

NEWS RELEASE**FOR IMMEDIATE RELEASE****PARKWAY LIFE REIT DIVESTS NON-CORE PROPERTY IN JAPAN
FOR S\$37.1 MILLION**

- The divestment is in line with PLife REIT’s recycling strategy to rebalance and enhance the overall quality and growth potential of PLife REIT’s Japan Portfolio
- Sale price represents approximately 12% premium over original purchase price
- Divestment proceeds will provide greater financial flexibility for PLife REIT to seize other attractive investment opportunities offering better value

Singapore, 29 January 2021 – Parkway Trust Management Limited (the “**Manager**”), as manager of Parkway Life Real Estate Investment Trust (“**PLife REIT**”), one of Asia’s largest listed healthcare REITs, is pleased to announce that PLife REIT has through its special purpose entity incorporated in Japan (the “**Vendor**”) entered into a purchase and sale agreement with real estate investment firm Hulic Co., Ltd (the “**Purchaser**”) for the sale of an industrial property in Japan known as P-Life Matsudo (“**Matsudo**”) (the “**Divestment Property**”) for a total consideration of JPY2.9 billion (approximately S\$37.1 million)¹. Completion has taken place on the same day. The sale consideration has been paid in cash by the Purchaser to the Vendor today after the relevant adjustments have been made in relation to the Divestment Property pursuant to the terms of the purchase and sale agreement.

The Divestment Property was originally purchased by PLife REIT for JPY2.59 billion (approximately S\$33.2 million) in May 2008 with a net operating income yield of 5.3%. For the Divestment Property, the net book value as at 31 December 2020 was approximately S\$31.0 million (the “**Net Book Value**”) and the valuation as at 31 December 2020 stands at JPY2.41 billion (approximately S\$30.9 million) (the “**Latest Valuation**”)².

¹ All ¥ references in this press release are based on the exchange rate of S\$1.00: JPY78.06

² Based on the latest independent valuation conducted by Enrix Co. Ltd. as at 31 December 2020.

The total sale consideration of JPY2.9 billion (approximately S\$37.1 million) was arrived at on a willing-buyer, willing-seller basis taking into account the Latest Valuation, and is 20.3% above the Latest Valuation, 19.8% above the Net Book Value and 12.0% above the original purchase price of the Divestment Property.

PLife REIT is expected to recognise an estimated gain on disposal of investment property (before tax) of approximately S\$5.1 million. The proceeds received from the divestment will provide greater financial flexibility to seize other attractive investment opportunities offering better value as PLife REIT seeks to strengthen its position in its existing key markets.

Commenting on the divestment, Mr. Yong Yean Chau, Chief Executive Officer of the Manager, said: “The divestment which sees us divesting our non-core asset resonates well with our recycling strategy to rebalance and strengthen the growth potential of our Japan Portfolio. Currently, PLife REIT’s Japan portfolio of 50 properties consists mainly nursing homes diversified across various prefectures, contributing 96.7% of our Japan portfolio’s revenue. Matsudo which was acquired in 2008 was PLife REIT’s maiden investment into Japan and our only industrial property (built to specific requirements of a healthcare company presently known as Abbott Diagnostics Medical Co. Ltd).

We are pleased to divest Matsudo at an opportune time at an attractive sale yield of 4.3%. With the sale proceeds from this divestment, we will have greater financial strength and flexibility to acquire other quality assets to strengthen our position in the existing key market of Japan, continuing on our track record of creating greater value for our unitholders through strategic asset recycling initiatives.”

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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 54 properties with a total portfolio size of approximately S\$2.02 billion³ as at 31 December 2020. It owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital and Parkway East Hospital. In addition, it has 50 assets located in Japan, including one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture as well as 49 high quality nursing home and care facility properties in various prefectures of Japan. It also owns strata-titled units/lots in MOB Specialist Clinics Kuala Lumpur in Malaysia.

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³ Based on latest appraised values.

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.