million multicurrency MTN Programme (the “MTN Programme”) at ‘BBB’, with a stable outlook on 15 July 2014.

Additionally PLife REIT has been assigned a Baa2[2] issuer rating as well as a provisional (P)Baa2[3] senior unsecured rating to the MTN Programme, with a stable outlook by Moody’s Investors Service (“Moody’s”) on 8 May 2014. This Baa2 rating further affirms the stability of the REIT’s quality and diversified portfolio. This is also the first time Moody’s has assigned a rating to PLife REIT.

Outlook and future plans

In line with its aim to delivering regular, stable distributions and achieve long-term growth for the REIT’s unitholders, PLife REIT is focused on its next phase of growth. The REIT plans to consolidate assets in Japan to generate operating synergies and achieve greater cost savings. Similarly it will actively seek new opportunities in other regional markets and continue with proactive asset management to improve performance, enhance competitiveness and extract greater value from overall portfolio.

Commenting on the healthcare global outlook, Mr Yong said “The overall growing demand for quality private healthcare facilities and services as well as increased healthcare expenditure in Asia paint a positive outlook for the regional healthcare industry over the next few years. While we remain optimistic about the long-term prospects of the healthcare industry, we are mindful of macroeconomic headwinds ahead. In this regard, we have pre-emptively termed out 52% of our FY2015 debt facilities maturing to ensure a well spread-out debt maturing profile and minimise near-term refinancing risks. Our strong lease structure coupled with existing favourable rental lease structures such as a 2.81% increase in our minimum guaranteed rent for Singapore Hospitals ensures steady rental growth whilst protecting revenue stability amid uncertain market conditions.”

“We believe that our enlarged portfolio of 47 high-quality healthcare and healthcare-related assets are in a good position to benefit from the resilient healthcare sector,” Mr Yong added.

– End –

[2] Equivalent to Fitch’s rating of BBB.

[3] Moody’s only assigns a provisional rating to all MTN programme and will issue a definitive rating upon specific notes issuance.

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 30 June 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 30 June 2014.