Offering 288,865,000 Units
Subject to the Over-allotment Option
Offering Price: $1.28 Per Unit

Prospectus Dated 2 August 2007
This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
(a trust constituted on 12 July 2007 under the laws of the Republic of Singapore)

PARKWAY TRUST MANAGEMENT LIMITED, as manager (the “Manager”) of Parkway Life Real Estate Investment Trust (“PLREIT”), a unit trust constituted on 12 July 2007 under the laws of the Republic of Singapore, has no interest in any undivided interests in Parkway Life REIT (the “Units”) for subscription at the Offering Price (as defined herein). The Offering consists of (i) an international placement to investors, including institutional and other investors in Singapore (the “Placement Tranche”), of which 18,643,000 Units (the “Placement Units”) will be reserved for subscription by the directors, management, employees and business associates of Parkway Holdings Limited (“Parkway Holdings” or the “Sponsor”) and its subsidiaries (collectively, the “Parkway Group”) and others who have contributed to the success of the Parkway Group, (ii) an offering of 5,857,000 Units to the public in Singapore (the “Public Offer”), and (iii) an offering to Singapore Registered Shareholders (as defined herein) of Parkway Holdings (excluding TPG (as defined herein). The issue price of each Unit under the Offering is $1.28 (the “Offering Price”). The Offering is fully underwritten at the Offering Price by Citigroup Global Markets Singapore Pte. Ltd. and UBS AG, acting through its business group, UBS Investment Bank (collectively, the “Joint Lead Underwriters”) in accordance with the terms of the Underwriting Agreement (as defined herein).

In conjunction with but separate from the Offering, Parkway Investments Pte Ltd (the “Unit Lender”), a wholly owned subsidiary of the Sponsor, will receive 224,504,000 Units (the “Consolidation Units”) on the Listing Date (as defined herein) at the direction of Parkway Hospitals Singapore Pte Ltd, one of the vendors of the Properties (as defined below), in part satisfaction of the purchase consideration for acquisition of interests in the properties which will form the initial property portfolio of Parkway Life REIT (the “Properties”), and each of the “Class E” Property Units (as defined herein). The Class E Property Units will be held by the Class E Unit Company, incorporated in the Cayman Islands, and will be represented by the Class E Property Units to be issued to the Manager from time to time in full or partial payment of the Consideration.

In conjunction with but separate from the Offering, the Common Reit Manager (as defined herein) has entered into a subscription agreement to subscribe for 64,199,000 Units at the Offering Price (the “Pre-Listing Units”), conditional upon the Underwriting Agreement having been entered into and not having been terminated pursuant to its terms or prior to the close of the Application List (as defined herein). In addition, Management has agreed to sell or not more than 4,000,000 Units (the “Reserved Units”) to a number of institutional accredited investors (“Institutional Investors”) in transactions exempt from the registration requirements of the Securities Act (as defined herein). The Common Reit Manager (as defined herein) has agreed to sell the Reserved Units to the Institutional Investors for an aggregate amount equal to the Offering Price. The Offering Price is calculated by dividing the aggregate amount to be paid by the number of Units to be sold. The Institutional Investors are limited to a number of institutional accredited investors (as defined herein) who, for the purposes of the Securities Act, are able to receive offers or sales of securities in transactions not subject to the registration requirements of the Securities Act.

Prior to the Offering, there has been no market for the Units. The offer of Units under this Prospectus will be made by way of an initial public offering in Singapore. Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for listing on the Main Board of the SGX-ST of all the Units comprised in the Offering, all of the Consolidation Units, all of the Common Units, all of the Preferred Units, all of the Class A Preferred Units, all of the Class B Preferred Units, all of the Class C Preferred Units, all of the Class D Preferred Units, all of the Class E Preferred Units, and all of the Class F Preferred Units (as defined herein). The Common Units, Preferred Units, Class A Preferred Units, Class B Preferred Units, Class C Preferred Units, Class D Preferred Units, Class E Preferred Units and Class F Preferred Units comprising the Offering will be listed on the Main Board of the SGX-ST subject to such terms and conditions as the SGX-ST may impose from time to time. The Common Units, Preferred Units, Class A Preferred Units, Class B Preferred Units, Class C Preferred Units, Class D Preferred Units, Class E Preferred Units and Class F Preferred Units comprising the Offering will be listed on the Main Board of the SGX-ST subject to such terms and conditions as the SGX-ST may impose from time to time. The Securities and Futures Act (Chapter 289) of Singapore (“the Securities and Futures Act” or “SFA”). A copy of this Prospectus has been lodged, and registered with the Monetary Authority of Singapore (the “MAS”) on 17 July 2007 and 7 August 2007, respectively. The MAS assumes no responsibility for the contents of this Prospectus. Lodgement with, or registration by, the MAS of this Prospectus does not imply that the Securities and Futures Act or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, through the act of authorising or registering this Prospectus, endorsed the correctness of, or adopted or accepted the contents of this Prospectus. This Prospectus will expire on 7 August 2008 (12 months after the date of the registration).

The Manager’s total interest in the Offering is $1.28 (the “Offering Price”). The Offering is fully underwritten at the Offering Price by Citigroup Global Markets Singapore Pte Ltd and UBS AG, acting through its business group, UBS Investment Bank (collectively, the “Joint Lead Underwriters”) in accordance with the terms of the Underwriting Agreement. The Offer will be made to the public at the Offering Price of $1.28 per Unit on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom), where an application is rejected or accepted in part only, or if the Offer does not proceed for any reason.

Investors applying for Units by way of Application Forms or Electronic Applications (each as referred to in Appendix F of this Prospectus “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore”) in the Public Offer will pay the Offering Price of $1.28 per Unit on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom), where an application is rejected or accepted in part only, or if the Offer does not proceed for any reason.

The Public Offer is expected to close on 13 August 2007 at 12.00 noon, or such other date and time as may be determined by the Manager, in consultation with the Joint Lead Underwriters. The Units are expected to be listed and traded on 23 August 2007 at 9.00 am. Investors should note that there are seven full market days after the close of the Public Offer before the Units can be traded.

In connection with the Offering, the Joint Lead Underwriters have been granted an over-allotment option (the “Over-allotment Option”) by the Unit Lender, exercisable by UBS AG acting through its business group, UBS Investment Bank (the “Stabilising Manager”), in consultation with the Joint Lead Underwriters, over-allot Units or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the Securities and Futures Act and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilising actions. Such transactions may commence on or after the Listing Date and, if commenced, may be discontinued at any time and shall not be effected after the falling 30 days from the Listing Date.

The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except that the Units may be offered or sold in a limited number of institutional “accredited investors” within the meaning of Rule 501(d)(1)(ii), (iii), (iv) or (v) under the Securities Act in transactions exempt from the registration requirements of the Securities Act. However, this document does not constitute an offer to sell or solicitation to the institutional “accredited investors” in the United States and should not be relied upon by these investors. This document may not be circulated or distributed, directly or indirectly, in the United States.

OFFER FOR SUBSCRIPTION BY
PARKWAY TRUST MANAGEMENT LIMITED
SOLE FINANCIAL ADVISER TO THE SPONSOR AND THE MANAGER

PARKWAY TRUST MANAGEMENT LIMITED
SOLE FINANCIAL ADVISER TO THE SPONSOR AND THE MANAGER

MOUNT ELSBETH HOSPITAL

EAST SHORE HOSPITAL

GLENEAGLES HOSPITAL

PARKWAY TRUST MANAGEMENT LIMITED
SOLE FINANCIAL ADVISER TO THE SPONSOR AND THE MANAGER
Parkway Life REIT

Parkway Life REIT is established by Parkway Holdings to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes.

The initial portfolio under Parkway Life REIT comprises The Mount Elizabeth Hospital Property, The Gleneagles Hospital Property and The East Shore Hospital Property. The combined appraised value of the Properties is approximately S$775 million with a total of 1,039 licensed beds.

This overview section is qualified in its entirety by, and should be read in conjunction with, the full text of this Prospectus.
The Sponsor, Parkway Holdings Limited ("Parkway Holdings")

Parkway Holdings is one of Asia’s premier, fully integrated healthcare providers, with one of the largest networks of hospitals and healthcare services in the region. It currently has interests in and/or operates 15 hospitals, including the Properties, located in Singapore, Brunei, India and Malaysia. It also has interests in and/or operates an ambulatory surgical centre and clinics in China and an aesthetics clinic in Vietnam.

The Manager believes that Parkway Life REIT will be able to draw from Parkway Group’s expertise and experience in the healthcare industry to provide Parkway Life REIT with access to healthcare and/or healthcare-related assets across the Asia-Pacific region (including Singapore).
KEY INVESTMENT HIGHLIGHTS

Exposure to the Growing Demand for Healthcare Services in Singapore, Asia and the Middle East

- Singapore's healthcare system is regionally recognised as a centre of excellence for ASEAN countries. Singapore's diverse range of specialty services and expertise across a spectrum of clinical fields positions its hospitals and healthcare services as a destination of choice for foreign medical patients from Asia and the Middle East.

- The Singapore Government has plans to position Singapore as the leading clinical and economic medical hub in the region.

Excellent Opportunities for Acquisition Growth

- The Sponsor's large network of hospitals and healthcare services in the region will benefit Parkway Life REIT in the pursuit of third party acquisition opportunities.

- Parkway Life REIT is well-positioned to capitalise on potential acquisition opportunities for healthcare and/or healthcare-related assets which will increase as traditional healthcare providers divest their real estate and reinvest the proceeds into their core business competencies of providing healthcare services.

- The Sponsor and Parkway Life REIT can jointly pursue acquisition opportunities and both parties stand to benefit as their collective capabilities are synergistic.

- Parkway Life REIT has been granted a right of first refusal for an initial term of five years, subject to extension, by the Sponsor over future sales of healthcare or healthcare-related assets located in the Asia-Pacific region (including Singapore).

Stable and Consistent Distributions Supported by Long-Term Master Lease Agreements

- The Properties will be leased to Parkway Hospitals Singapore Pte Ltd (the “Master Lessee”) for an initial term of 15 years with an option to extend for another 15 years. The master lease arrangements offer stable tenancy and rental income for Parkway Life REIT.

- Unitholders will receive stable income distributions on a quarterly basis. The forecast and projected distribution yield of Parkway Life REIT, based on the Offering Price is as follows:

![Forecast and Projected Distribution Yield]

- General Trends in Asia’s Healthcare Sector

- The Asian healthcare industry is expected to grow due to factors such as strong economic growth, rising personal income, increased awareness and expectation towards healthcare, rising incidence of lifestyle and chronic diseases, large influx of foreign patients, improving government support, as well as expansion of private insurance coverage.

- The ageing and growing population across the Asia-Pacific region is expected to drive growth in demand for healthcare services.

Anticipated Increase in Patient Volume

- The number of foreign patients coming to Singapore hospitals has increased as seen below and the Singapore Government is targeting this number to reach one million by 2012.

- The Singapore Government has announced its intention to launch two land sites for private hospital use in the second half of 2007.

![Number of Foreign Patients in Singapore Hospitals]

1 Based on the Offering Price of $51.28 per Unit and the assumptions set out in the “Profit Forecast and Profit Projection”. Such yields will vary accordingly for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

Sponsor’s Strong Operating Expertise in Developing and Managing Healthcare Businesses and Properties

- The Sponsor undertakes an integrated range of hospital development activities – from project origination, design and planning, project management, to consultancy services.
- The Sponsor also has interests in and/or operates 15 hospitals, including the Properties, located in Singapore, Brunei, India and Malaysia. It also has interests in and/or operates an ambulatory surgical centre and clinics in China and an aesthetics clinic in Vietnam.

Sponsor’s Interests are Substantially Aligned with those of the Unitholders

- The Sponsor will, through the Unit Lender, hold at least 30.1% (if the Over-allotment Option is exercised in full) interest in the Units of Parkway Life REIT upon the listing of Parkway Life REIT on the SGX-ST.

Established Management with Proven Track Record

- Parkway Life REIT will benefit from an established management team which is experienced in the areas of fund and asset management in the Asia-Pacific property markets, including the healthcare and/or healthcare-related property markets.
- The executive officers have a proven track record in successfully sourcing and executing real estate acquisitions, including healthcare and/or healthcare-related properties.

No Capital Expenditure Requirements until 31 December 2009

- From the commencement of the leases until 31 December 2009, the Master Lessee shall be responsible for all repair and replacement works, whether or not of a capital nature and irrespective of the cost of such works. The Master Lessee is responsible, throughout the entire lease term, for the land and building tax (including all increases thereof from time to time) and certain outgoings and expenses to be incurred in respect of the Properties.

Tax Benefits for Unitholders

- Parkway Life REIT has obtained a Tax Ruling (as defined herein) from the IRAS in relation to its income from the investment in properties in Singapore.
- The Tax Ruling grants tax transparency to Parkway Life REIT on its Taxable Income that is distributed to Unitholders, such that the Trustee of Parkway Life REIT will not be taxed on such Taxable Income. This is on condition that at least 90.0% of such income is distributed in the year in which the income is derived.
Parkway Life REIT owns an initial portfolio comprising of strategically located private hospitals (the “Hospitals”) and healthcare facilities in Singapore.

MOUNT ELIZABETH HOSPITAL

Mount Elizabeth Hospital is a tertiary hospital, and is currently the largest private hospital in Singapore, offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, haematology, neurosurgery, oncology, orthopaedic surgery, general surgery, gastroenterology and obstetrics & gynaecology. It is also home to Parkway Group’s Haematology and Stem Cell Centre. There are over 400 doctors with a total of over 30 specialties located within the medical centre. The Mount Elizabeth Hospital Development (as defined herein) is located in the heart of Singapore’s prime shopping district of Orchard Road with excellent access to retail facilities and is easily accessible by public transportation.

GLENEAGLES HOSPITAL

Gleneagles Hospital is a tertiary hospital with key specialties that include cardiology/cardiothoracic surgery, oncology, orthopaedic surgery, general surgery and obstetrics & gynaecology. Gleneagles Hospital houses the Parkway Liver Centre as well as the Parkway Cancer Centre. There are over 240 doctors with a total of over 25 specialties located within the medical centre. The Gleneagles Hospital Development (as defined herein) is located at the fringe of Singapore’s prime shopping district of Orchard Road and is easily accessible by public transportation. It is in close proximity to Singapore’s prime residential districts.

EAST SHORE HOSPITAL

East Shore Hospital is a general acute care hospital offering a wide range of medical and surgical services. Its key specialties include cardiology, general surgery, paediatric and obstetrics & gynaecology. East Shore Hospital will house the Paediatric Cancer Centre. There are over 35 doctors with a total of over 14 specialties located within the medical centre. The East Shore Hospital Development (as defined herein) is located on the eastern part of Singapore and is easily accessible by public transportation. It is also approximately 15 minutes from the Singapore Changi Airport by car.
Largest and Premier Portfolio of Strategically Located Private Hospitals and Healthcare-related Facilities in Singapore

- With the initial portfolio of the Properties, Parkway Life REIT has the largest portfolio of private hospitals in Singapore. In addition, all the Hospitals enjoy close proximity to the local shopping and residential districts and transport hubs servicing the Hospitals.

Operational Synergies with the Parkway Group

- The Parkway Group’s regional footprint allows it to attract the best talent, invest in state-of-the-art hospital and healthcare management systems and achieve economies of scale advantages.
- As the number of foreign patients seeking specialised medical services in Singapore continues to grow, the Parkway Group will continue to enjoy its leadership position in medical travel across Asia.
- With the right of first refusal agreement, the Parkway Group intends to support the growth of Parkway Life REIT.

Operating in a Highly Regulated Industry

- The hospital and healthcare services industry is a highly regulated industry with significant barriers to entry. These provide a relatively regulated and stable operating environment and afford a level of protection from potential new entrants.

Comprehensive Facilities and Services at the Hospitals

- The Hospitals provide premier healthcare services in their respective fields and are supported by world class physicians and state-of-the-art medical equipment and facilities.
Indicative Timetable
An indicative timetable is set out below:

<table>
<thead>
<tr>
<th>Public Offer</th>
<th>Opens On</th>
<th>Closes On</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Via ATMs</td>
<td>7 August 2007, 8.00pm</td>
<td>13 August 2007, 12.00 noon</td>
</tr>
<tr>
<td>- Via application forms</td>
<td>8 August 2007, 9.00am</td>
<td>13 August 2007, 12.00 noon</td>
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<tr>
<td>Shareholders Tranche</td>
<td></td>
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<tr>
<td>- Via ATMs</td>
<td>13 August 2007, 7.00am</td>
<td>17 August 2007, 9.30pm</td>
</tr>
<tr>
<td>- Via acceptance forms</td>
<td>13 August 2007, 7.00am</td>
<td>17 August 2007, 4.45pm</td>
</tr>
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The Public Offer is expected to close on 13 August 2007 at 12.00 noon, or such other date and time as may be determined by the Manager, in consultation with the Joint Lead Underwriters. The Units are expected to be listed and traded on 23 August 2007 at 2.00pm. Investors should note that there are seven full market days after the close of the Public Offer before the Units can be traded.
Notice to Investors

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer or the Trustee. Neither the delivery of this Prospectus nor any offer or subscription made hereunder shall under any circumstances imply that the information herein is correct as of any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the affairs, conditions and prospects of Parkway Life REIT, the Manager, the Sponsor or the Units since the date hereof. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, the Manager will make an announcement of the same to the SGX-ST and, if required, issue and lodge a supplementary document or replacement document pursuant to Section 298 of the Securities and Futures Act and take immediate steps to comply with the said Section 298. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes. No representation, warranty or covenant, express or implied, is made by any of Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer or the Trustee or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained herein, and nothing contained in this Prospectus is, or shall be relied upon as, a promise, representation or covenant by any of Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer or the Trustee or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

None of Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and the Trustee or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers makes any representation or undertaking to any subscriber of Units regarding the legality of an investment by such subscriber of Units under appropriate legal, investment or similar laws. In addition, investors in the Units should not construe the contents of this Prospectus as legal, business, financial or tax advice. Investors should be aware that they are required to bear the financial risks of an investment in the Units, and may be required to do so for an indefinite period of time. Investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Units.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, from:

- Citigroup Global Markets Singapore Pte. Ltd.
  3 Temasek Avenue
  #12-00 Centennial Tower
  Singapore 039190

- UBS AG, acting through its business group, UBS Investment Bank
  5 Temasek Boulevard
  #18-00 Suntec Tower Five
  Singapore 038985

- DBS Bank Ltd
  6 Shenton Way
  DBS Building, Tower One
  Singapore 068809

and, where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website http://www.sgx.com.

The distribution of this Prospectus and the offering or subscription of the Units in certain jurisdictions may be restricted by law. Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and the Trustee require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and the Trustee. This Prospectus does not constitute an offer of, or an invitation to subscribe for, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.
In connection with the Offering, the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Lead Underwriter, over-allot Units or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the Securities and Futures Act and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may commence on or after the Listing Date and, if commenced, may be discontinued at any time and shall not be effected after the earliest of (i) the date falling 30 days from the Listing Date, (ii) the date when the Stabilising Manager has bought on the SGX-ST an aggregate of 43,329,000 Units, representing not more than 15.0% of the total Units in the Offering to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price of the Units. (See “Risk Factors — Risks relating to an investment in the Units — Certain provisions of the Singapore Code on Take-overs and Mergers could have the effect of discouraging, delaying or preventing a merger or acquisition, or restricting the Stabilising Manager’s ability to undertake stabilisation, which could adversely affect the market price of the Units.”)
FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute “forward-looking statements”. This Prospectus also contains forward-looking financial information in “Profit Forecast and Profit Projection”. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Parkway Life REIT, the Manager or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager’s present and future business strategies and the environment in which Parkway Life REIT or the Manager will operate in the future. Because these statements and financial information reflect the Manager’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

Among the important factors that could cause Parkway Life REIT’s actual results, performance or achievements to differ materially from those in the forward-looking statements and financial information are the condition of, and changes in, the domestic, regional and global economies that result in reduced occupancy or rental rates for Parkway Life REIT’s properties, changes in government laws and regulations affecting Parkway Life REIT, competition in the healthcare industry in the Asia-Pacific region (including Singapore), interest rates, inflation, relations with service providers, relations with lenders and other matters not yet known to the Manager or not currently considered material by the Manager. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors”, “Profit Forecast and Profit Projection”, “Business and Properties” and the “Independent Report on Healthcare Industry in Asia”. These forward-looking statements and financial information speak only as at the date of this Prospectus. The Manager expressly disclaims any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in the Manager’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.
CERTAIN DEFINED TERMS AND CONVENTIONS

Parkway Life REIT will publish its financial statements in Singapore dollars. In this Prospectus, references to “S$, “Singapore dollars” or “Singapore cents” are to the lawful currency of the Republic of Singapore.

Capitalised terms used in this Prospectus shall have the meanings set out in the Glossary.

The forecast yields and yield growth are calculated based on the Offering Price. Such yields will vary accordingly for investors who purchase Units in the secondary market at a price different from the Offering Price or for investors who do not hold the Units for the whole of the Forecast Period 2007 (as defined herein), the Projection Year 2008 (as defined herein) or the Projection Year 2009 (as defined herein).

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place and measurements in square metres (“sq m”) are converted to square feet (“sq ft”) and vice versa based on the conversion rate of 1 sq m = 10.764 sq ft. References to “Appendices” are to the appendices set out in this Prospectus. All references in this Prospectus to dates and times shall mean Singapore dates and times unless otherwise specified.
MARKET AND INDUSTRY INFORMATION

This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. Certain information relating to the description of The Mount Elizabeth Hospital Property, The Gleneagles Hospital Property and The East Shore Hospital Property (including the number of licensed beds, medical centres units, car park lots, the year of completion, the strata area, the appraised value and the annual base rent) in various sections of this Prospectus were obtained from the independent property valuation reports provided by DTZ and JLL. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.
ELIGIBILITY OF PARKWAY HOLDINGS SHAREHOLDERS TO PARTICIPATE IN THE
SHAREHOLDERS TRANCHE

PARKWAY HOLDINGS SHAREHOLDERS WITH REGISTERED ADDRESSES IN SINGAPORE AS AT
THE BOOKS CLOSURE DATE OR WHO HAVE, AT LEAST FIVE (5) MARKET DAYS PRIOR TO THE
BOOKS CLOSURE DATE, PROVIDED THE SHARE REGISTRAR OF PARKWAY HOLDINGS OR CDP,
AS THE CASE MAY BE, ADDRESSES IN SINGAPORE FOR THE SERVICE OF NOTICES AND
DOCUMENTS

Parkway Holdings Shareholders (excluding TPG) who have registered addresses in Singapore as at the
Books Closure Date or have, at least five (5) Market Days prior to the Books Closure Date, provided M&C
Services Private Limited, the share registrar of Parkway Holdings (“Share Registrar”) or CDP (the
“Singapore Registered Shareholders”), as the case may be, addresses in Singapore for the service of
notices or documents, have been provisionally allocated the Units under the Shareholders Tranche based
on their shareholdings as at the Books Closure Date and are entitled to subscribe for their provisional
allocation of Shareholders Units and receive this Prospectus together with the AFE (in the case of
Singapore Registered Shareholders being Depositors) or the PAL (in the case of Singapore Registered not
being Depositors) at their respective Singapore addresses. Singapore Registered Shareholders (being
Depositors) who do not receive the AFE may obtain copies of the AFE and this Prospectus from CDP or the
Share Registrar in Singapore for the period up to the Closing Date.

Units (the “Shareholders Units”) will be provisionally allocated to Singapore Registered Shareholders on
the basis of one Shareholder Unit for every 20 shares in Parkway Holdings held by such Singapore
Registered Shareholders as at the Books Closure Date (fractions of a Unit to be disregarded). There will
not be any trading period for the entitlements of the Shareholders Units. Shareholders Units not
subscribed for by Singapore Registered Shareholders will be re-allocated to the Placement Tranche or
otherwise dealt with in such manner as the Joint Lead Underwriters (in consultation with the Manager)
may, at their absolute discretion, deem fit.

No provisional allocations of the Shareholders Units for subscription will be made to Parkway Holdings
Shareholders whose registered addresses appearing in Parkway Holdings’ Register of Members or
Depository Register (as the case may be) are outside Singapore, and who have not, at least five (5) Market
Days prior to the Books Closure Date, provided the Share Registrar or CDP as the case may be, with
addresses in Singapore for the service of notices and documents (“Overseas Shareholders”) and no
purported acceptance thereof or application therefor by the Overseas Shareholders will be valid. No
application for the Units will be accepted from any Overseas Shareholder. Overseas Shareholders who
wish to be entitled to subscribe for the Shareholders Units under the Shareholders Tranche and
the distribution of this Prospectus and its accompanying application forms should provide the
Share Registrar or the CDP with addresses in Singapore for the service of documents and notices
at least five (5) Market Days prior to the Books Closure Date.

The Manager reserves the right to refuse to accept any application for the Shareholders Units where it
believes that doing so would violate the applicable securities or other laws or regulations of any territory or
jurisdiction.

Acceptance and payment for Shareholders Units by Singapore Registered Shareholders should be made
in accordance with Appendix G of this Prospectus.
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SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Prospectus. Investing in the Units involves risks. Investors should read this Prospectus in its entirety and, in particular, the sections from which the information in this summary is extracted and “Risk Factors”. The meanings of terms not defined in this summary can be found in the Glossary or in the Trust Deed (as defined herein). A copy of the Trust Deed can be inspected at the registered office of the Manager.

Statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from those forecast or projected (See “Forward-looking Statements.”) Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer, the Trustee or any other person or that these results will be achieved or are likely to be achieved.

Overview of Parkway Life REIT

Parkway Life REIT is established by Parkway Holdings to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes (including but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate.

The Manager's key financial objective is to provide Unitholders with attractive total returns by, among other things:

a) acquiring healthcare dedicated investment properties that meet the Manager's investment criteria;

b) actively managing Parkway Life REIT’s property portfolio to enhance the returns from the property portfolio; and

c) employing appropriate capital financing and hedging strategies to manage fluctuation risks in interest rates and foreign exchange risks.

Parkway Life REIT will initially invest in and own the following properties, all of which are located in Singapore:

<table>
<thead>
<tr>
<th>Properties</th>
<th>No. of Licensed Beds</th>
<th>No. of Operational Beds</th>
<th>No. of Medical Centre Units</th>
<th>No. of Carpark Lots</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Mount Elizabeth Hospital Property</td>
<td>505</td>
<td>339</td>
<td>30</td>
<td>363</td>
</tr>
<tr>
<td>The Gleneagles Hospital Property</td>
<td>380</td>
<td>280</td>
<td>10</td>
<td>121</td>
</tr>
<tr>
<td>The East Shore Hospital Property</td>
<td>154</td>
<td>154</td>
<td>28</td>
<td>75</td>
</tr>
</tbody>
</table>

Each of the Properties will be leased to Parkway Hospitals Singapore Pte Ltd (the “Master Lessee”), which is a wholly owned subsidiary of the Sponsor, pursuant to separate Master Lease Agreements. Under the Master Lease Agreements, based on the triple net lease concept, the Master Lessee will bear operating costs relating to the Properties, including but not limited to maintenance, repair and replacement works, relevant taxes and insurance. (See “Business and Properties — Future Improvement Works” and “Business and Properties — Insurance” for further details).

The Sponsor, Parkway Holdings Limited, is one of Asia’s premier, fully integrated healthcare providers, with one of the largest networks of hospitals and healthcare services in the region. It currently has interests in and/or operates 15 hospitals, including the Properties, located in Singapore, Brunei, India and Malaysia. It also has interests in and/or operates an ambulatory surgical centre and clinics in China and an aesthetics clinic in Vietnam. The Sponsor is also in the process of establishing a day surgery and specialist centre in Balestier, Singapore. Apart from the operation of private hospitals, the Sponsor also engages in primary
healthcare services such as general practice and dental services, diagnostic services including radiology and laboratory services, and contract clinical research. It also offers consultancy services in hospital development and management. The Manager believes that Parkway Life REIT will be able to draw from the Parkway Group's expertise and experience in the healthcare industry to provide Parkway Life REIT with access to healthcare and/or healthcare-related assets across the Asia-Pacific region (including Singapore). (See “Sponsor” for further details.)

Parkway Life REIT has been granted the right of first refusal by the Sponsor over future sales of healthcare or healthcare-related assets located in the Asia-Pacific region (including Singapore) by any Parkway Entity (as defined herein) and healthcare or healthcare-related assets offered to any Parkway Entity, subject to certain conditions. The right of first refusal is expected to enhance Parkway Life REIT’s growth potential by providing a proprietary pipeline of assets for acquisition. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Right of First Refusal Arrangements” for further details.)
KEY INVESTMENT HIGHLIGHTS OF PARKWAY LIFE REIT

The following key investment highlights are qualified in their entirety by, and are subject to, the more detailed information contained or referred to elsewhere in this Prospectus. Investors should read this Prospectus in its entirety and, in particular, the sections from which the information in this summary is extracted and “Risk Factors”. The meanings of terms not defined in this summary can be found in the Glossary or in the Trust Deed. A copy of the Trust Deed can be inspected at the registered office of the Manager.

Statements contained in the key investment highlights that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from those forecast or projected (See “Forward-looking Statements”.) In no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer, the Trustee or any other person or that these results will be achieved or are likely to be achieved.

The Manager believes that an investment in Parkway Life REIT will offer Unitholders the following attractions:

Exposure to the Growing Demand for Healthcare Services in Singapore, Asia and the Middle East

Singapore's healthcare system is regionally recognised as a centre of excellence for ASEAN countries, having healthcare standards ranked second in Asia, after Japan. Singapore's diverse range of specialty services and expertise across a spectrum of clinical fields positions its hospitals and healthcare services as a destination of choice for foreign medical patients from Asia and the Middle East.

In addition the Singapore Government has plans to position Singapore as the leading clinical (medical expertise) and economic medical (high throughput of patients) hub in the region, further supporting the future growth in demand for healthcare services across the region.

Excellent Opportunities for Acquisition Growth

- The Sponsor’s pan-Asian footprint through the operation of one of the largest networks of hospitals and healthcare services in the region allows Parkway Life REIT to draw from the regional presence and expertise of the Manager and the Sponsor in the sourcing and pursuit of third party acquisition opportunities for healthcare and/or healthcare-related assets.

- Parkway Life REIT is well positioned to capitalise on potential acquisition opportunities for healthcare and/or healthcare-related assets which will increase as traditional healthcare providers adopt corporate restructuring programs to divest their real estate and to reinvest the proceeds into their core business competencies of providing healthcare services.

- Increasingly, governments in the region will look to the private sector to provide healthcare services and to provide financing for public healthcare. Decentralisation and privatisation of healthcare services, and the funding of public healthcare through private-public partnerships, will provide Parkway Life REIT with further opportunities to acquire healthcare and/or healthcare-related assets.

- The Sponsor and Parkway Life REIT would provide an ideal combined platform to jointly pursue acquisition opportunities, with the Sponsor acquiring the healthcare operations and Parkway Life REIT undertaking to acquire the underlying healthcare real estate assets. This strategy will benefit both the Sponsor and Parkway Life REIT as their collective capabilities are synergistic. It will also facilitate the sourcing and execution of acquisition opportunities.

- Parkway Life REIT has been granted a right of first refusal by the Sponsor over future sales of healthcare or healthcare-related assets located in the Asia-Pacific region (including Singapore) by any Parkway Entity and healthcare or healthcare-related assets offered to any Parkway Entity, subject to certain conditions. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Right of First Refusal Arrangements”.) The Sponsor's track record in developing and managing hospitals and healthcare-related assets is expected to provide
Parkway Life REIT with a pipeline of assets for acquisition through the right of first refusal, which in turn enhances the growth potential of Parkway Life REIT.

**Stable and Consistent Distributions Supported by Long-Term Master Lease Agreements**

On the Listing Date, each of the Properties will be leased to the Master Lessee, which is a wholly owned subsidiary of the Sponsor, pursuant to a Master Lease Agreement. The initial term of the Master Lease Agreement for each Property is 15 years with an option for the Master Lessee to extend the term on each Property for another 15 years. The master lease arrangements offer stable tenancy and rental income for Parkway Life REIT in respect of each Property.

Under each Master Lease Agreement, Parkway Life REIT will be entitled to receive from the Master Lessee, for the duration of the term of the Master Lease Agreement, rental payment, comprising a base rent and a variable rent. The aggregate rent for the Properties shall be the higher of the following:

(a) an annual base rent of S$30.0 million and a variable rent of 3.8% of the Master Lessee's Adjusted Hospital Revenue for the current financial year; or

(b) \((1 + (\text{CPI} + 1.0\%)) \times \text{the total rent payable for the immediate preceding year,}\)

provided that the rental for the Financial Year ending 31 December 2007 shall be at least S$45.0 million (on an annualised basis) comprising a base rental of S$30.0 million plus a variable rental of S$15.0 million. Where the CPI is negative for any given year, the CPI shall be deemed to be zero for that particular year.

Parkway Life REIT’s distribution policy is to distribute 100.0% of its Taxable Income for the period commencing from the Listing Date to 31 December 2008 and at least 90.0% of its Taxable Income thereafter. The actual proportion of Taxable Income distributed to Unitholders beyond 31 December 2008 may be greater than 90.0% if the Manager believes it to be appropriate, having regard to Parkway Life REIT’s funding requirements, other capital management considerations and the overall stability of distributions. Distributions, when made, will be in Singapore dollars.

One of Parkway Life REIT’s primary objectives is to provide Unitholders with stable income distributions on a quarterly basis for the three months ending 31 March, 30 June, 30 September and 31 December of each year. However, Parkway Life REIT’s first distribution after the Listing Date will be for the period from the Listing Date to 31 December 2007 and will be paid by the Manager on or before 31 March 2008. Subsequent distributions will take place on a quarterly basis. (See “Distributions” for further details). Under the Trust Deed, the Manager is required to pay distributions within 75 days after the end of the first three distribution periods of a financial year and within 90 days from the end of a financial year.

The Manager has forecast a distribution of approximately 3.03 cents per Unit in respect of the Forecast Period 2007, which on an annualised basis, is equivalent to a distribution yield of approximately 4.74% per Unit, based on the Offering Price of S$1.28 per Unit. However, the actual amount distributed will be adjusted based on the actual number of days from the Listing Date to 31 December 2007.

The Manager has forecast a distribution of approximately 6.25 cents and 6.39 cents per Unit in respect of the Projection Year 2008 and the Projection Year 2009 respectively, which is equivalent to a distribution yield of approximately 4.88% and 5.00% per Unit respectively, based on the Offering Price of S$1.28 per Unit.

The profit forecast and profit projection from which the above information was extracted are based on the various assumptions set out under “Profit Forecast and Profit Projection”. There can be no assurance that the profit forecast and profit projection will be met, and the actual yields per Unit may be materially different from the forecast and projected amount (See “Risk Factors” for further details). The actual yields per Unit will also vary accordingly for investors who purchase the Units in the secondary market at a market price different from the Offering Price of S$1.28 per Unit used in the illustration above.

**General Trends in Asia’s Healthcare Sector**

The Asian healthcare industry is expected to grow at a significant pace. Factors such as strong economic growth, rising personal income, increased awareness and expectation towards healthcare, rising incidence of lifestyle and chronic diseases, large influx of foreign patients, improving government support, as well as expansion of private insurance coverage, are expected to support a further increase in healthcare spending in the region. The Hospitals, and Parkway Life REIT in turn, are expected to benefit from such increase in healthcare spending in the region.
In addition, Parkway Life REIT’s focus on the Asia-Pacific region (including Singapore) enables it to capitalise on favourable demographic and population growth trends. The ageing and growing population across the Asia-Pacific region is expected to drive growth in demand for healthcare services. This trend, as well as Singapore’s reputation as a leading provider of healthcare services, is expected to benefit the Hospitals, and in turn, Parkway Life REIT.

**Anticipated Increase in Patient Volume**

According to Frost & Sullivan’s Independent Report on the Healthcare Industry in Asia (See Appendix D of this Prospectus), the number of foreign patients coming to Singapore hospitals has increased from 189,730 in 2001 to 448,800 in 2006. This number is expected to increase in light of Singapore’s initiatives to become a regional healthcare hub. The Singapore Government is targeting an increase of foreign patients to one million by 2012.

In addition, the Singapore Government has begun to plan for its targeted population growth to 6.5 million. The Ministry of Health has indicated that the current Singapore healthcare infrastructure will not be able to support both the increase in population as well as the foreign patient initiatives. Aside from increasing hospital beds in the public sector, the Singapore Government acknowledges the need for an expansion of the private sector. As such, the Singapore Government has announced its intention to launch two land sites for private hospital use in the second half of 2007. Furthermore, URA will launch one site near Novena MRT station and JTC will launch a second site within One-North, an area of about 200 hectares in central Singapore to be developed into a commercial, residential and recreational precinct. The Ministry is also preparing other sites for possible release in the next few years.

The Ministry of Health is also anticipating that with an ageing population, there will be an increasing demand for longer-stay, lower-cost and lower-tech medical facilities in the step down care sector. This will give rise to demand for more community hospitals, nursing homes and hospices and day-care facilities for rehabilitation and home-nursing services.

The anticipated increase in patient volume and demand for healthcare services, as well as the construction of healthcare infrastructure and facilities in Singapore, are expected to benefit the healthcare industry in Singapore, and in turn, Parkway Life REIT.

**Sponsor’s Strong Operating Expertise in Developing and Managing Healthcare Businesses and Properties**

The Sponsor is a leading fully integrated healthcare operator in Asia, with one of the largest networks of hospitals and healthcare services across the region. It has interests in and/or operates 15 hospitals, including the Properties, located in Singapore, Brunei, India and Malaysia. It also has interests in and/or operates an ambulatory surgical centre and clinics in China and an aesthetics clinic in Vietnam. The Sponsor is also in the process of establishing a day surgery and specialist centre in Balestier, Singapore. Apart from the operation of private hospitals, the Sponsor also engages in primary healthcare services such as general practice and dental services, diagnostic services including radiology and laboratory services, contract clinical research, data management and biometric services.

The Sponsor also has a proven track record in hospital development and healthcare consultancy services. It undertakes an integrated range of activities — from project origination, design and planning, project management, to consultancy services. The Sponsor has been involved in the development of Gleneagles Hospital Development in Singapore, Gleneagles Intan Medical Centre and Gleneagles Medical Centre in Malaysia, Apollo Gleneagles Hospital in India, Shanghai Gleneagles International Medical and Surgical Centre in China and Gleneagles JPMC in Brunei.

The Manager believes that Parkway Life REIT can draw from the Parkway Group’s expertise and experience in the healthcare industry to provide Parkway Life REIT with access to healthcare and/or healthcare-related assets across the Asia-Pacific region (including Singapore). (See “Sponsor” for further details).

**Sponsor’s Interests are Substantially Aligned with those of the Unitholders**

The Sponsor will, through the Unit Lender, hold at least 30.1% (if the Over-allotment Option is exercised in full) and up to approximately 37.3% (if the Over-allotment Option is not exercised) interest of the Units in
Parkway Life REIT upon its listing on the SGX-ST. As such, the Sponsor stands to benefit from any upside in the distributions to be made by Parkway Life REIT and appreciation in the market value of the Units.

In addition, the Unit Lender has undertaken to the Joint Lead Underwriters that it will not, without the prior written consent of each Joint Lead Underwriter, during the period commencing from the Listing Date until the date falling six months after the Listing Date (the “First Lock-Up Period”), directly or indirectly, offer, sell, contract to sell, grant any option to purchase, grant security over, encumber or otherwise dispose of, any or all of the Consideration Units (or any securities convertible into or exchangeable for Consideration Units or which carry rights to purchase Consideration Units or part thereof); enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any Consideration Units (or any securities convertible into or exchangeable for Consideration Units or which carry rights to purchase Consideration Units) in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or publicly announce any intention to do any of the above. Further the same restrictions will apply in respect of 50.0% of the Consideration Units held by the Unit Lender during the period of six months commencing from the day immediately following the expiry of the First Lock-Up Period (the “Second Lock-up Period”). The Sponsor has also agreed not to dispose of any of its interests in the Unit Lender during the First Lock-up Period and the Second Lock-up Period.

Established Management with Proven Track Record

The Manager believes that the Unitholders will benefit from the experience of key executive officers of the Manager in fund and asset management in the Asia-Pacific real estate markets. The Manager’s executive officers are experienced professionals with established track records in this region and have been successful in sourcing and executing real estate acquisitions, including healthcare and/or healthcare-related properties. As a result, the Manager will be able to leverage the extensive experience and contacts of these executive officers and the Sponsor to identify, access and evaluate new investment opportunities. (See “The Manager and Corporate Governance — Experience and Expertise of the Executive Officers of the Manager” for further details).

No Capital Expenditure Requirements until 31 December 2009

Under the Master Lease Agreements, the Master Lessee is responsible, throughout the entire lease term, for the land and building tax (including all increases thereof from time to time) and certain outgoings and expenses to be incurred in respect of the Properties.

From the commencement of the leases until 31 December 2009, the Master Lessee shall be responsible for all repair and replacement works of the Properties, whether or not of a capital nature and irrespective of the cost of such works. After 31 December 2009, Parkway Life REIT is responsible for any repair and replacement works in relation to the structural parts of the Properties and the mechanical and electrical equipment which are of a capital nature. Any repair and replacement works which are of an expense nature shall be borne by the Master Lessee.

Tax Benefits for Unitholders

Parkway Life REIT has obtained a Tax Ruling (as defined herein) from the IRAS in relation to its income from the investment in properties in Singapore.

The Tax Ruling grants tax transparency to Parkway Life REIT on its Taxable Income that is distributed to Unitholders such that the Trustee of Parkway Life REIT will not be taxed on such Taxable Income. This is on the condition that at least 90.0% of such income is distributed in the year in which the income is derived. Instead, tax will be imposed on the distributions made out of such Taxable Income to the Unitholders, by way of tax deduction at source. However, where the beneficial owners are individuals or Qualifying Unitholders (as defined herein), the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax at the time of distribution. In addition, where the beneficial owners are Qualifying Foreign Non-Individual Unitholders (as defined herein), the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10.0% for distributions made till 17 February 2010.

Apart from its Taxable Income, Parkway Life REIT also has other income which has Singapore income tax consequences — for both the Trustee as well as the Unitholders. (See “Taxation” and Appendix E of this Prospectus for further information on the Singapore income tax consequences of the purchase, ownership and disposition of the Units).
**Competitive Strengths**

The Manager is of the opinion that the Properties enjoy the following competitive strengths:

**Largest and Premier Portfolio of Strategically Located Private Hospitals and Healthcare-related Facilities in Singapore**

With the initial portfolio of the Properties, Parkway Life REIT has the largest portfolio of private hospitals in Singapore. Strategically located across Singapore, all the Hospitals enjoy close proximity to the local shopping and residential districts and transport hubs servicing the Hospitals.

Mount Elizabeth Hospital is a tertiary hospital, and is currently the largest private hospital in Singapore, offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, haematology, neurosurgery, oncology, orthopaedic surgery, general surgery, gastroenterology and obstetrics & gynaecology. The Mount Elizabeth Hospital Development is located in the heart of Singapore's prime shopping district of Orchard Road with excellent access to retail facilities and is easily accessible by public transportation. It is five minutes away from the Orchard MRT station and is located adjacent to retail properties such as Paragon Shopping Centre and Lucky Plaza Shopping Centre.

Gleneagles Hospital is a tertiary hospital offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, oncology, orthopaedic surgery, general surgery and obstetrics & gynaecology. The Gleneagles Hospital Development is located at the fringe of Singapore's prime shopping district of Orchard Road and is easily accessible by public transportation. It is in close proximity to Singapore's prime residential districts.

East Shore Hospital is a general acute care hospital offering a wide range of medical and surgical services. Its key specialties include cardiology, general surgery, paediatric and obstetrics & gynaecology. The East Shore Hospital Development is located on the eastern part of Singapore and is easily accessible by public transportation. It is also approximately 15 minutes from the Singapore Changi Airport by car.

(See “Business and Properties — The Properties” for further details on the Hospitals).

**Operational Synergies with the Parkway Group**

The Parkway Group operates across several Asian countries and continues to rapidly expand its operations across the Asia-Pacific region. This regional footprint allows the Parkway Group to attract the best talent, invest in state-of-the-art hospital and healthcare management systems and achieve economies of scale advantages.

The Parkway Group’s reputation as a premier specialised healthcare service provider with state-of-the-art facilities attracts both local and foreign patients. As the number of foreign patients seeking specialised medical services in Singapore continues to grow, the Parkway Group will continue to enjoy its leadership position in medical travel across Asia. The Parkway Group’s foreign patients comprise nationals from a diverse range of countries including Indonesia, Malaysia, South Asia and more recently, the Middle East.

On 17 July 2007, an agreement was entered into between the Trustee and the Sponsor pursuant to which Parkway Life REIT was granted a right of first refusal, subject to certain conditions, over sales of healthcare or healthcare-related assets in the Asia-Pacific region (including Singapore) and if applicable, the interests in special purpose vehicles which hold such properties directly or indirectly. The right of first refusal provides Parkway Life REIT with a pipeline of potential future acquisitions with the potential to enhance Parkway Life REIT’s growth potential. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Right of First Refusal Arrangements”). In connection with the right of first refusal, the Parkway Group intends to support the growth of Parkway Life REIT by developing assets that fit Parkway Life REIT’s investment strategy and thereafter offer these assets to Parkway Life REIT pursuant to the right of first refusal.

**Operating in a Highly Regulated Industry**

The hospital and healthcare services industry is a highly regulated industry with significant barriers to entry. Potential barriers of entry to a new entrant may include:

- compliance with governmental regulations;
- high initial cost of capital investment;
• difficulty in recruitment of skilled healthcare personnel; and
• inability to achieve significant economies of scale realised by sizeable hospital chains.

These barriers of entry have provided a relatively regulated and stable operating environment for the Sponsor and the Master Lessee, and afforded a level of protection from potential new entrants.

Comprehensive Facilities and Services at the Hospitals

The Hospitals provide premier healthcare services in their respective fields and are supported by world class physicians and state-of-the-art medical equipment and facilities. In addition, specialists supporting Parkway Group’s Clinical Programmes at the Hospitals aim to provide the best medical treatment and outcome for patients seeking care in Singapore.

Mount Elizabeth Hospital is a tertiary hospital, and is currently the largest private hospital in Singapore offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, haematology, neurosurgery, oncology, orthopaedic surgery, general surgery, gastroenterology and obstetrics & gynaecology.

Gleneagles Hospital is a tertiary hospital offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, orthopaedic surgery, oncology, ophthalmology general surgery and obstetrics & gynaecology.

East Shore Hospital is a general acute care hospital offering a wide range of medical and surgical services. Its key specialties include cardiology, general surgery, paediatric and obstetrics & gynaecology.

(See “Business and Properties — The Properties” for further details on the services provided at the Hospitals.)
Structure of Parkway Life REIT

The following diagram illustrates the relationship between Parkway Life REIT, the Manager, the Property Manager, the Trustee and the Unitholders:

**Notes:**

(1) This refers to the maintenance charges and sinking fund contributions payable in respect of The Mount Elizabeth Hospital Property and The Gleneagles Hospital Property.

(2) The Property Manager will provide project management services to Parkway Life REIT, subject to the overall management and supervision of the Manager.
Initial Portfolio

Parkway Life REIT’s initial portfolio will consist of the following properties:

### The Mount Elizabeth Hospital Property

<table>
<thead>
<tr>
<th>Address</th>
<th>3 Mount Elizabeth, Singapore 228510</th>
</tr>
</thead>
</table>
| **Description of Property** | 32 strata lots in Mount Elizabeth Hospital Development representing approximately 56.71% of the total share value of the strata lots in Mount Elizabeth Hospital Development.  

The Mount Elizabeth Hospital Property comprises Mount Elizabeth Hospital which has 505 licensed beds, 30 Medical Centre Units and 363 carpark lots.  

The Mount Elizabeth Hospital Development comprises Mount Elizabeth Hospital, a medical centre and carparks. Mount Elizabeth Hospital is made up of a 10-storey block and a 5-storey block as well as carpark lots. The medical centre comprises a 17-storey medical and retail block with a total of 232 Medical Centre Units and a carpark on the 4th to 8th storeys. All the blocks are linked by a common podium with basement carpark.  

The Mount Elizabeth Hospital Development is located in the heart of Singapore's prime shopping district of Orchard Road with excellent access to retail facilities and is easily accessible by public transportation. It is five minutes away from the Orchard MRT station and is located adjacent to retail properties such as Paragon Shopping Centre and Lucky Plaza Shopping Centre. |
| **Facilities and Services** | Mount Elizabeth Hospital is a tertiary hospital, and is currently the largest private hospital in Singapore offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, haematology, neurosurgery, oncology, orthopaedic surgery, general surgery, gastroenterology and obstetrics & gynaecology.  

In particular, under the Parkway Group’s Transplant and Cellular Therapy Clinical Programme, Mount Elizabeth Hospital houses the Haematology and Stem Cell Centre.  

There are over 400 doctors with a total of over 30 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, banking, retail pharmacy and cafeteria are available within the hospital. |
### Awards and Accreditation

In 1998, Mount Elizabeth Hospital was awarded the SQC. It has held that award since 1998. The SQC is awarded by SPRING Singapore to organisations that have achieved overall business excellence standard.

In 2000, Mount Elizabeth Hospital was awarded the People Developer Standard. This award by SPRING Singapore is presented to organisations that have achieved a high quality standard for human resource development.

Mount Elizabeth Hospital has been awarded the Superbrands status, which identifies the strongest corporate brands in Singapore, since the award's inception in 2002.

In addition, Mount Elizabeth Hospital has been accredited by the Joint Commission International (the “JCI”) Accreditation for its quality of care in a safe environment. The JCI, based in United States, is an independent accreditation body for international healthcare and quality improvement with standards based on international consensus.

<table>
<thead>
<tr>
<th>Interest in Property held by Parkway Life REIT</th>
<th>Leasehold interest for a period of 67 years commencing from the Listing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of completion of Hospital building</td>
<td>1979</td>
</tr>
<tr>
<td>Year of completion of medical centre</td>
<td>1979 and 1992</td>
</tr>
<tr>
<td>Strata Area of Property (as at 31 March 2007)</td>
<td>58,139 sq m</td>
</tr>
<tr>
<td>Appraised Value of Property by DTZ (as at 23 May 2007)</td>
<td>S$524,430,000</td>
</tr>
<tr>
<td>Appraised Value of Property by JLL (as at 23 May 2007)</td>
<td>S$520,500,000</td>
</tr>
<tr>
<td>Number of licensed beds (as at 31 March 2007)</td>
<td>505</td>
</tr>
<tr>
<td>Number of operational beds (as at 31 March 2007)</td>
<td>339</td>
</tr>
<tr>
<td>Number of operating theatres (as at 31 March 2007)</td>
<td>13</td>
</tr>
<tr>
<td>Number of Medical Centre Units in Hospital Development (as at 31 March 2007)</td>
<td>232, out of which 30 Medical Centre Units will be owned by Parkway Life REIT</td>
</tr>
<tr>
<td>Number of car park lots in Hospital Development (as at 31 March 2007)</td>
<td>363, all of which will be owned by Parkway Life REIT</td>
</tr>
</tbody>
</table>
### The Gleneagles Hospital Property

<table>
<thead>
<tr>
<th>Address</th>
<th>6 Napier Road, Singapore 258499 and 6A Napier Road, Singapore 258500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of Property</td>
<td>11 strata lots in Gleneagles Hospital Development representing approximately 69.05% of the total share value of the strata lots in Gleneagles Hospital Development. The Gleneagles Hospital Property comprises the Gleneagles Hospital which has 380 licensed beds, 10 Medical Centre Units and 121 carpark lots. The Gleneagles Hospital Development comprises Gleneagles Hospital, a medical centre and carparks. Gleneagles Hospital is made up of a 10-storey block with 2 basements and a 5-storey annexe block. The medical centre is a 10-storey block with 3 basements and comprises 164 Medical Centre Units from the 2nd to 10th storey. The carparks with an aggregate of 402 carpark lots are located at basement 2 to 1st storey of the hospital building and basement 3 to 1st storey of the medical centre and within the compound of the development. The Gleneagles Hospital Development is located at the fringe of Singapore's prime shopping district of Orchard Road and is easily accessible by public transportation. It is in close proximity to Singapore's prime residential districts.</td>
</tr>
<tr>
<td>Facilities and Services</td>
<td>Gleneagles Hospital is a tertiary hospital offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, oncology, orthopaedic surgery, general surgery and obstetrics &amp; gynaecology. Under the Parkway Group's Transplant and Cellular Therapy Clinical Programme, Gleneagles Hospital houses the Parkway Liver Centre. Gleneagles Hospital is also where the Parkway Group locates the Parkway Cancer Centre under its Oncology Clinical Programme. There are over 240 doctors with a total of over 25 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, banking, retail pharmacy, sundry shop and cafeteria are available within the hospital.</td>
</tr>
</tbody>
</table>
Awards and Accreditation

Gleneagles Hospital obtained the SQC status in 2000 and has been re-certified through 2007.

Gleneagles Hospital was awarded the People Developer Standard in June 2002.

Gleneagles Hospital also won the category of “Internal Service” in 2003, ‘Best Customer Service’ in 2004, and “Patient Safety/Quality Medical Care” and “Internal Service” in 2005 at the Asian Hospital Management Awards ceremony which recognises and honours hospitals in Asia that carry out best hospital practices. Gleneagles Hospital also won the Healthcare Humanitarian Award in 2005.

Gleneagles Hospital has been awarded the Superbrands status since the award’s inception in 2002.

In addition, Gleneagles Hospital has also been accredited by JCI.

| Interest in Property held by Parkway Life REIT | Leasehold interest for 75 years commencing from the Listing Date |
| Year of completion of Hospital | 1991 and 1993 |
| Year of completion of Medical Centre | 1991 and 1993 |
| Year of completion of Annexe Block | 1979 |
| Strata Area of Property (as at 31 March 2007) | 49,003 sq m |
| Appraised Value of Property by DTZ (as at 23 May 2007) | S$216,000,000 |
| Appraised Value of Property by JLL (as at 23 May 2007) | S$209,000,000 |
| Number of licensed beds (as at 31 March 2007) | 380 |
| Number of operational beds (as at 31 March 2007) | 280 |
| Number of operating theatres (as at 31 March 2007) | 12 |
| Number of Medical Centre Units in Hospital Development (as at 31 March 2007) | 164, out of which 10 Medical Centre Units will be owned by Parkway Life REIT |
| Number of car park lots in Hospital Development (as at 31 March 2007) | 402, out of which 121 will be owned by Parkway Life REIT |
The East Shore Hospital Property

<table>
<thead>
<tr>
<th><strong>Address</strong></th>
<th>319 Joo Chiat Place, Singapore 427989; and 321 Joo Chiat Place, Singapore 427990</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description of Property</strong></td>
<td>The East Shore Hospital Property comprises East Shore Hospital, a medical centre and carparks. East Shore Hospital is a 4-storey block with 154 licensed hospital beds (including a nursing home with 31 licensed beds) whereas the medical centre is a 5-storey block comprising 28 Medical Centre Units. The 1st and 5th storeys of the medical centre are linked to the 1st and 4th storeys of the hospital block. The carpark lots are located on the 1st storey void deck and within the compound of the development. The East Shore Hospital Development is located on the eastern part of Singapore and is easily accessible by public transportation. It is also approximately 15 minutes from the Singapore Changi Airport by car.</td>
</tr>
<tr>
<td><strong>Facilities and Services</strong></td>
<td>East Shore Hospital is a general acute care hospital offering a wide range of medical and surgical services. Its key specialties include cardiology, general surgery, paediatric and obstetrics &amp; gynaecology. Under the Parkway Group’s Oncology Clinical Programme, East Shore Hospital will house the Paediatric Cancer Centre. There are over 35 doctors with a total of over 14 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, retail pharmacy and cafeteria are available within the hospital.</td>
</tr>
<tr>
<td><strong>Awards</strong></td>
<td>East Shore Hospital was recognised as a SQC organisation in 1998 and was awarded the People Developer Standard in 2001.</td>
</tr>
<tr>
<td><strong>Interest in Property held by Parkway Life REIT</strong></td>
<td>Leasehold interest for 75 years commencing from the Listing Date</td>
</tr>
<tr>
<td><strong>Year of completion of Hospital Block</strong></td>
<td>1982</td>
</tr>
<tr>
<td><strong>Year of completion of Medical Centre Block</strong></td>
<td>1987</td>
</tr>
<tr>
<td><strong>Gross Floor Area of Property (as at 31 March 2007)</strong></td>
<td>10,993 sq m</td>
</tr>
<tr>
<td><strong>Appraised Value of Property by DTZ (as at 23 May 2007)</strong></td>
<td>S$34,190,000</td>
</tr>
<tr>
<td><strong>Appraised Value of Property by JLL (as at 23 May 2007)</strong></td>
<td>S$35,500,000</td>
</tr>
<tr>
<td><strong>Number of licensed beds (as at 31 March 2007)</strong></td>
<td>154</td>
</tr>
<tr>
<td><strong>Number of operational beds (as at 31 March 2007)</strong></td>
<td>154</td>
</tr>
<tr>
<td><strong>Number of operating theatres (as at 31 March 2007)</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>Number of Medical Centre Units in Hospital Development (as at 31 March 2007)</strong></td>
<td>28, all of which will be owned by Parkway Life REIT</td>
</tr>
<tr>
<td><strong>Number of car park lots in Hospital Development (as at 31 March 2007)</strong></td>
<td>75, all of which will be owned by Parkway Life REIT</td>
</tr>
</tbody>
</table>

(See “Business and Properties — The Properties” for further details on the Properties.)
## Summary Statistics of the Properties

The following table sets out certain information with respect to the Properties:

<table>
<thead>
<tr>
<th>Property</th>
<th>Strata Area/GFA(^{(1)}) (sq m)</th>
<th>Year of Building Completion (Year)</th>
<th>No. of Licensed Beds(^{(1)})</th>
<th>No. of Operational Beds(^{(1)})</th>
<th>Purchase Price (S$ million)</th>
<th>Percentage of Purchase Price of Portfolio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Mount Elizabeth Hospital Property</td>
<td>58,139 (Strata Area)</td>
<td>Hospital Building: 1979</td>
<td>505</td>
<td>339</td>
<td>524.4</td>
<td>67.7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medical Centre: 1979 and 1992</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Gleneagles Hospital Property</td>
<td>49,003 (Strata Area)</td>
<td>Hospital: 1991 and 1993</td>
<td>380</td>
<td>280</td>
<td>216.0</td>
<td>27.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annexe Block: 1979</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medical Centre: 1991 and 1993</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The East Shore Hospital Property</td>
<td>10,993 (GFA)</td>
<td>Hospital Block: 1982</td>
<td>154</td>
<td>154</td>
<td>34.2</td>
<td>4.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Medical Centre: 1987</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Portfolio total for the Properties</strong></td>
<td></td>
<td></td>
<td>1,039</td>
<td>773</td>
<td>774.6</td>
<td>100.0</td>
</tr>
</tbody>
</table>

**Note:**

\(^{(1)}\) As at 31 March 2007.
Strategy

The principal investment strategy of the Manager is to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that is used primarily for healthcare and/or healthcare-related purposes (including but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate.

In accordance with the requirements of the Listing Manual, this investment strategy will be adhered to for at least three years following the Listing Date unless otherwise agreed by Unitholders by Extraordinary Resolution (as defined herein).

The Manager's investment strategy in the Asia-Pacific region (including Singapore) will be driven by the following key considerations:

- **Acquisition Growth Strategy** — This involves sourcing and acquiring assets in the Asia-Pacific region (including Singapore) that are aligned with Parkway Life REIT's investment strategy, enhancing the returns of Unitholders through distribution yield accretion and through the potential for future earnings and capital growth, as well as improving portfolio diversification and asset quality.

- **Active Asset Management Strategy** — This involves implementing pro-active measures to enhance the returns from Parkway Life REIT’s property portfolio in consultation with the Master Lessee in respect of properties within Parkway Life REIT’s portfolio. Such measures include upgrading, refurbishments and reconfiguration of the properties to enhance and maximise the operational efficiency and competitiveness of the properties.

- **Capital and Financial Risk Management Strategy** — This involves employing an appropriate mix of debt and equity in the financing of the acquisition of the Properties and future acquisitions, and utilising interest rate and currency hedging strategies where appropriate, to optimise risk adjusted returns to Unitholders.

**Acquisition Growth Strategy**

The Manager will pursue opportunities for asset acquisitions that will provide attractive cash flows and yields relative to Parkway Life REIT’s weighted average cost of capital, and opportunities for future income and capital growth. In evaluating future acquisition opportunities, the Manager will seek acquisitions that enhance the diversification of the portfolio by geography, and optimise risk-adjusted returns to Unitholders.

The Manager's acquisition strategy will be underpinned by:

- The grant of a right of first refusal to Parkway Life REIT by the Sponsor, a leading fully integrated healthcare operator in Asia with one of the largest networks of hospitals and healthcare services across the region. Parkway Life REIT has been granted the right of first refusal by the Sponsor over future sales of healthcare or healthcare-related properties located in the Asia-Pacific region (including Singapore) by any Parkway Entity and healthcare or healthcare-related assets offered to any Parkway Entity, subject to certain conditions. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Right of First Refusal Arrangements”);

- Working on its own or jointly with the Sponsor to identify greenfield sites for development of hospital and healthcare-related facilities. If developed by the Sponsor, such hospital or facilities would be subject to the right of first refusal granted by the Sponsor to Parkway Life REIT; and

- Third party asset and portfolio acquisition of hospital and healthcare-related properties.

In addition, the Manager believes that it can secure attractive and yield accretive acquisition opportunities from third parties for Parkway Life REIT due to the following:

- The expected consolidation among Asia’s hospital and healthcare operators providing opportunities to leverage the Manager’s economies of scale and operational expertise across the pan-Asian region; and

- Limited competition from international operators in the healthcare sector in Asia.
Active Asset Management Strategy

The Manager intends to implement a pro-active asset enhancement strategy across the properties owned by Parkway Life REIT to maximise the overall performance of Parkway Life REIT’s property portfolio. Examples of asset enhancement activities include:

- Upgrading, refurbishments and reconfiguration of the properties to enhance the performance and maximise the operational efficiency and competitiveness of the properties; and
- Undertaking redevelopment and expansion programs for the properties to maintain or enhance their competitive position, capitalise on growth for healthcare services and optimise rental income.

Capital and Financial Risk Management Strategy

The Manager aims to optimise Parkway Life REIT’s capital structure and cost of capital within the borrowing limits set out in the Property Funds Guidelines and intends to use a combination of debt and equity to fund future acquisitions by Parkway Life REIT and asset enhancement works at its properties.

The objectives of the Manager in relation to capital management are to:

- maintain a strong balance sheet and maximise returns flexibility in capital structure by adopting an optimal target gearing ratio;
- secure diversified funding sources from both financial institutions and capital markets as Parkway Life REIT undertakes domestic and regional expansion and pursues acquisition opportunities;
- minimise the cost of debt financing; and
- manage the exposure arising from adverse market movements in interest rates and foreign exchange through appropriate hedging strategies.

The Manager’s strategy is to actively manage the risk of potential interest rate volatility through the use of interest rate swap contracts and/or fixed rate borrowings. The Manager’s strategy is to put in place interest rate hedges (through entering into interest rate swap contracts) over all or a portion of Parkway Life REIT’s borrowings to fix the rates for a number of years. Generally, the Manager targets to hedge at least 50.0% (and up to 100.0%) of Parkway Life REIT’s borrowings and to achieve a low gearing at Listing Date which will provide optimal debt headroom, flexibility and acquisition capability.

Parkway Life REIT has put in place the Facilities with Standard Chartered Bank. The Facilities are expected to be drawn upon on the Listing Date in an amount of approximately S$34.0 million, representing 4.3% of the value of its Deposit Property, based on the unaudited pro forma balance sheet as at the Offering Price of S$1.28 per Unit. The Trustee has entered into an interest rate swap agreement to fix the floating interest rate for the amount drawn down against the Facilities for a period of three years with effect from the Listing Date.

The Manager’s investment strategy includes investing in the Asia-Pacific region. In order to manage the currency risk involved in investing in assets outside of Singapore, the Manager may, as appropriate, adopt currency risk management strategies including:

- the use of foreign currency denominated borrowings to match the currency of the asset investment as a natural currency hedge;
- the use of derivative and other hedging instruments to hedge against fluctuations in the exchange rates of foreign currency income received from offshore assets against Singapore dollars, Parkway Life REIT’s functional and reporting currency; and
- the use of cross currency swaps to hedge against fluctuations in the exchange rates of any foreign currency denominated net assets of Parkway Life REIT against Singapore dollars, Parkway Life REIT’s functional and reporting currency.

Management

Manager of Parkway Life REIT: Parkway Trust Management Limited

The Manager was incorporated in Singapore under the name of “PHR Management Pte. Ltd.” on 19 April 2007. It changed its name to “Parkway Trust Management Pte. Ltd.” and subsequently to “Parkway Trust Management Limited” in connection with its conversion into a public limited company on 12 July 2007. It has a paid-up capital of S$1.0 million and its registered office is located at 1 Grange Road, #11-01 Orchard Building, Singapore 239693. The Manager is a direct wholly owned subsidiary of the Sponsor.
The board of directors of the Manager is made up of individuals with a broad range of commercial experience, including expertise in the funds management and healthcare industries. The Board consists of Lim Kok Hoong, Choo Oi Yee, Dr. Lim Cheok Peng, Puah Tuan Soon Benson, Ashish Jaiprakash Shastry, Tan Bong Lin and Justine Victoria Wingrove.

Generally, the Manager will provide the following services to Parkway Life REIT:

- **Investment strategy.** Formulate and execute Parkway Life REIT’s investment strategy, including determining the location, geography and asset type and other characteristics of Parkway Life REIT’s portfolio.
- **Acquisitions and sales.** Make recommendations to the Trustee on the acquisition and sale of properties.
- **Planning and reporting.** Make periodic property plans, including budgets and reports, relating to the performance of Parkway Life REIT’s properties.
- **Financing.** Formulate plans for equity and debt financing for Parkway Life REIT’s property acquisitions, distribution payments, expense payments and capital expenditure.
- **Administrative and advisory services.** Perform day-to-day administrative services as Parkway Life REIT’s representative, including providing administrative services relating to meetings of Unitholders when such meetings are convened.
- **Investor relations.** Communicating and liaising with Unitholders and investors, including responding to Unitholders’ enquiries.
- **Compliance management.** Make all regulatory filings on behalf of Parkway Life REIT, and ensure that Parkway Life REIT is in compliance with the applicable provisions of the Securities and Futures Act and all other relevant legislation, the listing rules of the SGX-ST, the CIS Code (including the Property Funds Guidelines), the Trust Deed, the Tax Ruling and all relevant contracts.
- **Accounting records.** Maintain accounting records and prepare or cause to be prepared accounts and annual reports.
- **Property management services (on subsequent properties acquired by Parkway Life REIT).** These include supervision of the Property Manager with regard to project management (including on the Properties), supervising the performance of contractors, arranging for adequate insurance, if necessary, and ensuring compliance with building and safety regulations.
- **Lease management services (on subsequent properties acquired by Parkway Life REIT).** These include coordinating tenants’ fitting-out requirements, administration of rental collection, management of rental arrears and administration of all property tax matters.
- **Marketing services (on subsequent properties acquired by Parkway Life REIT).** These include providing marketing and marketing co-ordination services, such as initiating lease renewals and negotiation of terms.
- **Asset management services.** These include working on asset enhancement plans to increase the rental income stream of the properties.

(See “The Manager and Corporate Governance” for further details).

(See “Certain Agreements Relating to Parkway Life REIT and the Properties” for further details).

**The Sponsor: Parkway Holdings Limited**

The Sponsor, Parkway Holdings Limited, is one of Asia’s premier, fully integrated healthcare providers, with one of the largest networks of hospitals and healthcare services in the region. It currently has interests in and/or operates 15 hospitals, including the Properties, located in Singapore, Brunei, India and Malaysia. It also has interest in and/or operates an ambulatory surgical centre and clinics in China and an aesthetics clinic in Vietnam. The Sponsor is also in the process of establishing a day surgery and specialist centre in Balestier, Singapore. Apart from the operation of private hospitals, the Sponsor also engages in primary healthcare services such as general practice and dental services, diagnostic services including radiology and laboratory services, and contract clinical research. It also offers consultancy services in hospital development and management. The Manager believes that Parkway Life REIT can draw from the Parkway Group’s expertise and experience in the healthcare industry to provide Parkway Life REIT with access to healthcare and/or healthcare-related assets across the Asia-Pacific region (including Singapore).
The Sponsor was listed on the SGX Mainboard on 7 April 1975 and had a market capitalisation of just over S$3.1 billion as at 30 June 2007. It is one of the stocks comprised in the Straits Times Index, a market value weighted stock market index based on the stocks of 50 representative companies listed on the SGX-ST.

The Sponsor has formulated the following strategies with respect to its healthcare operating business:

- A continued commitment to put patients first — The Sponsor's primary objective is to provide patients with the highest standards of healthcare and service excellence. This continued focus on serving the patients’ needs will set the Sponsor apart and allow it to provide the “gold standard” of care to its patients.

- Continuing to recruit and attract the best specialists and physicians — The standards of doctors in the Sponsor are respected and well regarded internationally. The Sponsor's role is to continue to attract and provide its doctors with the best possible work environment, superior medical support services and cutting-edge technologies.

- Maintaining the niche as a specialist high-end value-added healthcare provider — The Sponsor's expertise covers areas such as cardiology, oncology, neurology, haematology, liver and stem cell transplants. With this, the Sponsor is able to draw from its unique expertise and knowledge to cater to the complex needs and medical care required in the region, particularly in developing countries where these services can be limited.

- Tapping on the growth in regional medical travel — Healthcare has been identified as a growth sector and the Singapore Government has been actively promoting Singapore as a regional medical hub. The Sponsor is well positioned to expand its role as a leader in regional private healthcare. The international patient services team in the Sponsor's hospitals seeks to meet specific needs of individual foreign patients and their families. The Sponsor has introduced dedicated international patient facilities, translation services, special menus and new Arabic and Bangladeshi staff. Regionally, the Sponsor has set up more than 40 International Patient Assistance Centres worldwide to reach out to the increasing number of international patients.

- Growing its presence in the region — In August 2006, the Sponsor advanced its presence in Malaysia through a partnership with Khazanah Nasional Berhad, the investment arm of the Malaysian Government. Through a joint venture company, Pantai Irama Ventures Sdn. Bhd., the Sponsor will provide hospital operating and management expertise to Pantai Holdings Bhd while pursuing other healthcare opportunities in Malaysia.

- Ongoing investments in technology and training — The Sponsor will continue to remain at the forefront of adopting innovative technologies and medical capabilities to enhance its level of medical care. Recent developments include a new liver intensive care facility and a cutting edge tomotherapy machine. The Parkway Liver Centre located at Gleneagles Hospital was set up in November 2006. The Liver Centre features a dedicated intensive care unit and is the first fully integrated facility for liver transplant and treatment in Asia. The Sponsor also recently invested in a TomoTherapy Hi-Art System located at Mount Elizabeth Hospital. This system delivers highly accurate radiation doses with precision, and advanced diagnostic imaging that captures moment-by-moment images of targeted tumour immediately before and after treatment.

The Property Manager: Gleneagles Technologies Services Pte Ltd

Under the Master Lease Agreement, the Master Lessee is responsible for the day-to-day management and maintenance of the Properties. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Master Lease Agreement”.)

The Property Manager, Gleneagles Technologies Services Pte Ltd, was incorporated in Singapore under the Companies Act on 8 November 1995. It has a paid-up capital of S$2.00 and its registered office is located at 1 Grange Road, #11-01 Orchard Building, Singapore 239693. The Property Manager is a wholly owned subsidiary of the Sponsor.

The Property Manager will, subject to the overall management and supervision of the Manager, provide project management services, which include co-ordination of pre-qualification and tender exercises as well as project meetings, recommendation of project budget and appointment of project consultants, as well as monitoring and supervising projects. The Property Manager may, with the consent of the Trustee on the recommendation of the Manager, delegate all or some of these functions to a third party. Notwithstanding this, the Property Manager shall remain liable under the Appointment of Property Manager Agreement.
The Trustee: HSBC Institutional Trust Services (Singapore) Limited

The Trustee, HSBC Institutional Trust Services (Singapore) Limited, is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. The Trustee has a place of business in Singapore at 21, Collyer Quay, #14-01, HSBC Building, Singapore 049320.

The Trustee’s powers and duties include: (i) acting as trustee of Parkway Life REIT, (ii) holding the properties of Parkway Life REIT for the benefit of the Unitholders and (iii) exercising all the powers of a trustee and the powers accompanying ownership of the properties of Parkway Life REIT. (See “The Formation and Structure of Parkway Life REIT”.)

Hospital operator of the Hospitals: Parkway Hospitals Singapore Pte Ltd

The operator of the Hospitals, Parkway Hospitals Singapore Pte Ltd, was incorporated in Singapore under the Companies Act on 4 August 2004. It has a paid-up capital of S$100,000,000 and its registered office is located at 1 Grange Road, #11-01 Orchard Building, Singapore 239693. Parkway Hospitals Singapore Pte Ltd is a wholly owned subsidiary of the Sponsor. It is also the Master Lessee of the Properties, and holds the hospital licences issued by the Director of Medical Services in respect of the operations of the Hospitals. (See “Overview of Relevant Singapore Healthcare Laws and Regulations” for further details).

Management of Capital

The Manager aims to optimise Parkway Life REIT’s capital structure and cost of capital within the borrowing limits set out in the Property Funds Guidelines and intends to use a combination of debt and equity to fund future acquisitions and improvement works at the Properties.

Parkway Life REIT will put in place the Facilities of up to S$250.0 million on the Listing Date as part payment for the acquisition value of the Properties. Parkway Life REIT is expected to have an initial indebtedness of approximately S$34.0 million, representing 4.3% of the value of its Deposited Property, based on the unaudited pro forma balance sheet as at the Listing Date at the Offering Price of S$1.28 per Unit.

Of the Facilities, the term loan facility is intended to meet the longer term financing needs of Parkway Life REIT, whereas the revolving credit facility is intended to meet the short-term working capital needs of Parkway Life REIT. Any excess cashflow from the operations of Parkway Life REIT may be used to reduce its level of indebtedness in order to reduce interest costs. (See “Strategy” for further details).

Certain Fees and Charges

The following is a summary of the amounts of certain fees and charges payable by the Unitholders in connection with the subscription of the Units (so long as the Units are listed):

<table>
<thead>
<tr>
<th>Payable by the Unitholders directly</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Subscription fee or preliminary charge</td>
<td>N.A. (1)</td>
</tr>
<tr>
<td>(b) Realisation fee</td>
<td>N.A. (1)</td>
</tr>
<tr>
<td>(c) Switching fee</td>
<td>N.A. (1)</td>
</tr>
<tr>
<td>(d) Any other fee</td>
<td>Clearing fee for trading of Units on the SGX-ST at the rate of 0.04% of the transaction value, subject to a maximum of S$600.00 per transaction</td>
</tr>
</tbody>
</table>

Note:

(1) As the Units will be listed and traded on the SGX-ST and Unitholders will have no right to request the Manager to redeem their Units while the Units are listed, no subscription fee, preliminary charge, realisation fee or switching fee is payable in respect of the Units.
The following is a summary of certain fees and charges payable by Parkway Life REIT in connection with the establishment and on-going management of Parkway Life REIT:

<table>
<thead>
<tr>
<th>Payable by Parkway Life REIT</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Manager's Fees</td>
<td></td>
</tr>
<tr>
<td>Base Fee</td>
<td>0.3% per annum of the value of the Deposited Property.</td>
</tr>
<tr>
<td>Performance Fee</td>
<td>4.5% per annum of the Net Property Income for that financial year.</td>
</tr>
<tr>
<td>Subject to the Property Funds Guidelines, the Base Fee (as defined herein) and Performance Fee (as defined herein) shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect prior to each such payment) out of the Deposited Property and in such proportion as may be determined by the Manager.</td>
<td></td>
</tr>
<tr>
<td>The Manager intends to receive 20.0% of the Base Fee and Performance Fee in the form of Units in respect of the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009.</td>
<td></td>
</tr>
<tr>
<td>(b) Trustee's Fee</td>
<td>0.03% per annum of the value of the Deposited Property, subject to a minimum of S$10,000 per month, excluding out of pocket expenses and GST(1). The actual fee payable will be agreed in writing between the Manager and the Trustee from time to time. The Trustee's fee is presently charged on a scaled basis of up to 0.03% per annum of the value of the Deposited Property.</td>
</tr>
<tr>
<td>Parkway Life REIT will also pay the Trustee a one-time inception fee of S$25,000(1).</td>
<td></td>
</tr>
<tr>
<td>The Trustee's fee will be subject to annual review between the Trustee and the Manager, commencing on the first anniversary of the Listing Date.</td>
<td></td>
</tr>
<tr>
<td>(c) Any other substantial fee or charge (i.e., 0.1% or more of Parkway Life REIT's asset value)(2)</td>
<td>2.0% per annum of the Revenue of the Managed Property (excluding the Properties for the duration of the Master Lease Agreements).</td>
</tr>
<tr>
<td>(i) Property Management Fee (payable to the Manager)</td>
<td>For the avoidance of doubt, no Property Management Fee shall be payable to the Manager in respect of the Properties for the duration of the Master Lease Agreements.</td>
</tr>
<tr>
<td>Payable by Parkway Life REIT</td>
<td>Amount payable</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>(ii) Lease Management Fee (payable to the Manager)</td>
<td>1.0% per annum of the Revenue of the Managed Property (excluding the Properties for the duration of the Master Lease Agreements). For the avoidance of doubt, no Lease Management Fee shall be payable to the Manager in respect of the Properties for the duration of the Master Lease Agreements.</td>
</tr>
</tbody>
</table>
| (iii) Marketing Services Commission (payable to the Manager) | (i) One month's gross rent inclusive of service charge, for securing a lease of three years or less;  
(ii) Two months’ gross rent inclusive of service charge, for securing a lease of more than three years;  
(iii) Half month's gross rent inclusive of service charge, for securing a renewal of lease of three years or less; and  
(iv) One month's gross rent inclusive of service charge, for securing a renewal of lease of more than three years.  
If a third party agent secures a lease, the Manager will be responsible for all marketing services commission payable to such third party agent, and the Manager will be entitled to a marketing services commission of:-  
(i) 1.2 months’ gross rent inclusive of service charge for securing or renewal of a lease of three years or less; and  
(ii) 2.4 months’ gross rent inclusive of service charge for securing or renewal of a lease of more than three years.  
The marketing services commission may be adjusted accordingly at the time of securing or renewal of a lease by the Manager or a third party agent, to be consistent with and no higher than the prevailing market rates of such marketing services commission in the country where the Real Estate is located. |
<table>
<thead>
<tr>
<th>Payable by Parkway Life REIT</th>
<th>Amount payable</th>
</tr>
</thead>
</table>
| (iv) Project Management Fee (payable to the Property Manager) | The Property Manager is entitled to receive a Project Management Fee for each project undertaken, for the development or redevelopment (if not prohibited by the Property Funds Guidelines or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation of a property, based on the capital expenditure of the project:  
  
(a) 5.0% of the capital expenditure of the project where the capital expenditure of the project is less than S$1.0 million; or  

(b) 3.0% of the capital expenditure of the project where the capital expenditure of the project is more than or equal to S$1.0 million. |
| (v) Acquisition Fee (payable to the Manager) | The Manager is entitled to receive an Acquisition Fee of 1.0% of the Enterprise Value of any Real Estate or Real Estate Related Asset acquired directly or indirectly by Parkway Life REIT, pro-rated, if applicable, to the proportion of Parkway Life REIT's interest. For this purpose, where the assets acquired by Parkway Life REIT are shares in a special purpose vehicle whose primary purpose is to hold/own real estate (directly or indirectly), “Enterprise Value” shall mean the sum of the equity value and the total net debt attributable to the shares being acquired by Parkway Life REIT and where the asset acquired by Parkway Life REIT is a Real Estate, “Enterprise Value” shall mean the value of the Real Estate.  

In the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the Deposited Property.  

No Acquisition Fee is payable for the acquisition of the Properties.  

Unless required under the Property Funds Guidelines to be paid in the form of Units only, the Manager may opt to receive such Acquisition Fee in the form of cash or Units or a combination of cash and Units as it may determine. Units representing the Acquisition Fee or any part thereof will be issued at an Issue Price set out under “The Manager and Corporate Governance — Manager's Fees”.  

In the event the Manager receives Acquisition Fee in connection with an acquisition from a Related Party, such Acquisition Fee shall be paid in the form of Units. |
<table>
<thead>
<tr>
<th>Payable by Parkway Life REIT</th>
<th>Amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(vi) Divestment Fee (payable to the Manager)</td>
<td>The Manager is entitled to receive a Divestment Fee of 0.5% of the Enterprise Value of any Real Estate or Real Estate Related Asset sold or divested directly or indirectly by Parkway Life REIT, pro-rated, if applicable, to the proportion of Parkway Life REIT’s interest. Unless required under the Property Funds Guidelines to be paid in the form of Units only, the Manager may opt to receive such Divestment Fee in the form of cash or Units or a combination of cash and Units as it may determine. The Divestment Fee is payable as soon as practicable after completion of the relevant divestment. Any payment to third party agents or brokers in connection with the divestment of any Real Estate or Real Estate Related Assets of Parkway Life REIT shall be paid by Parkway Life REIT. In the event the Manager receives Divestment Fee in connection with a transaction with a Related Party, any such Divestment Fee shall be paid in the form of Units to be issued by Parkway Life REIT at the market price.</td>
</tr>
</tbody>
</table>

Notes:

(1) The GST on the fee will be borne by Parkway Life REIT.

(2) In addition to the fees set out in this table, Parkway Life REIT will also pay certain fees and expenses in relation to the Offering (including certain professional and other fees as well as the Underwriting, Selling and Management Commission, cornerstone fee for the Cornerstone Units and placement fee for the Accredited Investor Units) as well as a one-time upfront fee and commitment fee for the Facilities. (See “Plan of Distribution — Issue Costs”.)
<table>
<thead>
<tr>
<th><strong>THE OFFERING</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parkway Life REIT</strong></td>
<td>Parkway Life REIT is a real estate investment trust established in Singapore as a stand-alone unit trust fund constituted by the Trust Deed.</td>
</tr>
<tr>
<td><strong>The Manager</strong></td>
<td>Parkway Trust Management Limited.</td>
</tr>
<tr>
<td><strong>The Trustee</strong></td>
<td>HSBC Institutional Trust Services (Singapore) Limited.</td>
</tr>
<tr>
<td><strong>The Sponsor</strong></td>
<td>Parkway Holdings Limited.</td>
</tr>
<tr>
<td><strong>The Master Lessee</strong></td>
<td>Parkway Hospitals Singapore Pte Ltd, a direct wholly owned subsidiary of the Sponsor.</td>
</tr>
<tr>
<td><strong>The Unit Lender</strong></td>
<td>Parkway Investments Pte Ltd, a direct wholly owned subsidiary of the Sponsor.</td>
</tr>
<tr>
<td><strong>The Offering</strong></td>
<td>288,865,000 Units offered under the Placement Tranche, the Public Offer and the Shareholders Tranche, subject to the Over-allocation Option.</td>
</tr>
<tr>
<td><strong>The Placement Tranche (including Reserved Units) (“Placement Tranche” or “Placement”)</strong></td>
<td>253,577,000 Units offered by way of an international placement to investors, including institutional and other investors in Singapore, of which 14,643,000 Units are reserved for subscription by the directors, management, employees and business associates of the Parkway Group and others who have contributed to the success of the Parkway Group (the “Reserved Tranche”). The Units have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. In the event that any of the Reserved Units are not subscribed for, they will be made available for satisfying over-subscription in the Placement Tranche (other than the Reserved Tranche) or otherwise dealt with in such manner as the Manager may, at its absolute discretion deem fit in the interests of Parkway Life REIT.</td>
</tr>
<tr>
<td><strong>The Public Offer</strong></td>
<td>5,857,000 Units offered by way of a public offer in Singapore.</td>
</tr>
<tr>
<td><strong>The Shareholders Tranche</strong></td>
<td>29,431,000 Units offered to Singapore Registered Shareholders (excluding TPG). Only Singapore Registered Shareholders (excluding TPG) have been provisionally allocated Units under the Shareholders Tranche. Shareholders of Parkway Holdings with addresses outside Singapore who wish to be eligible to apply for Units under the Shareholders Tranche should provide the Share Registrar (in the case of Overseas Shareholders not being Depositors) or CDP (in the case of Overseas Shareholders being Depositors) with addresses in Singapore at least five (5) Market Days prior to the Books Closure Date. No application for Units under the Shareholders Tranche will be accepted from any shareholder of Parkway Holdings whose address is outside Singapore. In the event that any of the Shareholders Units are not subscribed for, they will be re-allocated to the Placement Tranche or otherwise dealt with in such manner as the Joint Lead Underwriters (in consultation with the Manager) may, at their absolute discretion, deem fit.</td>
</tr>
</tbody>
</table>
**Acceptance of and payment for the Shareholders Units** may be effected, in whole or in part, via AFE, PAL or the ATMs of the Participating Banks, and must be made in accordance with the “Procedures for Acceptance and Payment By Singapore Registered Shareholders” set out in Appendix G of this Prospectus.

**Basis of Provisional Allocation under the Shareholders Tranche**

One Unit for every 20 shares in Parkway Holdings held as at the Books Closure Date (fractions of a Unit being disregarded) for acceptance and payment at the Offering Price.

**Clawback and Re-allocation**

The Units may be re-allocated between the Placement Tranche and the Public Offer and between the Placement Tranche and the Shareholders Tranche at the discretion of the Joint Lead Underwriters (in consultation with the Manager), subject to any applicable law.

**Offering Price**

S$1.28 per Unit.

**Consideration Units**

In conjunction with but separate from the Offering, the Unit Lender, a wholly owned subsidiary of the Sponsor, will receive an aggregate of 224,354,000 Consideration Units on Listing Date at the direction of Parkway Hospitals Singapore Pte Ltd, one of the vendors of the Properties, in part satisfaction of the purchase consideration for the acquisition of interests in the Properties. (See “Certain Agreements Relating to Parkway Life REIT and the Properties”.)

**Subscription by Cornerstone Investor and Accredited Investors**

In conjunction with but separate from the Offering, the Cornerstone Investor has entered into a subscription agreement to subscribe for 84,199,000 Units at the Offering Price, conditional upon the Underwriting Agreement having been entered into and not having been terminated pursuant to its terms on or prior to the close of the Offering.

In addition, the Manager may offer or sell not more than 4,000,000 Units (the “Accredited Investor Units”) to a limited number of institutional “accredited investors” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act (the “Institutional Accredited Investors”) in transactions exempt from the registration requirements of the Securities Act. The Cornerstone Units to be subscribed by the Cornerstone Investor and the Accredited Investor Units to be offered or sold to Institutional Accredited Investors will not be underwritten and the subscription thereof is conditional upon the Underwriting Agreement having been entered into and not having been terminated pursuant to its terms on or prior to the close of the Offering.

**Subscription for Public Offer**

Investors applying for Units by way of Application Forms or Electronic Applications in the Public Offer will pay the Offering Price of S$1.28 per Unit on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom) where: (i) an application is rejected or accepted in part only, or (ii) the Offering does not proceed for any reason. For the purpose of illustration, an investor who applies for 1,000 Units by way of an Application Form or an Electronic Application in the Public Offer will have to pay S$1,280, which is subject to a refund of the full amount or the balance of the application monies (without interest or any share
of revenue or other benefit arising therefrom), as the case may be, upon the occurrence of any of the foregoing events.

The minimum initial subscription is for 1,000 Units. An applicant may subscribe for a larger number of Units in integral multiples of 1,000.

Investors in Singapore must follow the application procedures set out in Appendix F of this Prospectus, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore". Subscriptions under the Public Offer must be paid for in Singapore dollars. No fees are payable by applicants for the Units, save for an administration fee for each application made through automated teller machines and the internet banking websites of certain Participating Banks.

Over-allotment Option

In connection with the Offering, the Joint Lead Underwriters have been granted an Over-allotment Option by the Unit Lender, exercisable by the Stabilising Manager, in consultation with the other Joint Lead Underwriter, in full or in part, on one or more occasions, but in any event no later than the earliest of (i) the date falling 30 days from the Listing Date, (ii) the date when the Stabilising Manager has bought on the SGX-ST an aggregate of 43,329,000 Units, representing not more than 15.0% of the total Units in the Offering to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price, to purchase from the Unit Lender, up to an aggregate of 43,329,000 Units representing not more than 15.0% of the Units in the Offering at the Offering Price, solely to cover the over-allotment of Units (if any), subject to any applicable laws and regulations. The total number of outstanding Units immediately after the completion of the Offering, including the Consideration Units, the Cornerstone Units and the Accredited Investor Units, will be 601,418,000 Units. The exercise of the Over-allotment Option will not increase this total number of outstanding Units.

Lock-ups

The Unit Lender has undertaken to the Joint Lead Underwriters that it will not, without the prior written consent of each Joint Lead Underwriter, during the period commencing from the Listing Date until the date falling six months after the Listing Date (the "First Lock-Up Period"), directly or indirectly, offer, sell, contract to sell, grant any option to purchase, grant security over, encumber or otherwise dispose of, any or all of the Consideration Units (or any securities convertible into or exchangeable for Consideration Units or which carry rights to purchase Consideration Units or part thereof); enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any Consideration Units (or any securities convertible into or exchangeable for Consideration Units or which carry rights to purchase Consideration Units) in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or publicly announce any intention to do any of the above. Further the same restrictions will apply in respect of 50.0% of the Consideration Units held by the Unit Lender during the period of six months commencing from the day immediately following the expiry of the First Lock-Up Period (the "Second Lock-up Period"). The Sponsor has also agreed not to dispose of any of its interests in the Unit Lender during the First Lock-up Period and the Second Lock-up Period.
The Manager has undertaken to the Joint Lead Underwriters that it will not, without the prior written consent of each Joint Lead Underwriter, during the First Lock-up Period, offer, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, encumber or otherwise dispose of, any Units (or any securities convertible into or exchangeable for Units or which carry rights to subscribe for or purchase Units or part thereof); enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any Units (or any securities convertible into or exchangeable for Units or which carry rights to subscribe for or purchase Units) in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or publicly announce any intention to do any of the above, save for certain exceptions.

The Cornerstone Investor has undertaken to the Joint Lead Underwriters that it will not, without the prior written consent of each Joint Lead Underwriter, until the date falling 180 days after the Listing Date, directly or indirectly offer, sell, contract to sell, grant any option to purchase or otherwise dispose of, any or all of the Cornerstone Units (or any securities convertible into or exchangeable for Cornerstone Units or which carry rights to subscribe for or purchase Cornerstone Units), save for certain exceptions.

(See “Plan of Distribution — Lock-up Arrangements”.)

<table>
<thead>
<tr>
<th>Capitalisation</th>
<th>S$784,315,000 (based on the Offering Price of S$1.28 per Unit), assuming that the Over-allotment Option is not exercised. (See “Capitalisation and Indebtedness”.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of Proceeds</td>
<td>See “Use of Proceeds” and “Certain Agreements Relating to Parkway Life REIT and the Properties”.</td>
</tr>
<tr>
<td>Listing and Trading</td>
<td>Prior to the Offering, there has been no market for the Units. Application has been made to the SGX-ST, for permission to list on the Main Board of the SGX-ST, the Consideration Units, the Cornerstone Units, the Accredited Investor Units, all the Units comprised in the Offering and all the Units which will be issued to the Manager from time to time in full or part payment of the fees payable to the Manager. (See “The Manager and Corporate Governance — Manager’s Fees”.) Such permission will be granted when Parkway Life REIT has been admitted to the Official List of the SGX-ST. The Units will, upon their issue, listing and quotation on the SGX-ST, be traded in Singapore dollars under the book-entry (scripless) settlement system of The Central Depository (Pte) Limited. The Units will be traded in board lot sizes of 1,000 Units.</td>
</tr>
<tr>
<td>Stabilisation</td>
<td>In connection with the Offering, the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Lead Underwriter, over-allot Units or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the Securities and Futures Act and any regulations thereunder. However, there is no assurance that the</td>
</tr>
</tbody>
</table>
Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilising action.

Such transactions may commence on or after the Listing Date and, if commenced, may be discontinued at any time and shall not be effected after the earliest of (i) the date falling 30 days from the Listing Date, (ii) the date when the Stabilising Manager has bought on the SGX-ST an aggregate of 43,329,000 Units representing not more than 15.0% of the total Units in the Offering to undertake stabilising action, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price of the Units. (See “Risk Factors — Risks Relating to an Investment in the Units — Certain provisions of the Singapore Code on Take-overs and Mergers could have the effect of discouraging, delaying or preventing a merger or acquisition, or restricting the Stabilising Manager’s ability to undertake stabilisation, which could adversely affect the market price of the Units”.)

No Redemption by Unitholders

Unitholders have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their listed Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Unitholders’ Meetings

The Trustee or the Manager may at any time (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is the lesser) convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

Distribution Policy

Parkway Life REIT’s distribution policy is to distribute to Unitholders 100.0% of its Taxable Income for the period from the Listing Date to 31 December 2008 and at least 90.0% of its taxable income thereafter. The actual proportion of Taxable Income distributed to Unitholders beyond 31 December 2008 may be greater than 90.0% to the extent the Manager believes it to be appropriate, having regard to Parkway Life REIT’s funding requirements, other capital management considerations and the overall stability of distributions. This distribution will be made on a quarterly basis, except for the first distribution, which will be in respect of the period from the Listing Date to 31 December 2007 and will be paid by the Manager on or before 31 March 2008. (See “Distributions”.)

Singapore Tax Considerations

Parkway Life REIT has obtained a Tax Ruling from the IRAS in relation to its income from the investment in properties in Singapore.

The Tax Ruling grants tax transparency to Parkway Life REIT on its Taxable Income that is distributed to Unitholders such that the Trustee of Parkway Life REIT will not be taxed on such Taxable Income. This is on the condition that at least 90.0% of such income is distributed in the year in which the income is derived. Instead, tax will be imposed on the distributions made out of such Taxable Income to the Unitholders, by way of tax deduction at source. However, where the beneficial owners are individuals or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax at the time of distribution. In addition, where the beneficial owners are Qualifying Foreign Non-Individual Unitholders, the Trustee
and the Manager will deduct Singapore income tax at the reduced rate of 10.0% for distributions made till 17 February 2010.

Apart from its Taxable Income, Parkway Life REIT also has other income which has Singapore income tax consequences — for both the Trustee as well as the Unitholders.

(See “Taxation” and Appendix E of this Prospectus for further information on the Singapore income tax consequences of the purchase, ownership and disposition of the Units).

Governing Law

The Trust Deed, pursuant to which Parkway Life REIT is constituted, is governed by Singapore law.

Financial Advisory Fee, Cornerstone Fee, Placement Fee and Underwriting, Selling and Management Commission payable by Parkway Life REIT to the Joint Lead Underwriters

The Manager, on behalf of Parkway Life REIT, has agreed to pay the Joint Lead Underwriters for their services (as the case may be) in connection with the offering of Units under the Offering, the Cornerstone Units and the Accredited Investor Units, (i) a financial advisory fee (“Financial Advisory Fee”) which is payable to UBS as Sole Financial Adviser, and (ii) a cornerstone fee in respect of the Cornerstone Units subscribed by the Cornerstone Investor (the “Cornerstone Fee”), (iii) a placement fee in respect of Accredited Investor Units subscribed by Institutional Accredited Investors, and (iv) an Underwriting, Selling and Management Commission, which are payable to the Joint Lead Underwriters, in aggregate amounting to S$17.5 million excluding GST (based on the Offering Price of S$1.28 per Unit and assuming that the Over-allotment Option is exercised in full).

Risk Factors

Prospective investors should carefully consider certain risks connected with an investment in the Units, as discussed under “Risk Factors”.

Termination of Parkway Life REIT

Parkway Life REIT may be terminated by either the Manager or the Trustee under certain circumstances specified in the Trust Deed. For example, the Manager may terminate Parkway Life REIT if, at any time, it is delisted permanently from the SGX-ST. (See “The Formation and Structure of Parkway Life REIT”.)
An indicative timetable for trading in the Units is set out below for the reference of applicants for the Units:

<table>
<thead>
<tr>
<th>Date and time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 August 2007, 8.00 p.m.</td>
<td>Opening date and time for the Public Offer</td>
</tr>
<tr>
<td>13 August 2007, 12.00 noon</td>
<td>Closing date and time for the Public Offer</td>
</tr>
<tr>
<td>13 August 2007, 7.00 a.m.</td>
<td>Opening date and time for the Shareholders Tranche</td>
</tr>
<tr>
<td>17 August 2007, 4.45 p.m.</td>
<td>Closing date and time for the Shareholders Tranche if acceptance is effected through CDP (9.30 p.m. if acceptance is effected through ATMs of Participating Banks)</td>
</tr>
<tr>
<td>14 August 2007</td>
<td>Balloting of applications under the Public Offer, if necessary.</td>
</tr>
<tr>
<td></td>
<td>Commence returning or refunding application monies to unsuccessful or partially successful applicants</td>
</tr>
<tr>
<td>23 August 2007, at or before 2.00 p.m.</td>
<td>Completion of the acquisition of the Properties</td>
</tr>
<tr>
<td>23 August 2007, 2.00 p.m.</td>
<td>Commence trading on a “ready” basis</td>
</tr>
<tr>
<td>28 August 2007</td>
<td>Settlement date for all trades done on a “ready” basis</td>
</tr>
</tbody>
</table>

The above timetable is indicative only and is subject to change. It assumes that: (i) the closing date of the Application List is 12 noon on 13 August 2007, (ii) the Listing Date is 23 August 2007, (iii) compliance with the SGX-ST’s unitholding spread requirement and (iv) the Units will be issued and fully paid up prior to 2.00 p.m. on 23 August 2007. Investors should note that there are seven full market days after the close of the Public Offer before the Units can be traded. All dates and times referred to above are Singapore dates and times.

Trading in the Units through the SGX-ST on a “ready” basis is expected to commence at 2.00 p.m. on 23 August 2007 (subject to SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units through the SGX-ST on a “ready” basis have been fulfilled), as the completion of the acquisition of the Properties is expected to take place at or before 2.00 p.m. on 23 August 2007. (See “Certain Agreements Relating to Parkway Life REIT and the Properties”.) If Parkway Life REIT is terminated by either the Manager or the Trustee under the circumstances specified in the Trust Deed prior to, or the acquisition of the Properties is not completed by, 2.00 p.m. on 23 August 2007 (being the time and date of commencement of trading in the Units through the SGX-ST), the Offering will not proceed and the application monies will be returned in full (without interest or any share of revenue or other benefit arising therefrom and at each applicant’s own risk and without any risk or claim against Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and the Trustee).

In the event of any early or extended closure of the Public Offer or the shortening or extension of the time period during which the Offering is open, the Manager will publicly announce the same:

1. via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com; and
2. in one or more major Singapore newspapers such as The Straits Times, The Business Times and Lianhe Zaobao.

Investors should consult the SGX-ST announcement on the “ready” listing date on the internet (at the SGX-ST website) or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

The Manager will provide details and results of the Public Offer (including the level of subscription for the Offer Units and the basis of allocation), as soon as practicable after the close of the Public Offer through SGXNET and in one or more major Singapore newspapers such as The Straits Times, The Business Times and Lianhe Zaobao.

The Manager reserves the right to reject or accept, in whole or in part, or to scale down or ballot any application for Units under the Public Offer, without assigning any reason therefor, and no enquiry and/or correspondence on the decision of the Manager will be entertained. In deciding the basis of allotment, due
consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

Where an application is rejected or accepted in part only, or if the Offering does not proceed for any reason, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, and without any right or claim against Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer or the Trustee.

Where an application is not successful, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk within 24 hours after the balloting of applications (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix F of this Prospectus, “Terms, Conditions and Procedures for Application For and Acceptance of the Units in Singapore”).

Where an application is accepted in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 Market Days, or such shorter period as SGX-ST may require, after the close of the Offering (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix F of this Prospectus, “Terms, Conditions and Procedures for Application For and Acceptance of the Units in Singapore”).

Applications and acceptances under the Placement Tranche will be determined by the Joint Lead Underwriters at their discretion.

Where the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will, within three Market Days after the Offering is discontinued, or such shorter period as SGX-ST may require, be returned to the applicants at their own risk (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix F of this Prospectus, “Terms, Conditions and Procedures for Application For and Acceptance of the Units in Singapore”).

Acceptance and payment for Shareholders Units by Singapore Registered Shareholders under the Shareholders Tranche should be made in accordance with the procedures set out in Appendix G of this Prospectus, “Procedures for Acceptance and Payment by Singapore Registered Shareholders”.

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The Manager is unable to prepare pro forma statements of total return, cash flow statements and balance sheets to show the pro forma historical financial performance of Parkway Life REIT as:

- the Properties were owned by Parkway Hospitals Singapore Pte Ltd (“PHS”), a wholly owned subsidiary of Parkway Holdings Limited, and used for its hospital operations and the provision of healthcare and healthcare-related services. As there would not be rental income from the Properties that is received or receivable by PHS in its capacity as owner of the Properties, historical financial information relating to the Properties is not available to Parkway Life REIT;

- in addition to the ownership of the Properties, PHS holds various other businesses comprising the provision of healthcare services which will continue to be held by PHS. As such, Parkway Life REIT will not be able to identify (i) the historical financial information relating to the Properties given that the financial statements of PHS would also include the results of, assets used in and liabilities arising out of the other businesses of PHS; and (ii) the property-related expenses relating to the Properties from the expenses incurred by PHS in connection with its overall business operations;

- it will not be meaningful to include pro forma historical financial statements because the Properties will be acquired by Parkway Life REIT by way of sale and leaseback transactions with PHS. Such pro forma financial information may not be reflective of the historical financial results and position of Parkway Life REIT as (i) the terms of the Master Lease Agreements provide for a fixed rental component and a percentage of the turnover of the hospital operations of PHS, subject to a minimum amount which will be dependent on the prevailing market conditions, and (ii) the rental to be paid to Parkway Life REIT under the Master Lease Agreements is at market rate; and

- if pro forma financial statements are to be provided, they will be calculated based on the same rentals and other terms used to calculate the profit forecast and profit projection of Parkway Life REIT as set out in “Profit Forecast and Profit Projection”. The result will be a set of pro forma financial statements which appears to be similar to the profit forecast and profit projection, and which will not provide to a potential investor any additional information which is not already in the “Profit Forecast and Profit Projection”.

For the reasons stated above, the SGX-ST has granted Parkway Life REIT a waiver from the requirement to prepare pro forma historical statements of total return, cash flow statements and balance sheets, subject to the inclusion of the following information in the Prospectus of Parkway Life REIT:

- profit forecast for period from the Listing Date to 31 December 2007 and profit projection for financial years ending 31 December 2008 and 31 December 2009;

- a pro forma balance sheet of Parkway Life REIT as at the Listing Date; and

- disclosure of the reasons on why the historical pro forma financial statements cannot be provided and the waiver granted by the SGX-ST.

The Unaudited Pro Forma Balance Sheet has been prepared on the basis of the assumptions and accounting policies set out in Appendix A “Independent Accountants’ Report on Unaudited Pro Forma Balance Sheet as at the Listing Date”. The Unaudited Pro Forma Balance Sheet as at the Listing Date should be read together with these assumptions and accounting policies.

The objective of the Unaudited Pro Forma Balance Sheet of Parkway Life REIT is to show what the financial position of Parkway Life REIT might be at the Listing Date, on the basis described above. However, the Unaudited Pro Forma Balance Sheet is not necessarily indicative of the actual financial position that would have been attained by Parkway Life REIT on the Listing Date. The Unaudited Pro Forma Balance Sheet, because of its nature, may not give a true picture of Parkway Life REIT’s financial position.
**UNAUDITED PRO FORMA BALANCE SHEET**

**AS AT THE LISTING DATE**

<table>
<thead>
<tr>
<th>Category</th>
<th>S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables(1)</td>
<td>1,249</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>10,271</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>11,520</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>775,215</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>786,735</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>3,130</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td>33,290</td>
</tr>
<tr>
<td><strong>Net assets attributable to Unitholders</strong></td>
<td>750,315</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>786,735</td>
</tr>
<tr>
<td>Number of Units in issue (‘000)</td>
<td>601,418</td>
</tr>
<tr>
<td>Net asset value attributable to Unitholders per Unit (S$)(2)</td>
<td>1.25</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Comprises input goods and services tax on acquisition related costs relating to the Properties acquired, transaction costs and issue costs; and output goods and services tax on rental received in advance.

(2) The Offering Price of S$1.28 per Unit represents a premium of 2.40% to the net asset value attributable to Unitholders per Unit (S$1.25 per Unit).
PROFIT FORECAST AND PROFIT PROJECTION

The following is an extract from “Profit Forecast and Profit Projection”. Statements in this extract that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out on pages 63 to 66 of this Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by Parkway Life REIT, the Manager, the Sponsor, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer, the Trustee or any other person, or that these results will be achieved or are likely to be achieved. See “Forward-looking Statements” and “Risk Factors”. Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are valid only as at the date of this Prospectus.

None of Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer, the Trustee or any other person guarantees the performance of Parkway Life REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields stated in the table below are calculated based on (i) the Offering Price; and (ii) the assumption that the Listing Date is 1 July 2007. Such yields will vary accordingly if the Listing Date is after 1 July 2007 or in relation to investors who purchase Units in the secondary market at a market price that differs from the Offering Price or to investors who do not hold the Units for the whole of the Forecast Period 2007, the Projection Year 2008 or the Projection Year 2009.

The distribution per Unit for the Forecast Period 2007 is calculated on the assumption that the Listing Date is 1 July 2007. The actual distribution per Unit for the Forecast Period 2007 will differ as investors will only be entitled to distributions arising from operations from the date of issue of the Units, which is after 1 July 2007.

Investors in the Units should read the whole of the “Profit Forecast and Profit Projection” set out in this Prospectus together with the report set out in Appendix B, “Independent Accountants’ Report on the Profit Forecast and Profit Projection”.

Forecast and Projected Statements of Total Return and Distributable Income

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007 (from 1 July 2007 to 31 December 2007) (S$'000)</th>
<th>Projection Year 2008 (full year from 1 January 2008 to 31 December 2008) (S$'000)</th>
<th>Projection Year 2009 (full year from 1 January 2009 to 31 December 2009) (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>22,500</td>
<td>45,900</td>
<td>46,864</td>
</tr>
<tr>
<td>Less: Property Expenses</td>
<td>(1,303)</td>
<td>(2,606)</td>
<td>(2,606)</td>
</tr>
<tr>
<td>Net Property Income</td>
<td>21,197</td>
<td>43,294</td>
<td>44,258</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(1,315)</td>
<td>(1,723)</td>
<td>(1,736)</td>
</tr>
<tr>
<td>Interest income</td>
<td>92</td>
<td>178</td>
<td>171</td>
</tr>
<tr>
<td>Manager's Management Fees</td>
<td>(2,140)</td>
<td>(4,320)</td>
<td>(4,362)</td>
</tr>
<tr>
<td>Trustee's fee</td>
<td>(84)</td>
<td>(169)</td>
<td>(169)</td>
</tr>
<tr>
<td>Other trust expenses</td>
<td>(600)</td>
<td>(924)</td>
<td>(934)</td>
</tr>
<tr>
<td>Net income</td>
<td>17,150</td>
<td>36,336</td>
<td>37,228</td>
</tr>
<tr>
<td>Depreciation on revaluation of investment properties(1)</td>
<td>(595)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total return for the period/year before income tax and distribution carried forward</td>
<td>16,555</td>
<td>36,336</td>
<td>37,228</td>
</tr>
</tbody>
</table>

(1) Depreciation on revaluation of investment properties.
<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007 (from 1 July 2007 to 31 December 2007) (S$’000)</th>
<th>Projection Year 2008 (full year from 1 January 2008 to 31 December 2008) (S$’000)</th>
<th>Projection Year 2009 (full year from 1 January 2009 to 31 December 2009) (S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total return for the period/ year before income tax and distribution brought forward</td>
<td>16,555</td>
<td>36,336</td>
<td>37,228</td>
</tr>
<tr>
<td>Less: Income tax expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total return for the period/ year after income tax and before distribution</td>
<td>16,555</td>
<td>36,336</td>
<td>37,228</td>
</tr>
<tr>
<td>Net effect of non-tax deductible expenses (2)</td>
<td>1,705</td>
<td>1,308</td>
<td>1,317</td>
</tr>
<tr>
<td>Taxable Income available for distribution to Unitholders</td>
<td>18,260</td>
<td>37,644</td>
<td>38,545</td>
</tr>
<tr>
<td>Distribution to Unitholders based on payout of 100.0% of Taxable Income</td>
<td>18,260</td>
<td>37,644</td>
<td>38,545</td>
</tr>
<tr>
<td>Number of Units in issues (3)(’000)</td>
<td>601,669</td>
<td>602,174</td>
<td>602,853</td>
</tr>
<tr>
<td>Distribution per Unit (Cents)</td>
<td>3.03</td>
<td>6.25</td>
<td>6.39</td>
</tr>
<tr>
<td>Annualised distribution yield</td>
<td>4.74%</td>
<td>4.88%</td>
<td>5.00%</td>
</tr>
</tbody>
</table>

**Notes:**

1. This amount results from the revaluation based on the Manager’s hypothetical assumption of the open market value of the Properties (See “Profit Forecast and Profit Projection — Assumptions, (XI) Properties”) and includes the Acquisition Related Costs of the Properties.

2. These include non-tax deductible expenses relating to the Manager’s Management Fees which are payable in the form of Units, amortisation of transaction costs relating to the Facilities, transaction cost relating to an interest rate swap, depreciation on revaluation of the Properties and other expenses which are non-deductible for tax purposes.

3. Represents weighted average number of Units (computed based on the average number of Units entitled to distribution at the end of each quarter in the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009) and includes the assumed payment of 20% of the Manager’s Management Fees for the relevant period in the form of Units issued at the Offering Price.
RISK FACTORS

Prospective investors should consider carefully, together with all other information contained in this Prospectus, the factors described below before deciding to invest in the Units.

This Prospectus also contains forward-looking statements (including a profit forecast and profit projection) that involve risks, uncertainties and assumptions. The actual results of Parkway Life REIT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Parkway Life REIT as described below and elsewhere in this Prospectus.

As an investment in a collective investment scheme is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of units in a collective investment scheme, and the income from them, may fall or rise. Investors should note that they may not get back their original investment.

Before deciding to invest in the Units, prospective investors should seek professional advice from the relevant advisers about their particular circumstances.

Risks Relating to the Properties

Parkway Life REIT’s initial properties are located in Singapore, which exposes Parkway Life REIT to economic and real estate market conditions in Singapore and the region (including increased competition in the real estate market)

The Properties are situated in Singapore. As a result, Parkway Life REIT’s gross revenue and results of operations depend, to a large extent, on the performance of the economies of Singapore and countries in the region. An economic slowdown or recession in Singapore or countries in the region or rising interest rates or the public perception that any of these events may occur could adversely affect Parkway Life REIT’s results of operations and future growth.

The performance of Parkway Life REIT may also be adversely affected by a number of local real estate market conditions, such as the capital values of properties, the attractiveness of competing healthcare properties or the demand for healthcare and healthcare-related assets in Singapore and the region.

There is no assurance that the other subsidiary proprietors of the strata lots of Gleneagles Hospital Development and Mount Elizabeth Hospital Development will co-operate on matters concerning the common property of the Hospital Developments

Mount Elizabeth Hospital Development and Gleneagles Hospital Development are sub-divided developments comprising strata lots held by Parkway Life REIT and the other subsidiary proprietors of the remaining strata lots, and the common property. All the subsidiary proprietors of Mount Elizabeth Hospital Development and Gleneagles Hospital Development (as the case may be), who constitute the management corporations of the respective Hospital Developments, jointly own the common property in Mount Elizabeth Hospital Development and Gleneagles Hospital Development as tenants-in-common in proportion to the share values attributable to their respective strata lots. Parkway Life REIT will, on being registered as the subsidiary proprietor of Mount Elizabeth Hospital Development and Gleneagles Hospital Development, own approximately 56.7% and 69.1% of the total share value of strata lots comprising Mount Elizabeth Hospital Development and Gleneagles Hospital Development respectively, and cannot therefore deal with the common property in Mount Elizabeth Hospital Development and Gleneagles Hospital Development as if they owned it entirely.

Under the Land Titles (Strata) Act, certain matters concerning the common property, such as the installation or provision of additional facilities or the making of improvements to the common property, and the acceptance of transfers of land to add to the common property, require a special resolution, that is, a resolution passed at a general meeting of a management corporation, in favour of which at least 75.0% in value of votes of subsidiary proprietors present at such meeting is cast. Certain other matters concerning the common property, such as the creation of easements and restrictions affecting common property, require a unanimous resolution, that is, a result passed at a general meeting of a management corporation, in favour of which all votes of subsidiary proprietors present at such meeting is cast.

There is no assurance that resolutions other than ordinary resolutions concerning the common property of Mount Elizabeth Hospital Development and Gleneagles Hospital Development can be passed, as Parkway Life REIT will own only approximately 56.7% and 69.1% of the total share value of strata lots comprising...
Mount Elizabeth Hospital Development and Gleneagles Hospital Development respectively. The other subsidiary proprietors of Mount Elizabeth Hospital Development and Gleneagles Hospital Development, as the case may be, may vote against such resolutions and hence prevent such resolutions from being passed. If such resolutions are not passed, enhancement works involving the common property of Mount Elizabeth Hospital Development and Gleneagles Hospital Development cannot be carried out by the respective management corporations. This may result in the loss of patients at the Hospitals and Medical Centre Units located within the Mount Elizabeth Hospital Development and Gleneagles Hospital Development which would adversely affect the operating results of Parkway Life REIT.

**Renovation works or physical damage to the Properties may disrupt the operations of the Master Lessee**

The construction of Mount Elizabeth Hospital Development, Gleneagles Hospital Development and East Shore Hospital Development were completed by 1992, 1993 and 1987 respectively. Therefore, the Properties may need to undergo renovation works from time to time. During the period of such renovation works, the business and operations of the Master Lessee may be disrupted.

In addition, physical damage to any of the Properties resulting from fire or other causes may lead to a significant disruption to the business and operation of the Master Lessee and result in an adverse impact on the financial condition and results of operations of the Master Lessee and, in turn, Parkway Life REIT.

**The prices at which Parkway Life REIT is able to sell the Properties may be lower than the consideration for Parkway Life REIT’s purchase of the Properties**

The consideration for Parkway Life REIT’s purchase of the Properties is based on their appraised values by DTZ. (See Appendix C, “Independent Property Valuation Summary Reports.”)

The valuations were conducted using discounted cash flow and income capitalisation methods of valuation. Property valuations (including the appraisals conducted by the Independent Valuers) may include a subjective determination of certain factors relating to the relevant properties, such as their relative market positions, their financial and competitive strengths and their physical conditions.

The Independent Valuers’ determination of the Appraised Values does not guarantee that any part or the whole of the Properties can be sold at present or in the future at their respective Appraised Values. The price at which Parkway Life REIT may sell any part or the whole of the Properties may be lower than the consideration for Parkway Life REIT’s purchase of the Properties.

**Parkway Life REIT’s acquisition of the Properties may be subject to risks associated with the acquisition of properties**

While the Manager believes that reasonable due diligence investigations have been conducted with respect to the Properties prior to acquisitions of the Properties, there can be no assurance that the Properties will not have defects or deficiencies requiring significant capital expenditures, repair or maintenance expenses, or payment or other obligations to third parties, other than those disclosed in this Prospectus. The experts’ reports that the Manager has relied upon as part of its due diligence investigations may contain inaccuracies and deficiencies, as certain building defects and deficiencies may be difficult or impossible to ascertain due to the limitations inherent in the scope of the inspections, the technologies or techniques used and other factors.

In addition, laws and regulations (including those in relation to real estate) may have been breached and certain regulatory requirements in relation to the Properties may not have been complied with, which the Manager's due diligence investigations did not uncover. As a result, Parkway Life REIT may incur financial or other obligations in relation to such breaches or non-compliance.

**The Properties are specialised medical facilities and have limited uses**

The Properties are located on sites zoned for health and medical care purposes in the Master Plan Zoning (2003 Edition). As the Properties may only be used for a specific purpose, if Parkway Life REIT or the Master Lessee terminates the Master Lease Agreements (or any of them) or if the Master Lessee loses its licences to operate the Hospitals, Parkway Life REIT may not be able to find a replacement tenant to lease the Properties in a timely manner, or on terms acceptable to Parkway Life REIT or at all. In the event that Parkway Life REIT is not able to find a tenant to lease the Properties for medical and healthcare purposes, Parkway Life REIT may need to change the use of the Properties, in order to be able to lease the Properties.
and to generate income. There can be no assurance that Parkway Life REIT will be able to obtain the requisite approvals to change the zoning of the sites on which the Properties are located, and even if such approvals are obtained, Parkway Life REIT may be required to incur significant time and expenditure to alter the Properties to make them suitable for other uses. If any of the above events were to occur, Parkway Life REIT’s financial condition, results of operations and its ability to make distributions to Unitholders may be materially and adversely affected.

Risks Relating to Parkway Life REIT’s Operations

The current portfolio of Parkway Life REIT is solely dependent on Parkway Hospitals Singapore Pte Ltd, a direct wholly owned subsidiary of the Sponsor, as Master Lessee, for rental payments

The current portfolio of Parkway Life REIT is solely dependent on rental payments from the Master Lessee, as Parkway Life REIT does not directly operate the Properties. As at the Listing Date, Parkway Life REIT’s portfolio will only comprise the Properties. The Master Lessee is the sole tenant of each of the Properties. Therefore, Parkway Life REIT’s revenue and ability to make distributions to the Unitholders will depend solely upon the ability of the Master Lessee to make rental payments. A downturn in the business of the Master Lessee may weaken its financial condition and result in the Master Lessee’s failure to make timely rental payments or default under the Master Lease Agreements. In such an event, Parkway Life REIT may experience delays in enforcing its rights as landlord and thus may incur substantial costs in protecting its investments.

Factors that affect the ability of the Master Lessee to meet its obligations under the Master Lease Agreements include patient volumes at the Hospitals which are in turn affected by, among others, the number of uninsured and underinsured individuals in Singapore and the region, seasonal cycles of illnesses, recruitment, retention and attrition of medical professionals such as doctors and nurses, competition in the healthcare sector, the level of demand for hospitals and Medical Centre Units owned by Parkway Life REIT and the performance of the Manager.

There can be no assurance that the Master Lessee will have sufficient assets, income and access to financing in order to enable it to satisfy its obligations under the respective Master Lease Agreements.

The Master Lessee may not renew its leases of the Properties

No assurance can be given that the Master Lessee will exercise any option to renew its leases of the Properties upon the expiry of the initial 15-year term of the respective Master Lease Agreements. In such a situation, Parkway Life REIT may not be able to locate a suitable purchaser of the Properties or a suitable replacement master lessee, as a result of which Parkway Life REIT may lose a significant or its only source of revenue. In addition, replacements of the Master Lessee on satisfactory terms may not be possible in a timely manner or at all. The failure to renew the Master Lease Agreements, or the termination of any of these Master Lease Agreements, may have a material adverse effect on Parkway Life REIT’s Gross Revenue and ability to make distributions to Unitholders.

The Master Lessee is dependent on patient referrals from the tenant specialist clinics located within the Hospitals, other accredited specialists and overseas referral centres

A substantial part of Master Lessee’s revenue is generated from patient referrals from the tenant specialist clinics located within the Hospital Developments, accredited specialists and International Patient Assistance Centres. If, for whatever reason, the number of patients seeking healthcare services at the tenant specialist clinics decreases or the tenant specialist clinics and/or accredited specialists decide to reduce or cease their referrals to the Hospitals, there may be a material adverse effect on the Master Lessee’s financial and operating performance and it could impact on the Master Lessee’s ability to make rental payments to Parkway Life REIT which will have a material adverse effect on Parkway Life REIT’s Gross Revenue and ability to make distributions to Unitholders.

The Manager and the Master Lessee are direct wholly owned subsidiaries of the Sponsor. There are potential conflicts of interest amongst Parkway Life REIT, the Manager and the Sponsor

The Manager and the Master Lessee are direct wholly owned subsidiaries of the Sponsor. The Sponsor, through its wholly owned subsidiary, the Unit Lender, will own 224,354,000 Consideration Units upon
completion of the Offering (assuming that the Over-allotment Option is not exercised). (See “Certain Agreements Relating to Parkway Life REIT and the Properties”). This will result in the Sponsor having an interest of approximately 37.3% of the Units in issue after the Offering (assuming the Over-allotment Option is not exercised). The Sponsor, its subsidiaries and associates are engaged in, and/or may engage in, among other things, development of, portfolio management and investment in healthcare and/or healthcare-related properties in the Asia-Pacific region (including Singapore).

As a result, the strategy and activities of Parkway Life REIT may be influenced by the overall interests of the Sponsor. There can be no assurance that conflicts of interest will not arise between the Sponsor and Parkway Life REIT in the future. Furthermore, there can be no assurance that the Sponsor will not favour properties that it has retained in its own property portfolio or which it manages or operates over those owned by Parkway Life REIT. This could lead to lower occupancy rates and/or lower rental income for the Hospitals which may have a material adverse effect on Parkway Life REIT’s Gross Revenue and ability to make distributions to Unitholders.

Under the current rental step-up formula in the Master Lease Agreements, Unitholders may not be entitled to the full benefits of upside in the relevant Singapore property markets in terms of the distributions which they receive from Parkway Life REIT

Under the terms of the Master Lease Agreements, each of the Properties will be leased to the Master Lessee for a term of 15 years beginning from the Listing Date with an option given to the Master Lessee to renew for a further term of 15 years. The rent for each of the Properties comprise a base rent and a variable rent (See “Certain Agreements Relating to Parkway Life REIT and the Properties - Description of the Master Lease Agreements”). During the initial 15-year term of the Master Lease Agreements, if the Singapore property market exhibits higher growth than the rental step-up provided in the Master Lease Agreements, Unitholders will not be entitled to the full benefits of such upside in terms of the distributions which they receive from Parkway Life REIT.

Parkway Life REIT’s strategy of investing mainly in healthcare assets may entail a higher level of risk compared to other types of unit trusts that have a more diverse range of investments

Parkway Life REIT is established by Parkway Holdings to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes (including, but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate. As such, Parkway Life REIT will be subject to risks inherent in concentrating on investments in a single industry. The level of risk could be higher compared to other types of unit trusts that have a more diverse range of investments. A concentration of investments in a portfolio of such specific real estate assets in Singapore and elsewhere in the future exposes Parkway Life REIT to both a downturn in the real estate market as well as the healthcare sector in Singapore and those in the relevant regions elsewhere. Such downturns may lead to a decline in occupancy for hospitals including those in Parkway Life REIT’s portfolio, thereby affecting Parkway Life REIT’s rental income from the Master Lessee, and/or a decline in the capital value of Parkway Life REIT’s portfolio, which will have an adverse impact on distributions to the Unitholders and/or on the results and the financial condition of Parkway Life REIT.

There is no assurance that Parkway Life REIT will be able to draw from the Sponsor’s experience in the operation of healthcare and/or healthcare-related properties

Upon completion of the Offering, the Sponsor, through the Unit Lender, will hold at least 30.1% (if the Over-allotment Option is exercised in full) and up to approximately 37.3% (if the Over-allotment Option is not exercised) of the outstanding Units. The Unit Lender has agreed with the Joint Lead Underwriters that it will not, without the prior written consent of the Joint Lead Underwriters, offer, sell or contract to sell or otherwise dispose of (i) any of the Consideration Units during the period commencing from the Listing Date until the date falling six months after the Listing Date (the “First Lock-up Period”) or (ii) more than 50.0% of the Consideration Units during the period of six months commencing from the day immediately following the expiry of the First Lock-up Period (the “Second Lock-up Period”), save for certain exceptions. The Sponsor has also agreed not to dispose of any of its interest in the Unit Lender during the First Lock-up Period and the Second Lock-up Period. There is no assurance that the Unit Lender will not dispose of its
Units, or that the Sponsor will not dispose of its interest in the Unit Lender, following the expiry of the First Lock-up Period and/or the Second Lock-up Period, as the case may be. In the event that the Unit Lender decides to transfer or dispose of its Units, or the Sponsor decides to transfer or dispose of its interest in the Unit Lender, and accordingly the Sponsor ceases to be a controlling shareholder of Parkway Life REIT, directly or indirectly, Parkway Life REIT may no longer be able to draw from the Parkway Group’s experience in the ownership and operation of healthcare and/or healthcare-related properties, financial strength, market reach and network of contacts in the healthcare and/or healthcare-related properties sector to further its growth. This will have a material and adverse impact on Parkway Life REIT’s results of operations and financial condition which may, as a consequence, affect Parkway Life REIT’s ability to make its distributions to Unitholders.

**Parkway Life REIT may not be able to control or exercise any influence over entities in which it has minority interests**

Parkway Life REIT may, in the course of future acquisitions, acquire minority interests in investment entities. There can be no assurance that Parkway Life REIT will be able to control such entities or exercise any influence over the assets of such entities or their distributions to Parkway Life REIT. Such entities may develop objectives which are different from those of Parkway Life REIT and may not be able to make anticipated levels of distributions to Unitholders. The management of such entities may also make decisions which could adversely affect the operations of Parkway Life REIT and its ability to make distributions to Unitholders.

**The amount Parkway Life REIT may borrow is limited, which may affect the operations of Parkway Life REIT**

Under the current restrictions set out in the Property Funds Guidelines, Parkway Life REIT is permitted to borrow only up to 35.0% of the value of its Deposited Property at the time the borrowing is incurred. The Property Funds Guidelines also provide that the total borrowings and deferred payments (together the “aggregate leverage”) of a real estate investment trust may exceed 35.0% of the value of its Deposited Property (up to a maximum of 60.0%) only if a credit rating of the REIT from Fitch Inc., Moody’s or Standard and Poor’s is obtained and disclosed to the public. Parkway Life REIT should maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0%. A decline in the value of the Deposited Property may affect Parkway Life REIT’s ability to make further borrowings.

Adverse business consequences of this limitation on borrowings may include:

(i) an inability to fund capital expenditure requirements in relation to Parkway Life REIT’s existing portfolio or in relation to the acquisition by Parkway Life REIT of further properties to expand its portfolio;

(ii) a decline in the value of Parkway Life REIT’s Deposited Property may cause the borrowing limit to be exceeded, thus affecting Parkway Life REIT’s ability to make further borrowings; and

(iii) cashflow shortages (including with respect to required distributions) which Parkway Life REIT might otherwise be able to resolve by borrowing funds.

**Parkway Life REIT may have a higher level of gearing than certain other types of unit trusts**

Parkway Life REIT’s level of borrowings may represent a higher level of gearing as compared to certain other types of units trusts such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. Investment risk is known to increase with the increase in gearing or leverage. An increase in gearing or leverage will subject Parkway Life REIT to the risk of a changing economic climate.

**The Properties and future properties require significant capital expenditure periodically and Parkway Life REIT may not be able to secure funding**

The Properties and future properties to be acquired by Parkway Life REIT may require periodic capital expenditures, refurbishments, renovation and enhancements in order to remain competitive.

Under the Master Lease Agreements, Parkway Life REIT shall, after 31 December 2009, be responsible for any repair and replacement works in relation to the structural parts of the Properties and the mechanical and electrical equipment which are of a capital nature.
Parkway Life REIT may not be able to fund future capital expenditures, refurbishments, renovations and enhancement solely from cash provided from its operating activities and Parkway Life REIT may not be able to obtain additional equity or debt financing or be able to obtain such financing on favourable terms or at all. Consequently distributions to Unitholders may also be adversely affected as a result.

**Parkway Life REIT faces risks associated with debt financing and the Facilities**

Parkway Life REIT will be subject to risks associated with debt financing, including the risk that its cash flow may be insufficient to meet required payments of principal and interest under such financing and to make distributions to Unitholders.

The Facilities will be unsecured for an initial term of 18 months. The Trustee has an option to extend the Facilities for an additional period of 18 months, and if so extended, the Facilities will be secured on all the assets of Parkway Life REIT including the Properties, and the rights, titles and interests in leases, insurances and rental proceeds relating to the Properties, and the rights and interests under the Appointment of Property Manager Agreement, as the case may be. If Parkway Life REIT is unable to meet interest or principal payments in respect of such indebtedness, the Properties or any of them could be foreclosed by the lender, or the lender could require a forced sale of the Properties or any of them with a consequent loss of income and asset value to Parkway Life REIT.

Parkway Life REIT will also be subject to the risk that its existing borrowings may be terminated by the lenders upon the occurrence of certain events and it may not be able to refinance its existing borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings. Parkway Life REIT will put in place the Facilities which may be drawn down on the Listing Date as part payment for the acquisition value of the Properties. In addition, Parkway Life REIT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders. Such covenants may also restrict Parkway Life REIT’s ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which would adversely affect Parkway Life REIT’s cash flow and the amount of distributions it could make to Unitholders.

**Neither Parkway Life REIT nor the Manager, as new entities, has an established operating history**

Parkway Life REIT was established on 12 July 2007 and the Manager was incorporated on 19 April 2007. As such, neither Parkway Life REIT (as a real estate investment trust) nor the Manager (as the manager of the real estate investment trust) has the relevant operating histories by which their past performance may be judged. This will make it more difficult for investors to assess Parkway Life REIT’s likely future performance. There can be no assurance that Parkway Life REIT will be able to generate sufficient revenue from operations to make distributions or that such distributions will be in line with those set out in “Profit Forecast and Profit Projection”.

**The Manager may not be able to implement its investment strategy for Parkway Life REIT which may impede Parkway Life REIT’s growth and negatively affect its results of operations**

There can be no assurance that the Manager will be able to implement its principal investment strategy successfully or that it will be able to expand Parkway Life REIT’s portfolio at all, or at any specified rate or to any specified size. The Manager may not be able to identify suitable properties or other assets which meet Parkway Life REIT’s investment strategy or criteria or consummate investments or acquisitions on favourable terms or at all or within a desired time frame. In addition, future acquisition opportunities of private hospitals in the region may be scarce and competitive such as in the case of Singapore where the allocation of sites for the development of new private hospitals in Singapore is limited and highly controlled by the Singapore Government. Failure to identify or consummate the investment or acquisition opportunities may slow Parkway Life REIT’s growth and negatively affect its results of operations.

Parkway Life REIT will be relying on external sources of funding to expand its portfolio, which may not be available on favourable terms or at all. Even if Parkway Life REIT were able to successfully make additional property investments, there can be no assurance that Parkway Life REIT will achieve its intended return on such investments. Since the amount of debt that Parkway Life REIT can incur to finance acquisitions is
limited by the Property Funds Guidelines, such acquisitions will largely be dependent on Parkway Life REIT’s ability to raise equity capital, which may result in a dilution of Unitholders’ holdings. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including healthcare property development companies, private investment funds and other real estate investment funds whose investment policy is also to invest in healthcare properties. The competition for healthcare and/or healthcare-related properties may significantly increase the price Parkway Life REIT pays for the investment in these properties. In addition, potential acquisition targets may find the competitors of Parkway Life REIT to be more attractive because they have greater resources, may be willing to pay more for the properties or may have a more compatible operating philosophy. There can be no assurance that Parkway Life REIT will be able to compete effectively against such entities.

**Parkway Life REIT depends on certain key personnel, and the loss of any key personnel may adversely affect its operations**

Parkway Life REIT’s performance depends, in part, upon the continued service and performance of members of the Manager’s senior management team and certain key senior personnel. These key personnel may in future leave the Manager or compete with the Manager and Parkway Life REIT. The loss of any of these individuals, or of one or more of the Manager’s other key employees could have a material adverse effect on Parkway Life REIT’s financial condition and results of operations.

**Future acquisitions may not yield the returns expected, resulting in disruption to Parkway Life REIT’s business, straining of management resources and dilution of holdings**

Parkway Life REIT’s external growth strategy and its market selection process may not ultimately be successful and may not provide positive returns to Unitholders. Future acquisitions made by Parkway Life REIT will be required to be integrated with its existing portfolio. The acquired properties may turn out to be less comparable to Parkway Life REIT’s growth strategy than originally anticipated and may cause disruptions to Parkway Life REIT’s operations and divert the Manager’s attention away from day-to-day operations, any or all of which may have an adverse effect on the operations and financial condition of Parkway Life REIT. New Units issued in connection with any new acquisition could also be substantially dilutive to Unitholders. In addition, the acquisitions themselves may not be yield accretive to Unitholders.

**The annualised distribution yield for the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009 are partially dependent upon the assumption that the Manager will receive 20.0% of its Base Fee and Performance Fee in the form of Units in respect of the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009.**

The annualised distribution yield for the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009 set out in this Prospectus are partially dependent upon the assumption that the Manager will receive 20.0% of its Base Fee and Performance Fee in the form of Units in respect of said forecast period and projection years. If the Manager elects to receive its Base Fee and Performance Fee for the said forecast period and projection years fully in cash, the annualised distribution yield for the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009 will be 4.63%, 4.78% and 4.89% respectively at the Offering Price.

**The Manager may change Parkway Life REIT’s investment strategy**

Parkway Life REIT’s policies with respect to certain activities including investments and acquisitions will be determined by the Manager. While the Manager has stated its intention to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that is used primarily for healthcare and/or healthcare-related purposes (including but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate, and such strategy may not be changed for a period of three years commencing from the Listing Date (as the Listing Manual prohibits a departure from the Manager’s stated investment strategy for Parkway Life REIT for the said period unless
otherwise approved by an Extraordinary Resolution of Unitholders), the Trust Deed gives the Manager
d wide powers of investing in other types of assets, including any real estate, real estate-related assets as
well as listed and unlisted securities in Singapore and other jurisdictions. There are risks and uncertainties
with respect to the selection of investments and with respect to the investments themselves, and any such
changes may adversely affect the Unitholders’ investment in Parkway Life REIT.

Operations of the Hospitals are dependent upon the Hospitals’ ability to attract and retain
doctors and other healthcare professionals

Operations at the Hospitals depend on the efforts, abilities and experience of the doctors and other
healthcare professionals at the hospitals. The Hospitals compete with other healthcare providers in the
region, in recruiting and retaining qualified doctors and other healthcare professionals. The loss of some of
these medical personnel, or the inability to attract or retain sufficient numbers of qualified doctors and other
healthcare professionals, could have a material and adverse effect on the healthcare business, financial
position and results of the operations, and consequently on the Master Lessee’s ability to pay rent to
Parkway Life REIT.

In addition, the Hospitals are strongly dependent on their ability to attract and retain sufficient numbers of
quality doctors with admitting privileges to the Hospitals. These doctors are generally not employees of the
Parkway Group and a significant part of the revenue of the Hospitals is generated from patient referrals
from these accredited doctors. If these accredited doctors should cease or reduce their referrals to the
Hospitals, there may be a material adverse effect on the Hospitals’ financial performance and
consequently on the Master Lessee’s ability to pay rent to Parkway Life REIT.

Operations of the Hospitals are subject to environmental risks

The Hospitals may contain, or their operations may utilise, certain materials, processes or installations
which are regulated pursuant to environmental laws and regulations, or may require environmental permits
from regulatory authorities. These items include, but are not limited to, medical or infectious waste,
icinernators and small amounts of friable asbestos-containing materials. These environmental laws and
regulations may also impose liability on the Master Lessee for removal or remediation of hazardous or toxic
substances. As a result, the Master Lessee may also be liable for governmental fines and damages for
injuries to persons, natural resources and adjacent properties. The Master Lessee’s operating expenses
could be higher than anticipated due to the cost of complying with existing and future environmental and
occupational health and safety laws and regulations. Such cost of complying with environmental laws
could materially affect the Master Lessee’s ability to make rental payment to Parkway Life REIT, and this
could impact Parkway Life REIT’s ability to make distributions to the Unitholders.

Although the Hospitals will take all steps to comply with the laws and regulations in connection with such
materials, processes or installations, there is no assurance that environmental liabilities will not exist in the
future, or that any of such environmental liabilities will not be material to the Hospitals and/or Parkway Life
REIT.

Risks relating to investing in Healthcare Sector

Parkway Life REIT may be affected by competition from existing hospitals as well as new
entrants to the market

The healthcare services industry in the region (including Singapore) is very competitive, with many
healthcare service providers, both private and public. A healthcare service provider in the region (including
Singapore) faces competition from existing healthcare service providers as well as new entrants in the
future. Some of these competing facilities are or may be owned and supported by governmental agencies
or by endowments and charitable contributions. (See “Business and Properties — Existing and Future
Competition” for more details.) These types of support are not available to the lessees of the healthcare
and/or healthcare-related assets owned or to be owned by Parkway Life REIT.

The success of the operations of a healthcare and/or healthcare-related asset in the region (including
Singapore) depends on the ability of the operator of these assets to compete effectively against its
competitors. There can be no assurance that the lessees of the healthcare and/or healthcare-related
assets owned or to be owned by Parkway Life REIT would be able to compete successfully in the future.

With the potential influx of new competitors, the ability of the lessees of the healthcare and/or healthcare-
related assets owned or to be owned by Parkway Life REIT to retain patients and to attract new patients is
important to the continued success of Parkway Life REIT. There is no assurance that the patient loads of
the healthcare and/or healthcare-related assets owned or to be owned by Parkway Life REIT will not be
affected with the entry of new competitors and this may adversely affect the operations and financial
performance of these lessees and, indirectly, Parkway Life REIT. In the event that any of these lessees is
not able to compete effectively against its competitors, its operating results may be adversely affected and
this could impact the lessee’s ability to make rental payments to Parkway Life REIT.

**Hospitals are subject to unique risks**

An investment in Units should be made with an understanding of the problems and risks inherent in the
healthcare sector in general. Generally, hospitals face the risk of increasing competition from new products
or services and the risk that technological advances will render their medical and surgical services
obsolete. For example, the rising cost of healthcare technology may adversely impact the revenue of the
hospitals as well. Hospitals may also have persistent losses when adopting a new medical or surgical
service, and revenue patterns may be erratic as a result. In addition, hospitals may be affected by events
and conditions including, among other things, changes in demand for and methods of delivery of
healthcare services, physicians’ confidence in the facility, management capabilities, competition with
other hospitals and healthcare providers, efforts by insurers to limit charges and changes in third party
reimbursement policies, pressure from patients to reduce payments to healthcare providers, governmental
regulation, the cost and potential unavailability of malpractice insurance. If the Adjusted Hospital
Revenues of the Hospitals are adversely affected because of these risks, there will consequently be
an impact on the Master Lessee’s ability to make rental payments to Parkway Life REIT. This will in turn
adversely affect the operation and financial performance of Parkway Life REIT and its ability to make
distributions to Unitholders.

**The outbreak of avian flu, SARS, or other potentially life-threatening illnesses or contamination may affect the Hospitals**

The outbreak of avian flu, SARS, or other potentially life-threatening illnesses or contamination may lead
the government to impose regulations on hospitals, affecting their normal routine of operations and
possibly leading to lower numbers of patients visiting the Hospitals.

In addition, should patients infected with such illnesses be housed in any of the Hospitals, the Hospital
could see a negative impact in its reputation, resulting in a lower number of people who are willing to visit
that Hospital for other kinds of medical or surgical treatment. This may have a consequent adverse effect
on the Master Lessee’s ability to make rental payments to Parkway Life REIT.

**Decrease in demand for private healthcare services will affect Parkway Life REIT indirectly**

The financial performance of the Master Lessee is dependent on the demand for private healthcare
services from both local and foreign patients. In the event that there is a decrease in demand for such
services due to factors such as a general downturn in global, regional or local economy, the outbreak of an
epidemic, restriction on travel imposed by governments, fears of terrorism in the region or the perception
that public healthcare services are comparable or better in terms of quality of service and provided at
comparable or cheaper rates, the financial performance of the Master Lessee will be adversely affected.

**The Master Lessee may be subject to lawsuits and other claims as a result of malpractice and negligence and complaints from patients**

The operator of the Hospitals, being the Master Lessee, is exposed to the risk of legal claims and/or
regulatory actions arising from the provision of healthcare services. Legal action may be taken against the
Master Lessee as a result of medical malpractice and negligence. The existence of such claims alone may
tarnish the professional standing and market reputation of the Master Lessee, the Hospitals and/or the
doctors. If such claims succeed, the Master Lessee will be liable for the damages assessed against it and
the legal costs incurred in connection with the legal action.

While the Master Lessee has taken up appropriate medical negligence insurance against such potential
liability discussed above, there is no certainty that such insurance will be sufficient to fully indemnify it
against all such liabilities.

If the Master Lessee is subject to legal claims as described above and is found liable for such claims, and
such claims exceeds the insurance coverage taken up by the Master Lessee or is not covered by the
insurance policies, the Master Lessee would have to fund such losses or damages internally and could consequently impede its ability to make rental payments to Parkway Life REIT.

The Hospitals may also, from time to time, be the subject of complaints from patients with regard to the quality and cost of healthcare services. The business of the Hospitals may also be affected by negative publicity resulting from the publication of industry findings, research reports or health concerns. Such negative publicity, regardless of their validity, may affect the number of patients visiting the Hospitals and the Master Lessee's revenue, profits and ability to make rental payments to Parkway Life REIT may, as a result, be adversely affected.

The healthcare industry is heavily regulated and changes in healthcare policy or regulations could impact Parkway Life REIT

Healthcare is an area that is subject to extensive governmental regulation and regulatory changes in most countries. The operations of hospitals and other healthcare-related assets are subject to the healthcare policy, laws and regulations in the countries where the hospitals are located, including, but not limited to, licensing, facility inspections and reimbursement policies and there may be periodic inspections by governmental and other authorities to ensure continued compliance with such laws and regulations.

For example, the operations of private hospitals in Singapore are governed by, amongst others, the Private Hospitals and Medical Clinics Act, Chapter 248 of Singapore. (See “Overview of Relevant Singapore Healthcare Laws and Regulations” for further details.) Any changes in such government regulations or the introduction of new applicable laws and regulations may have a negative impact on the Master Lessee and/or Parkway Life REIT’s business. The relevant authorities may suspend or deny renewal of the Master Lessee and/or Parkway Life REIT’s existing licences or qualifications if they determine that the Master Lessee and/or Parkway Life REIT does not meet the required standards. Although the Master Lessee and/or Parkway Life REIT has satisfied the licensing requirements for their present business operations, there is no assurance that the Master Lessee and/or Parkway Life REIT will be able to maintain these licences or obtain these licences for their operations. If the Master Lessee and/or Parkway Life REIT fails to obtain, maintain or renew the relevant governmental licences, permits and approvals, their respective operations and financial performance may be adversely affected.

In addition, any failure to comply with the applicable laws and regulations could result in the imposition of fines and/or other penalties by the relevant authorities and any changes in the healthcare policy, applicable laws and regulations may result in an increase in operating expenses of the operator/tenant of a healthcare and/or healthcare-related asset owned by Parkway Life REIT due to higher costs of compliance or may adversely affect the operations or business of such operator/tenant, which accordingly may diminish the ability of the operator/tenant to make rental payments to Parkway Life REIT. This in turn will affect the operations and financial condition of Parkway Life REIT and its ability to make distributions to the Unitholders.

Risks Relating to Investing in Real Estate

Parkway Life REIT may be adversely affected by the illiquidity of real estate investments

Investments in real estate involve a higher level of risk as compared to a portfolio which has a diverse range of investments. Real estate investments, particularly investments in high value properties such as those in which Parkway Life REIT has invested or may invest in the future, are relatively illiquid. Such illiquidity may affect Parkway Life REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, real estate market or other conditions. For instance, Parkway Life REIT may be unable to liquidate its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. Moreover, Parkway Life REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets. These factors could have an adverse effect on Parkway Life REIT's financial condition and results of operations, with a consequential adverse effect on Parkway Life REIT's ability to make expected distributions to Unitholders.

The Properties or part thereof may be acquired compulsorily

The Land Acquisition Act, Chapter 152 of Singapore gives the Government the power to acquire any land in Singapore:

• for any public purpose;
where the acquisition is of public benefit or of public utility or in the public interest; or

• for any residential, commercial or industrial purposes.

The compensation to be awarded pursuant to any compulsory acquisition would be based on the market value of the acquired land (i) as at the date of the publication in the Government Gazette of the notification of the likely acquisition of the land (provided that within six months from the date of publication, a declaration of intention to acquire is made by publication in the Government Gazette) or (ii) as at the date of publication in the Government Gazette of the declaration of intention to acquire in any other case. Accordingly, in the event any of the land on which the Properties are located is compulsorily acquired by the Government, the Gross Revenue of Parkway Life REIT will be adversely affected.

**Parkway Life REIT may suffer material losses in excess of insurance proceeds**

The Properties could suffer physical damage caused by fire or other causes or Parkway Life REIT may suffer public liability claims, all of which may result in losses (including loss of rent) that may not be fully compensated by insurance proceeds. In addition, certain types of risks (such as war risk, terrorist acts and losses caused by the outbreak of contagious diseases) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, the insurance policies for the Properties do not cover acts of war, acts of terrorism or outbreak of contagious diseases. Should an uninsured loss or a loss in excess of insured limits occur, Parkway Life REIT could be required to pay compensation and/or lose capital invested in the affected property as well as anticipated future revenue from that property. Parkway Life REIT would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future.

**Risks Relating to an Investment in the Units**

**The failure by the Cornerstone Investor and/or any Institutional Accredited Investor to subscribe for and/or pay for the Cornerstone Units or the Accredited Investor Units, respectively, may adversely affect the Offering**

The Cornerstone Investor has agreed to subscribe for 84,199,000 Units, which will constitute approximately 14.0% of the total number of outstanding Units immediately after the close of the Offering. In addition, the Manager may offer or sell not more than 4,000,000 Units (the “Accredited Investor Units”) to a limited number of institutional “accredited investors” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act (the “Institutional Accredited Investors”) in transactions exempt from the registration requirements of the Securities Act. The Cornerstone Units to be subscribed by the Cornerstone Investor and the Accredited Investor Units to be offered or sold to Institutional Accredited Investors will not be underwritten and payment for such Units is not expected until after the close of the Application List. Any failure or default by the Cornerstone Investor and/or the Accredited Institutional Investors to subscribe and pay for the Cornerstone Units or the Accredited Investor Units, respectively, may result in Parkway Life REIT not having sufficient funds to complete the acquisition of the Properties. Under such circumstances, the Joint Lead Underwriters would have the right not to complete the Offering.

**The sale or possible sale of a substantial number of Units by the Sponsor, through the Unit Lender, in the public market following the lapse of any applicable lock-up arrangements could adversely affect the price of the Units**

Following the Offering, assuming the Over-allotment Option is not exercised, 224,354,000 Units, or approximately 37.3% of the Units in issue after the close of the Offering, will be held by the Sponsor through its wholly owned subsidiary, the Unit Lender. The Unit Lender has agreed with the Joint Lead Underwriters that it will not, without the prior written consent of the Joint Lead Underwriters, offer, sell or contract to sell or otherwise dispose of its effective interests in (i) any of the Consideration Units during the period commencing from the Listing Date until the date falling six months after the Listing Date (the “First Lock-up Period”) or (ii) more than 50.0% of the Consideration Units during the period of six months commencing from the day immediately following the expiry of the First Lock-up Period, save for certain exceptions. The Sponsor has also agreed not to dispose of any of its interest in the Unit Lender during the First Lock-up Period and the Second Lock-up Period. (See “Plan of Distribution — Lock-up Arrangements”.)
Units will be traded on the Main Board of the SGX-ST. If the Unit Lender or such transferees of the Units sell or are perceived as intending to sell a substantial amount of their Units following the lapse of their respective lock-up arrangements or pursuant to applicable waivers, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected. (See “Ownership of the Units” and “Plan of Distribution — Lock-up Arrangements”.)

Parkway Life REIT may not be able to make distributions or the level of distributions may fall

The income which Parkway Life REIT earns from its real estate investments depends on, among other factors, the amount of rental income received, and the level of property, operating and other operating expenses incurred. If properties owned by Parkway Life REIT do not generate sufficient income, Parkway Life REIT’s cash flow and ability to make distributions will be adversely affected.

Parkway Life REIT’s ability to make distributions to Unitholders may also be adversely affected by increases in Property Expenses and other operating expenses without a corresponding increase in revenue

Factors which could increase Property Expenses and other operating expenses include any:

- increase in the amount of maintenance and sinking fund contributions payable to the management corporations of the Hospitals;
- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in sub-contracted service costs;
- increase in interest rate;
- increase in the rate of inflation; and
- increase in insurance premiums.

No assurance can be given as to Parkway Life REIT’s ability to pay or maintain distributions. Neither is there any assurance that the level of distributions will increase over time, that there will be contractual increases in rent under the leases of the Properties or that the receipt of rental revenue in connection with any expansion of the Properties or future acquisitions of properties will increase Parkway Life REIT’s income available for distribution to Unitholders.

Parkway Life REIT may be unable to comply with the terms of the Tax Ruling or the Tax Ruling may be revoked or amended

Parkway Life REIT has received a Tax Ruling from the IRAS under which tax transparency has been granted to Parkway Life REIT on stipulated terms and conditions. These terms and conditions include undertakings by the Trustee and the Manager to take all reasonable steps necessary to safeguard the IRAS against the loss of tax as a result of the Tax Ruling and to comply with all administrative requirements to ensure ease of tax administration.

The Tax Ruling grants tax transparency to the Trustee on Taxable Income that is distributed to Unitholders. The Tax Ruling, either in part or in whole, may be revoked or its terms may be reviewed and amended by the IRAS at any time. If the Tax Ruling is revoked or if Parkway Life REIT is unable to comply with its terms, Parkway Life REIT will be subject to tax on its Taxable Income and the tax will be assessed on, and collected from, the Trustee, in which case distributions to all Unitholders will not be subject to further tax. If the terms of the Tax Ruling are amended, the Trustee may not be able to comply with the new terms imposed and this non-compliance could affect Parkway Life REIT’s tax transparent status and its ability to distribute its Taxable Income free of tax deduction at source. (See “Taxation — Terms and Conditions of the Tax Ruling” and Appendix E, “Independent Taxation Report” for more information on the terms of the Tax Ruling.)
Foreign Unitholders may not be permitted to participate in future rights issues by Parkway Life REIT

The Trust Deed provides that in relation to any rights issue, the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions the Manager may determine, subject to such other terms and conditions as the Trustee may impose. The proceeds of any such sale, if successful, will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholder are less than S$10.00, the Manager is entitled to retain such proceeds as part of the Deposited Property.

Distribution of 100.0% of its Taxable Income for the period from the Listing Date to 31 December 2008 and at least 90.0% of its Taxable Income thereafter may cause Parkway Life REIT to face liquidity constraints

The Manager and the Trustee will distribute 100.0% of Parkway Life REIT’s Taxable Income for the period commencing from the Listing Date to 31 December 2008. Thereafter, the Manager and the Trustee will distribute at least 90.0% of Parkway Life REIT’s Taxable Income. Parkway Life REIT is required by the Tax Ruling to distribute at least 90.0% of its Taxable Income. If Parkway Life REIT’s Taxable Income is greater than its cash flow from operations, it may have to borrow to meet ongoing cash flow requirements in order to distribute at least 90.0% of its Taxable Income since it may not have any reserves to draw on. Parkway Life REIT’s ability to borrow is, however, limited by the Property Funds Guidelines. (See “Risk Factors — The amount Parkway Life REIT may borrow is limited, which may affect the operations of Parkway Life REIT”.) Failure to make distributions would put Parkway Life REIT in breach of the terms of the Tax Ruling and Parkway Life REIT would be liable to pay income tax.

The actual performance of Parkway Life REIT and the Properties could differ materially from the forward-looking statements in this Prospectus

This Prospectus contains forward-looking statements regarding, among other things, forecast and projected distribution levels for the period from 1 July 2007 to 31 December 2009. These forward-looking statements are based on a number of assumptions which are subject to significant uncertainties and contingencies, many of which are outside of Parkway Life REIT’s control. (See “Profit Forecast and Profit Projection — Assumptions.”) In addition, Parkway Life REIT’s revenue is dependent on a number of factors, including the receipt of rent from the Properties, which may decrease for a number of reasons, such as the decline in occupancy and rental rates, insolvency of tenants or delay in rent payment by tenants. This may adversely affect Parkway Life REIT’s ability to achieve the forecast and projected distributions as some or all of the events and circumstances assumed may not occur as expected, or events and circumstances which are not currently anticipated may arise. Actual results may be materially different from the forecast and projection. While the Manager currently expects to meet the forecast and projected distribution levels, no assurance can be given that the assumptions will be realised and the actual distributions will be as forecast and projected.

Unitholders may bear the effects of tax adjustments on income distributed in prior periods

Distributions will be based on Parkway Life REIT’s Taxable Income as computed by the Manager. The Taxable Income of Parkway Life REIT as computed by the Manager may, however, be subject to adjustment by the IRAS. The effect of this adjustment would mean that Parkway Life REIT’s actual Taxable Income is either higher or lower than what was computed by the Manager. The difference between Parkway Life REIT’s actual Taxable Income and Parkway Life REIT’s Taxable Income as computed by the Manager for the purpose of making a distribution to Unitholders will be added to or deducted from the Taxable Income computed by the Manager for the subsequent distribution to Unitholders. Tax transparency does not apply to gains realised from the disposal of properties and such gains will be subsequently assessed for taxation by the IRAS. Distributions will only be made out of such gains after tax has been paid by the Trustee in the case of trading gains or when the full amount of the gains is confirmed as non-taxable by the IRAS. (See Appendix E, “Independent Taxation Report” for further details.)
Parkway Life REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting real estate investment trusts

Parkway Life REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directions affecting real estate investment trusts. In March 2007, the MAS issued a consultation paper titled “Enhancements to the Regulatory Regime Governing REITs” in which views were sought on certain proposed changes to the regulatory regime for real estate investment trusts in Singapore. The consultation paper is available for viewing on the MAS website: http://www.mas.gov.sg. It is however, not known whether the MAS will implement any of the proposed changes and whether the changes, if implemented, will take the form set out in the consultation paper or be subject to certain conditions. (See “The Formation and Structure of Parkway Life REIT — Proposed Amendments to the Property Funds Guidelines” for more information.)

Certain provisions of the Singapore Code on Take-overs and Mergers could have the effect of discouraging, delaying or preventing a merger or acquisition, or restricting the Stabilising Manager’s ability to undertake stabilisation, which could adversely affect the market price of the Units

Pursuant to a practice statement titled “Practice Statement on Real Estate Investment Trusts” released by the Securities Industry Council on 8 June 2007, the Securities Industry Council which administers and enforces the Singapore Code on Take-overs and Mergers (“Takeover Code”) has extended the application of the Takeover Code to property trusts structured as collective investment schemes (“REIT”) under the SFA. The Takeover Code and the SFA will be amended to give effect to the extension of the Takeover Code to REITs. The Securities Industry Council suggests that parties engaged in take-over or merger transactions involving REITs comply with the Takeover Code. With effect from 8 June 2007, parties intending to (i) acquire 30.0% or more of the total units in a REIT, or (ii) (when holding not less than 30.0% but not more than 50.0% of the total units of a REIT) acquire more than 1.0% of the total units in a REIT in any six-month period, should make a general offer for the REIT.

Pursuant to the above, the Sponsor is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Takeover Code) in the event that an increase in the aggregate unitholdings of it and/or parties acting in concert with it results in the aggregate unitholdings crossing certain thresholds as specified above. While the Takeover Code seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium. In addition, in order not to trigger the mandatory offer requirement of the Takeover Code which may otherwise occur in connection with the lending and return of Units pursuant to the Unit Lending Agreement between the Unit Lender and the Stabilising Manager, such Unit Lending Agreement includes a right for the Unit Lender to recall such number of Units which are equivalent to the Units (if any) lent under such agreement by giving seven days prior written notice to the Stabilising Manager. In the event this right to recall is exercised by the Unit Lender, it is possible that the Stabilising Manager may not be able to stabilise the market price of the Units. (See “Plan of Distribution — Over-Allotment”, “Plan of Distribution — Unit Lending Agreement” and “Plan of Distribution — Price Stabilisation”.)

Accounting standards in Singapore are subject to change

The financial statements of Parkway Life REIT may be affected by the introduction of new or revised accounting standards. There can be no assurance that these changes will not have a significant impact on the presentation of Parkway Life REIT’s financial statements or on Parkway Life REIT’s financial condition and results of operations. In addition, in the event such introduction of new or revised accounting standards takes place, the ability of Parkway Life REIT to make distributions to Unitholders may be adversely affected.

Market and economic conditions may affect the market price and demand for the Units

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units. In particular, an increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.
The Manager is not obliged to redeem Units

Unitholders have no right to request the Manager to redeem their Units while the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their listed Units through trading on the SGX-ST.

The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units

Prior to the Offering, there is no public market for the Units and an active public market for the Units may not develop or be sustained after the Offering. While the Manager has received a letter of eligibility from the SGX-ST to have the Units listed and quoted on the Main Board of the SGX-ST, listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units.

Although it is currently intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Parkway Life REIT may not continue to satisfy the listing requirements for real estate investment trusts.

The net asset value per Unit may be diluted if further issues are priced below the current net asset value per Unit

The Trust Deed contemplates that new issues of Units may occur, the offering price for which may be above, at or below the then current net asset value per Unit. Where new Units, including Units which may be issued as fees payable to the Manager, are issued at less than the net asset value per Unit, the net asset value of each existing Unit may be diluted.

The price of the Units may decline after the Offering

The Offering Price of the Units is determined by agreement between the Manager and the Joint Lead Underwriters and may not be indicative of the market price for the Units after the completion of the Offering. The Units may trade at prices significantly below the Offering Price after the Offering. The trading price of the Units will depend on many factors, including:

- the perceived prospects of Parkway Life REIT’s business and investments and the Singapore healthcare real estate market;
- differences between Parkway Life REIT’s actual financial and operating results and those expected by investors and analysts;
- changes in analysts’ recommendations or projections;
- changes in general economic or market conditions;
- the market value of Parkway Life REIT’s assets;
- the perceived attractiveness of the Units against those of other equity securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;
- the future size and liquidity of the Singapore real estate investment trust market;
- any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Singapore real estate investment trusts;
- any inability on Parkway Life REIT’s part to implement successfully its investment and growth strategies;
• foreign exchange rates; and
• broad market fluctuations, including weakness of the equity market and increases in interest rates.

For these reasons, among others, Units may trade at prices that are higher or lower than the net asset value per Unit. To the extent that Parkway Life REIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Units. Any failure on Parkway Life REIT’s part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Units.

In addition, the Units are not capital-safe products and there is no guarantee that Unitholders can regain the amount invested. If Parkway Life REIT is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Units.
USE OF PROCEEDS

The total proceeds from the Offering, the subscription of the Cornerstone Units by the Cornerstone Investor and the subscription of the Accredited Investor Units by the Institutional Accredited Investors are estimated to be approximately S$482.6 million.

The Manager also intends to make a drawdown from the Facilities of an aggregate amount of approximately S$34.0 million on the Listing Date as part payment of the acquisition value of the Properties.

The Manager intends to apply the total proceeds from the Offering, the subscription of the Cornerstone Units by the Cornerstone Investor and the subscription of the Accredited Investor Units by the Institutional Accredited Investors as well as the drawdown from the Facilities:

(i) towards payment of the cash portion of the acquisition value for the acquisition of the Properties. (See “Certain Agreements Relating to Parkway Life REIT and the Properties”);

(ii) towards payment of issue and debt related costs; and

(iii) as working capital.

The following tables, included for the purpose of illustration, sets out the intended source and application of the proceeds from the Offering, the subscription of the Cornerstone Units by the Cornerstone Investor, the subscription of the Accredited Investor Units by Institutional Accredited Investors and the initial drawdown made under the Facilities.

<table>
<thead>
<tr>
<th>Source</th>
<th>(SS’000)</th>
<th>Applications</th>
<th>(SS’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>34,000</td>
<td>Acquisition of Properties(^1)(^2)(^3)(^4)</td>
<td>775,215</td>
</tr>
<tr>
<td>Offering</td>
<td>369,747</td>
<td>Issue and debt related costs(^3)(^4)</td>
<td>20,210</td>
</tr>
<tr>
<td>Accredited Investor Units</td>
<td>5,120</td>
<td>Working capital</td>
<td>8,390</td>
</tr>
<tr>
<td>Cornerstone Units</td>
<td>107,775</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consideration Units</td>
<td>287,173</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>803,815</strong></td>
<td><strong>Total</strong></td>
<td><strong>803,815</strong></td>
</tr>
</tbody>
</table>

Notes:

\(^1\) Includes acquisition related costs of S$95,000 (net of GST) comprising building due diligence and valuation expenses.

\(^2\) Includes that part of the purchase price for the Properties which will be paid by Parkway Life REIT by the issuance of the Consideration Units. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Instruments of Lease”.)

\(^3\) Includes transaction costs on borrowings and interest rate swap and issue costs in relation to the Offering, the subscription of the Cornerstone Units and the subscription of the Accredited Investor Units and assumes that the Over-allotment Option is not exercised.

\(^4\) Net of GST.

The Manager believes that Parkway Life REIT’s working capital, together with the undrawn Facilities available to Parkway Life REIT, will be sufficient for Parkway Life REIT’s working capital requirements over the next 12 months following the completion of the Offering.

As at the Listing Date, 100.0% of Parkway Life REIT’s Deposited Property are in real estate.
CAPITALISATION AND INDEBTEDNESS

The following table sets forth the pro forma capitalisation of Parkway Life REIT as at the Listing Date and after application of the total proceeds from the Offering, the subscription of the Cornerstone Units by the Cornerstone Investor and the subscription of the Accredited Investor Units by Institutional Accredited Investors at the Offering Price, assuming that the Over-allotment Option is not exercised. The information in this table should be read in conjunction with “Use of Proceeds”.

<table>
<thead>
<tr>
<th></th>
<th>As at the Listing Date (S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings</td>
<td>34,000</td>
</tr>
<tr>
<td>Net assets attributable to Unitholders</td>
<td>750,315</td>
</tr>
<tr>
<td><strong>Total capitalisation and indebtedness</strong></td>
<td>784,315</td>
</tr>
</tbody>
</table>

**Indebtedness**

By the Listing Date, the Trustee will enter into the Facilities with Standard Chartered Bank setting out the terms and conditions under which the Facilities will be made available.

The Facilities comprise a term loan facility of up to S$200.0 million and a revolving credit facility of up to S$50.0 million. The term loan facility will be drawn down on the Listing Date in an amount of S$34.0 million as part payment of the acquisition value of the Properties.

Interest on the Facilities will be based on the Singapore dollar swap offer rate plus a margin.

The Facilities will be unsecured for an initial term of 18 months. The Trustee has an option to extend the Facilities for an additional period of 18 months, which will be secured on all the assets of Parkway Life REIT including the Properties, and the rights, titles and interests in leases, insurances and rental proceeds relating to the Properties, and the rights and interests under the Appointment of Property Manager Agreement.

Under the terms and conditions of the Facilities, Parkway Life REIT is subject to the following covenants:

- A loan to value ratio which shall not exceed 60.0%;
- A minimum consolidated interest coverage ratio of at least 1.75 times; and
- A minimum net assets attributable to Unitholders of S$400.0 million.

The Trustee has entered into an interest rate swap agreement to fix the floating interest rate for the amount drawn down against the Facilities for a period of three years with effect from the Listing Date.
OWNERSHIP OF THE UNITS

Unitholders of Parkway Life REIT on the Listing Date

The following table sets out the Unitholders of Parkway Life REIT and their unitholdings immediately after the Offering and the issuance of the Consideration Units, the Cornerstone Units and the Accredited Investor Units:

<table>
<thead>
<tr>
<th>Units owned after Offering (assuming that the Over-allotment Option is not exercised)</th>
<th>Units owned after Offering (assuming that the Over-allotment Option is exercised in full)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(’000) (%)</td>
<td>(’000) (%)</td>
</tr>
<tr>
<td>Sponsor: Parkway Holdings Limited(1)</td>
<td>224,354 37.3</td>
</tr>
<tr>
<td>Cornerstone Investor(2)</td>
<td>84,199 14.0</td>
</tr>
<tr>
<td>Public, institutional investors and Institutional Accredited Investors(3)</td>
<td>292,865 48.7</td>
</tr>
<tr>
<td>Total</td>
<td>601,418 100.0</td>
</tr>
</tbody>
</table>

Notes:
(1) Interest in Units held through its wholly owned subsidiary, the Unit Lender.
(2) TPG Capital is subscribing for its Units as a cornerstone investor through TPG Parkway, L.P., TPG Parkway III, L.P. and TPG Parkway IV, L.P.
(3) Includes directors, management, employees and business associates of the Parkway Group and others who have contributed to the success of the Parkway Group, who have successfully subscribed for the Reserved Units.

Consideration Units

Parkway Life REIT shall acquire interests in the Properties under the Instruments of Lease. Under the Instruments of Lease, the consideration for the acquisition of interests in the Properties shall be satisfied in part by cash and the balance by the issue of Consideration Units at the Offer Price.

At the direction of Parkway Hospitals Singapore Pte Ltd, one of the vendors of interests in the Properties, in satisfaction of the purchase consideration for its interests in the Properties, the Unit Lender, a wholly owned subsidiary of the Sponsor, will receive 224,354,000 Consideration Units, constituting approximately 37.3% of the Units expected to be issued on the Listing Date.

Under the Unit Lending Agreement, 43,329,000 Units, which constitute not more than 15.0% of the Units expected to be issued on Listing Date, will be lent by the Unit Lender to the Joint Lead Underwriters to cover the over-allotment of Units (if any). (See “Certain Agreements Relating to Parkway Life REIT and the Properties”.)

The Sponsor and the Unit Lender have agreed to certain lock-up arrangement in respect of their direct or indirect interests (as the case may be) in the Units as at the Listing Date, subject to certain exceptions (See “Plan of Distribution — Lock-up Arrangements”.)

Information on the Sponsor

The Sponsor, Parkway Holdings Limited, is one of Asia’s premier, fully integrated healthcare providers, with one of the largest networks of hospitals and healthcare services in the region. It currently has interests in and/or operates 15 hospitals, including the Properties, located in Singapore, Brunei, India and Malaysia. It also has interests in and/or operates an ambulatory surgical centre and clinics in China and an aesthetics clinic in Vietnam. The Sponsor is also in the process of establishing a day surgery and specialist centre in Balestier, Singapore. Apart from the operation of private hospitals, the Sponsor also engages in primary healthcare services such as general practice and dental services, diagnostic services including radiology and laboratory services, and contract clinical research. It also offers consultancy services in hospital development and management. The Manager believes that Parkway Life REIT can draw from the Parkway Group’s expertise and experience in the healthcare industry to provide Parkway Life REIT with access to healthcare and/or healthcare-related assets across the Asia-Pacific region (including Singapore). (See “Sponsor” for further details of the Sponsor.)
Subscription by the Cornerstone Investor

Pursuant to the Cornerstone Subscription Agreement, the Cornerstone Investor will subscribe for 84,199,000 Units, conditional upon the Manager, the Sponsor and the Joint Lead Underwriters entering into the Underwriting Agreement and the Underwriting Agreement not having been terminated pursuant to its terms on or prior to the close of the Application List.

The Cornerstone Investor has agreed to a lock-up arrangement in respect of its direct interests in the Units as at Listing Date, subject to certain exceptions (See “Plan of Distribution — Lock-up Arrangements”.)

In the event that the Cornerstone Investor fails to subscribe or pay for the Cornerstone Units, the Manager, the Sponsor and the Joint Lead Underwriters reserve the right to procure alternative investors and/or to terminate the Underwriting Agreement. (See “Risk Factors — Risks Relating to an Investment in the Units — The failure by the Cornerstone Investor and/or any Institutional Accredited Investor to subscribe for and/or pay for the Cornerstone Units or the Accredited Investor Units, respectively, may adversely affect the Offering”.)

Information on the Cornerstone Investor

TPG Parkway, L.P., TPG Parkway III, L.P. and TPG Parkway IV, L.P. are investment holding entities that are controlled by TPG Capital. Founded in 1993, TPG Capital (formerly known as Texas Pacific Group) is a premier global private equity firm with US$33 billion in assets under management. The latest fund, TPG Partners V, achieved a commitment of US$15.3 billion.

In Asia, TPG Capital manages over US$3.0 billion of capital and operates out of offices in Beijing, Fort Worth, Hong Kong, Melbourne, Mumbai, San Francisco, Shanghai, Singapore and Tokyo. In Asia, TPG Capital was originally established by Newbridge Capital in 1994 by Texas Pacific Group and Blum Capital Partners (formerly Richard C. Blum and Associates) of the United States.

In 2006, Texas Pacific Group merged with Newbridge Capital and rebranded its Asian operations, TPG Capital (as part of a global change in the name of the firm from Texas Pacific Group to TPG Capital). The integration is motivated by a need to facilitate joint investment and allows shared access to TPG Capital’s global corporate contact network, resources and operations group, which is responsible for helping portfolio companies achieve their goals. In Asia, TPG Capital is focused exclusively on making direct investments in the Asia Pacific region (including Australia and Japan).

TPG Capital’s investment mandate is to create value by investing in change. This creative and flexible mandate enables TPG Capital to move quickly to take advantage of a wide array of investment opportunities. As a strategic investor, TPG Capital focuses on investing in companies that have a sustainable long-term advantage over their competitors and are seeking a partner who can provide financial capital opportunities and make significant contributions to operating businesses to help them grow and increase shareholder value.

Since its establishment in 1993, TPG Capital has invested across a broad range of industries globally and within Asia, including consumer food and beverage, retail, semiconductor packaging and testing, port services, hotel and property management, steel, banking and financial services, software development/integration, telecom/communications, pharmaceuticals, healthcare and airlines. Investments made by TPG Capital in Asia include:

- Parkway Holdings Limited, one of Asia’s premier, fully integrated healthcare providers, with one of the largest networks of hospitals and healthcare services in the region;
- Matrix Laboratories Limited, one of India’s largest producers of active pharmaceutical ingredients for generic drug manufacturers;
- Myer Pty Ltd, one of Australia’s largest retail businesses;
- Lenovo Group Limited, the leading Chinese personal computer manufacturer, investment made in connection with Lenovo’s acquisition of IBM’s personal computer division;
- Korea First Bank, the 8th largest bank in Korea;
- Shenzhen Development Bank Company Limited, the 10th largest listed bank in China;
- Shriram Transport Finance Company Limited, India’s largest used commercial vehicle financier;
• Hanaro Telecom Inc, the number two fixed line and broadband provider in Korea; and
• BankThai PCL, Thailand's 8th largest banking and financial services group.

Subscription for Reserved Units
14,643,000 Units have been reserved for subscription by the directors, management, employees and business associates of the Parkway Group and others who have contributed to the success of the Parkway Group.

Subscription by the Directors
In addition to the Reserved Units, the Board may subscribe for Units under the Offering. Save for the Manager's internal policy which prohibits the Board from dealing in the Units at certain times (See “The Manager and Corporate Governance” for further details), there is no restriction on the Directors disposing of or transferring all or any part of their unitholdings.
DISTRIBUTIONS

The Manager currently intends to adopt a policy of a high distribution payout ratio. Its distribution policy is to distribute 100.0% of its Taxable Income for the period commencing from the Listing Date to 31 December 2008 and thereafter, to distribute at least 90.0% of its Taxable Income, comprising substantially its income from the leasing of the Properties under the Master Lease Agreements to the Master Lessee, with the actual level of distribution to be determined at the Manager’s discretion. The actual proportion of Taxable Income distributed to Unitholders beyond 31 December 2008 may be greater than 90.0% to the extent the Manager believes it to be appropriate, having regard to Parkway Life REIT’s funding requirements, other capital management considerations and the overall stability of distributions. Distributions, when made, will be in Singapore dollars.

After Parkway Life REIT is admitted to the Main Board of the SGX-ST, Parkway Life REIT will make distributions to Unitholders on a quarterly basis, with the amount calculated as at 31 March, 30 June, 30 September and 31 December each year for the three-month period ending on each of the said dates. Parkway Life REIT’s first distribution after the Listing Date, however, will be for the period from the date of issue of the Units to 31 December 2007 and will be paid by the Manager on or before 31 March 2008. Subsequent distributions will take place on a quarterly basis. Under the Trust Deed, the Manager is required to pay distributions within 75 days after the end of the first three distribution periods of a financial year and within 90 days from the end of a financial year.

Parkway Life REIT’s primary source of liquidity to fund distributions, payment of non-property expenses and other recurring capital expenditure will be from the receipts of rental income and any future borrowings.

In the event that there are gains arising from the sale of real properties, and only if such gains are surplus to the business requirements and needs of Parkway Life REIT, the Manager may, at its discretion, direct the Trustee to distribute such gains. Such gains, if not distributed, will form part of the Deposited Property. (See “Taxation” and Appendix E of this Prospectus for information on the Singapore income tax consequences of the purchase, ownership and disposition of the Units.)
UNAUDITED PRO FORMA BALANCE SHEET AS AT THE LISTING DATE

The Manager is unable to prepare pro forma statements of total return, cash flow statements and balance sheets to show the pro forma historical financial performance of Parkway Life REIT as:

- the Properties were owned by Parkway Hospitals Singapore Pte Ltd ("PHS"), a wholly owned subsidiary of Parkway Holdings Limited, and used for its hospital operations and the provision of healthcare and healthcare-related services. As there would not be rental income from the Properties that is received or receivable by PHS in its capacity as owner of the Properties, historical financial information relating to the Properties is not available to Parkway Life REIT;
- in addition to the ownership of the Properties, PHS holds various other businesses comprising the provision of healthcare services which will continue to be held by PHS. As such, Parkway Life REIT will not be able to identify (i) the historical financial information relating to the Properties given that the financial statements of PHS would also include the results of, assets used in and liabilities arising out of the other businesses of PHS; and (ii) the property-related expenses relating to the Properties from the expenses incurred by PHS in connection with its overall business operations;
- it will not be meaningful to include pro forma historical financial statements because the Properties will be acquired by Parkway Life REIT by way of sale and leaseback transactions with PHS. Such pro forma financial information may not be reflective of the historical financial results and position of Parkway Life REIT as (i) the terms of the Master Lease Agreements provide for a fixed rental component and a percentage of the turnover of the hospital operations of PHS, subject to a minimum amount which will be dependent on the prevailing market conditions, and (ii) the rental to be paid to Parkway Life REIT under the Master Lease Agreements is at market rate; and
- if pro forma financial statements are to be provided, they will be calculated based on the same rentals and other terms used to calculate the profit forecast and profit projection of Parkway Life REIT as set out in “Profit Forecast and Profit Projection”. The result will be a set of pro forma financial statements which appears to be similar to the profit forecast and profit projection, and which will not provide to a potential investor any additional information which is not already in the “Profit Forecast and Profit Projection”.

For the reasons stated above, the SGX-ST has granted Parkway Life REIT a waiver from the requirement to prepare pro forma historical statements of total return, cash flow statements and balance sheets, subject to the inclusion of the following information in the Prospectus of Parkway Life REIT:

- profit forecast for period from the Listing Date to 31 December 2007 and profit projection for financial years ending 31 December 2008 and 31 December 2009;
- a pro forma balance sheet of Parkway Life REIT as at the Listing Date; and
- disclosure of the reasons on why the historical pro forma financial statements cannot be provided and the waiver granted by the SGX-ST.

The Unaudited Pro Forma Balance Sheet has been prepared on the basis of the assumptions and accounting policies set out in Appendix A “Independent Accountants’ Report on Unaudited Pro Forma Balance Sheet as at the Listing Date”. The Unaudited Pro Forma Balance Sheet as at the Listing Date should be read together with these assumptions and accounting policies.

The objective of the Unaudited Pro Forma Balance Sheet of Parkway Life REIT is to show what the financial position of Parkway Life REIT might be at the Listing Date, on the basis described above. However, the Unaudited Pro Forma Balance Sheet is not necessarily indicative of the actual financial position that would have been attained by Parkway Life REIT on the Listing Date. The Unaudited Pro Forma Balance Sheet, because of its nature, may not give a true picture of Parkway Life REIT’s financial position.
### Unaudited Pro Forma Balance Sheet
### As at the Listing Date

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables(1)</td>
<td></td>
<td>1,249</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>10,271</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11,520</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td></td>
<td>775,215</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>786,735</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td>3,130</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing borrowings</td>
<td></td>
<td>33,290</td>
</tr>
<tr>
<td><strong>Net assets attributable to Unitholders</strong></td>
<td></td>
<td>750,315</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets attributable to Unitholders</strong></td>
<td></td>
<td>750,315</td>
</tr>
<tr>
<td>Number of Units in issue (’000)</td>
<td></td>
<td>601,418</td>
</tr>
<tr>
<td>Net asset value attributable to Unitholders per Unit (S$)(2)</td>
<td></td>
<td>1.25</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Comprises input goods and services tax on acquisition related costs relating to the Properties acquired, transaction costs and issue costs; and output goods and services tax on rental received in advance.

(2) The Offering Price of S$1.28 per Unit represents a premium of 2.40% to the net asset value attributable to Unitholders per Unit (S$1.25 per Unit).
**PROFIT FORECAST AND PROFIT PROJECTION**

Statements contained in this Profit Forecast and Profit Projection section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set out on pages 63 to 66 of this Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by Parkway Life REIT, the Manager, the Sponsor, the Joint Lead Underwriters, the Trustee, the Co-ordinator for the Singapore Public Offer or any other person, or that these results will be achieved or are likely to be achieved. See “Forward-looking Statements” and “Risk Factors”. Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are valid only as at the date of this Prospectus.

None of Parkway Life REIT, the Manager, the Sponsor, the Joint Lead Underwriters, the Trustee, the Co-ordinator for Singapore Public Offer or any person guarantees the performance of Parkway Life REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields stated in the table below are calculated based on (i) the Offering Price; and (ii) the assumption that the Listing Date is 1 July 2007. Such yields will vary accordingly if the Listing Date is after 1 July 2007 or in relation to investors who purchase Units in the secondary market at a market price that differs from the Offering Price or to investors who do not hold the Units for the whole of the Forecast Period 2007, the Projection Year 2008 or the Projection Year 2009.

The distribution per Unit for the Forecast Period 2007 is calculated on the assumption that the Listing Date is 1 July 2007. The actual distribution per Unit for the Forecast Period 2007 will differ as investors will only be entitled to distributions arising from operations from the date of issue of the Units, which is after 1 July 2007.

*Investors in the Units should read the whole of the “Profit Forecast and Profit Projection” set out in this Prospectus together with the report set out in Appendix B, “Independent Accountants’ Report on the Profit Forecast and Profit Projection”.*

### Forecast and Projected Statements of Total Return and Distributable Income

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007 (from 1 July 2007 to 31 December 2007) (S$’000)</th>
<th>Projection Year 2008 (full year from 1 January 2008 to 31 December 2008) (S$’000)</th>
<th>Projection Year 2009 (full year from 1 January 2009 to 31 December 2009) (S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>22,500</td>
<td>45,900</td>
<td>46,864</td>
</tr>
<tr>
<td><strong>Less : Property Expenses</strong></td>
<td>(1,303)</td>
<td>(2,606)</td>
<td>(2,606)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>21,197</td>
<td>43,294</td>
<td>44,258</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(1,315)</td>
<td>(1,723)</td>
<td>(1,736)</td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td>92</td>
<td>178</td>
<td>171</td>
</tr>
<tr>
<td><strong>Manager’s Management Fees</strong></td>
<td>(2,140)</td>
<td>(4,320)</td>
<td>(4,362)</td>
</tr>
<tr>
<td><strong>Trustee’s fee</strong></td>
<td>(84)</td>
<td>(169)</td>
<td>(169)</td>
</tr>
<tr>
<td><strong>Other trust expenses</strong></td>
<td>(600)</td>
<td>(924)</td>
<td>(934)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>17,150</td>
<td>36,336</td>
<td>37,228</td>
</tr>
<tr>
<td><strong>Depreciation on revaluation of investment properties</strong></td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total return for the period/year before income tax and distribution carried forward</strong></td>
<td>16,555</td>
<td>36,336</td>
<td>37,228</td>
</tr>
</tbody>
</table>
### Total return for the period/year before income tax and distribution brought forward

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007 (from 1 July 2007 to 31 December 2007) (S$’000)</th>
<th>Projection Year 2008 (full year from 1 January 2008 to 31 December 2008) (S$’000)</th>
<th>Projection Year 2009 (full year from 1 January 2009 to 31 December 2009) (S$’000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16,555</td>
<td>36,336</td>
<td>37,228</td>
</tr>
<tr>
<td>Less: Income tax expenses</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total return for the period/year after income tax and before distribution</td>
<td>16,555</td>
<td>36,336</td>
<td>37,228</td>
</tr>
<tr>
<td>Net effect of non-tax deductible expenses(^{(2)})</td>
<td>1,705</td>
<td>1,308</td>
<td>1,317</td>
</tr>
<tr>
<td>Taxable Income available for distribution to Unitholders</td>
<td>18,260</td>
<td>37,644</td>
<td>38,545</td>
</tr>
<tr>
<td>Distribution to Unitholders based on payout of 100.0% of Taxable Income</td>
<td>18,260</td>
<td>37,644</td>
<td>38,545</td>
</tr>
<tr>
<td>Number of Units in issues(^{(3)})(’000)</td>
<td>601,669</td>
<td>602,174</td>
<td>602,853</td>
</tr>
<tr>
<td>Distribution per Unit (Cents)</td>
<td>3.03</td>
<td>6.25</td>
<td>6.39</td>
</tr>
<tr>
<td>Annualised distribution yield</td>
<td>4.74%</td>
<td>4.88%</td>
<td>5.00%</td>
</tr>
</tbody>
</table>

### Notes:

1. This amount results from the revaluation based on the Manager’s hypothetical assumption of the open market value of the Properties (See “Profit Forecast and Profit Projection — Assumptions, (XI) Properties”) and includes the Acquisition Related Costs of the Properties.

2. These include non-tax deductible expenses relating to the Manager’s Management Fees which are payable in the form of Units, amortisation of transaction costs relating to the Facilities, transaction cost relating to an interest rate swap, depreciation on revaluation of the Properties and other expenses which are non-deductible for tax purposes.

3. Represents weighted average number of Units (computed based on the average number of Units entitled to distribution at the end of each quarter in the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009) and includes the assumed payment of 20% of the Manager’s Management Fees for the relevant period in the form of Units issued at the Offering Price.
Assumptions

The Manager has prepared the profit forecast for the Forecast Period 2007, the profit projection for Projection Year 2008 and the profit projection for Projection Year 2009 based on the assumptions listed below. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Prospectus. However, recipients of this Prospectus and all prospective investors in the Units should consider these assumptions as well as the profit forecast and profit projection and make their own assessment of the future performance of Parkway Life REIT.

(I) Gross Revenue

Gross revenue comprises rental income.

(i) Rental income

Gross rental revenue comprises the income derived from the rental of the properties to the Master Lessee under the Master Lease Agreements. Under the terms of the Master Lease Agreements, the Master Lessee is required to pay rent, which shall comprise (a) an annual base rent (the “Base Rent”) and (b) a variable rent (the “Variable Rent”), subject to a minimum total rent (“Minimum Total Rent”), such that the aggregate rent for the current year shall exceed the preceding year’s aggregate rent by a percentage no less than the percentage increase in the CPI of Singapore for the preceding year (“CPI Growth Percentage”) plus 1.0%. Where the CPI Growth Percentage is negative for any given year, then the CPI Growth Percentage shall be deemed to be zero for the purpose of computing the Minimum Total Rent.

The Base Rent and Variable Rent are computed as follows:

(a) Base Rent

- S$8.7 million per annum in respect of The Gleneagles Hospital Property;
- S$19.8 million per annum in respect of The Mount Elizabeth Hospital Property; and
- S$1.5 million per annum in respect of The East Shore Hospital Property, over the life of the Master Lease.

(b) Variable Rent

The Variable Rent is calculated based on 3.8% of the Adjusted Hospital Revenue in the current year. Pursuant to the terms of the Master Lease Agreements, the aggregate Variable Rent in the first year shall be a minimum of S$15.0 million.

The Base Rent is to be paid monthly in advance and the Variable Rent will be paid quarterly in arrears. For the Forecast Period 2007, the Master Lessee will pay a minimum guaranteed S$45.0 million in total rent on an annualised basis. For the Projection Year 2008 and the Projection Year 2009, the Manager has adopted the conservative approach and gross rental revenue presented is assumed to be the Minimum Total Rent based on a CPI Growth Percentage of 1.0%\(^{(1)}\) and 1.1%\(^{(1)}\) for calendar year 2007 and 2008, respectively.

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\(^{(1)}\) The CPI Growth Percentage for calendar 2007 is based on the mid-point of the Monetary Authority of Singapore (“MAS”) forecast CPI inflation range of 0.5% to 1.5% in the MAS Monetary Policy Statement dated 10 April 2007. The CPI Growth Percentage for calendar year 2008 is based on Economist Intelligence Unit (“EIU”) estimates as at 6 June 2007. MAS and EIU have not provided their consent, for purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information based on or extracted from their policy statements and database respectively. Accordingly, they are not liable for such information under Section 253 and 254 of the Securities and Futures Act. While the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and the Trustee or any other party have taken reasonable actions in an effort to ensure that the information from the relevant policy statements and database is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such policy statements and database, neither the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and the Trustee nor any other party has conducted an independent review of the information contained in such policy statements and database nor verified the accuracy of the contents of the relevant information.
(II) Property Expenses

Under the terms of the Master Lease Agreements, the Master Lessee will be responsible for all property expenses. These include property tax, insurance expenses and all outgoings and expenses to be incurred in respect of the Properties.

Notwithstanding the above, Parkway Life REIT is responsible for the MCST charges in respect of The Mount Elizabeth Hospital Property and The Gleneagles Hospital Property as well as the maintenance of the fire insurance policy for The East Shore Hospital Property.

The MCST charges amounted to S$663,000 for The Gleneagles Hospital Property and S$1,933,000 for The Mount Elizabeth Hospital Property in Financial Year 2006. The East Shore Hospital Property is not under strata title and does not incur any MCST charges in relation to it. The premium payable in respect of the fire insurance policy for The East Shore Hospital Property was S$10,000 in Financial Year 2006.

For the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009, the Manager has assumed that these expenses will remain the same as Financial Year 2006.

(III) Finance Costs

By the Listing Date, Parkway Life REIT will put in place the Facilities to partially fund the acquisition of interests in the Properties. The Facilities are for an initial term of 18 months with an option to extend for an additional period of 18 months. For the purpose of the Profit Forecast and Profit Projection, the Manager has assumed that the Facilities are extended for a further 18 months. The interest rate on the Facilities is at the Singapore dollar swap offer rate plus a margin. At the Offering Price of S$1.28 per Unit, Parkway Life REIT will drawdown S$34.0 million to partially fund the acquisition of the Properties.

(See “Capitalisation and Indebtedness” for details on the Facilities.)

The Trustee has entered into an interest rate swap agreement to fix the floating interest rate for the amount drawn down against the Facilities for a period of three years with effect from the Listing Date. An effective interest rate of 4.3% per annum (inclusive of interest margin and commitment fee on the undrawn portion of the revolving credit facility, but excluding amortisation of transaction costs relating to the Facilities) based on the Offering Price has been assumed for the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009. The amortisation of transaction costs relating to the Facilities is S$276,000 per annum.

(IV) Interest Income

Interest income relates to the interest earned on cash balances with banks. Interest is assumed to be earned at a rate of 1.5% per annum.

(V) Manager’s Management Fees

Under the Trust Deed, the Manager is entitled to Management Fees comprising the Base Fee and the Performance Fee as follows:

- a Base Fee of 0.3% per annum of the value of the Deposited Property; and
- a Performance Fee of 4.5% per annum of the Net Property Income of Parkway Life REIT.

The Manager may opt to receive the Management Fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine).

Where the Management Fees are payable in the form of Units, it has been assumed that such payment shall be made out quarterly in arrears and the Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of the Management Fee attributable to the relevant period at an issue price equal to the Market Price. The Manager has assumed the Market Price to be the Offering Price of S$1.28.

Where the Management Fees are payable in the form of cash, the portion of the Base Fee and Performance Fee payable in cash shall be payable monthly and quarterly in arrears, respectively.
The Manager has opted to receive 20.0% of the Base Fee and Performance Fee in the form of Units in respect of the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009.

For the purpose of the Profit Forecast and Profit Projection, the Manager has assumed that the Management Fees paid in the form of Units is issued at the end of each quarter and is entitled to quarterly distribution for the relevant quarter.

(VI) Trustee’s fee

Under the Trust Deed, the Trustee’s fee is up to a maximum of 0.03% per annum of the value of the Deposited Property, subject to a minimum fee of S$10,000 per month, excluding out-of-pocket expenses and GST. The fee is paid monthly in arrears in accordance with the Trust Deed.

The Trustee and the Manager may agree from time to time to determine the rate of remuneration of the Trustee within the permitted limit. There shall be a one-time inception fee of S$25,000 payable to the Trustee.

(VII) Other trust expenses

Other trust expenses comprise Parkway Life REIT’s recurring operating expenses, which include annual listing fees, registration fees, accounting, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs and other miscellaneous expenses.

(VIII) Capital and structural expenditure

Under the Master Lease Agreements, the Master Lessee shall be responsible for all repair and replacement works, whether or not of a capital nature and irrespective of the cost of such works from the commencement of the lease until 31 December 2009. After 31 December 2009, Parkway Life REIT is responsible for any replacement works in relation to the structural parts of the Properties and the mechanical and electrical equipment which are of a capital nature.

As such, no capital and structural expenditure were projected in the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009.

(IX) Distribution reinvestment arrangement

The Trust Deed gives the Manager the option of activating an arrangement whereby Unitholders may elect to re-invest all or part of their distribution entitlement in return for an issue of additional Units in Parkway Life REIT, subject to compliance with the Trust Deed and the applicable rules of the SGX-ST. For the purpose of the Profit Forecast and Profit Projection, it has been assumed that the Manager will not activate the distribution reinvestment arrangement before 31 December 2009. This assumption does not, however, preclude the Manager from implementing such a distribution reinvestment arrangement before 31 December 2009.

(X) Unit issue costs

Parkway Life REIT will pay the costs associated with the Offering, the subscription of the Cornerstone Units and the subscription of the Accredited Investor Units. These costs are charged against net assets attributable to Unitholders on the balance sheet and have no impact on net income or distributable income.

(XI) Properties

As at the Listing Date, the Manager adopted the valuation of the Properties of S$774.6 million, which is based on the independent valuation report issued by DTZ Debenham Tie Leung (SEA) Pte Ltd as at 23 May 2007. It is assumed that the Properties will be revalued annually, effective 31 December each year. The next valuation of the Properties will take place on 31 December 2007.

The Manager has made a hypothetical assumption that the values of the Properties will, until 31 December 2009, remain at the amounts at which they were valued as at 23 May 2007.
Any subsequent changes in the values of the Properties will not affect the forecast and projected distribution per Unit for the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009 because Parkway Life REIT’s distributions are based on taxable income, which excludes appreciation and depreciation upon revaluation of the Properties.

(XII) Accounting standards

The Manager has assumed that there will be no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast or projected financial results.

Significant accounting policies adopted by the Manager in the preparation of the profit forecast and profit projection are set out in “Appendix A — Independent Accountants’ Report on Unaudited Pro Forma Balance Sheet as at the Listing Date”.

(XIII) Other Assumptions

The Manager has made the following additional assumptions in preparing the profit forecast and profit projection for the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009:

- that the property portfolio remains unchanged throughout the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009;
- that no further capital will be raised for Parkway Life REIT during the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009;
- that the Manager has estimated that the retention sum on acquisition of the Properties will be $630,000. The rectification works are assumed to take approximately one year to complete and the retention sum will be repaid one year after the Listing Date;
- that the bankers’ guarantees in lieu of the security deposits provided by Master Lessee are sufficient to cover any bad debts that may arise during the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009, and that no allowance for doubtful receivables is required;
- that the Facilities are available throughout the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009;
- that there will be no change in taxation legislation or other applicable legislations;
- that there will be no material change to the Tax Ruling;
- that 100.0% of Parkway Life REIT’s taxable income will be distributed on a quarterly basis;
- that there will be no deferred tax to be provided on the revaluation of the Properties;
- that all leases and licenses in relation to the Properties are enforceable and will be performed in accordance with their terms during the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009; and
- that there is no change in fair value of any financial instrument derivatives entered into by Parkway Life REIT during the Forecast Period 2007, the Projection Year 2008 and the Projection Year 2009.

Sensitivity Analysis

The forecast and projected distributions included in this Prospectus are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as outlined in “Risk Factors”.

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast or projected in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the profit forecast and profit projection, a series of tables demonstrating the sensitivity of the distribution per Unit to changes in the principal assumptions are set out below.
The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

**Adjusted Hospital Revenue**

Changes in the growth rate of the Adjusted Hospital Revenue will impact the variable rent component and, consequently, the distribution yield of Parkway Life REIT.

The effects of variations in the Adjusted Hospital Revenue growth rate on the distribution yield are set out below:

<table>
<thead>
<tr>
<th>Growth in Adjusted Hospital Revenue(1)</th>
<th>Distribution yield pursuant to changes in the Adjusted Hospital Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Offering Price</td>
</tr>
<tr>
<td>Forecast Period 2007</td>
<td>Projection Year 2008</td>
</tr>
<tr>
<td>0.0%</td>
<td>4.74%</td>
</tr>
<tr>
<td>5.0%</td>
<td>4.80%</td>
</tr>
<tr>
<td>7.5%</td>
<td>4.85%</td>
</tr>
<tr>
<td>10.0%</td>
<td>4.90%</td>
</tr>
<tr>
<td>12.5%</td>
<td>4.94%</td>
</tr>
<tr>
<td>15.0%</td>
<td>4.99%</td>
</tr>
<tr>
<td>17.5%</td>
<td>5.03%</td>
</tr>
<tr>
<td>20.0%</td>
<td>5.08%</td>
</tr>
</tbody>
</table>

Note:
(1) Growth rate applied to Adjusted Hospital Revenue for Financial Year 2006 and assumes constant year on year growth across the forecast period and projection years.

**CPI Growth Percentage**

Changes in the CPI Growth Percentage will impact the Minimum Total Rent payable to Parkway Life REIT and, consequently, the distribution yield under the conservative base case scenario. The assumptions for CPI Growth Percentage have been set out earlier in the section.

The effects of variations in CPI Growth Percentage on the distribution yield are set out below:

<table>
<thead>
<tr>
<th>CPI Growth Percentage</th>
<th>Distribution yield pursuant to changes in CPI Growth Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Offering Price</td>
</tr>
<tr>
<td>Forecast Period 2007</td>
<td>Projection Year 2008</td>
</tr>
<tr>
<td>0.0%</td>
<td>4.74%</td>
</tr>
<tr>
<td>0.5%</td>
<td>4.74%</td>
</tr>
<tr>
<td>1.0%</td>
<td>4.74%</td>
</tr>
<tr>
<td>1.5%</td>
<td>4.74%</td>
</tr>
<tr>
<td>2.0%</td>
<td>4.74%</td>
</tr>
<tr>
<td>2.5%</td>
<td>4.74%</td>
</tr>
</tbody>
</table>
STRATEGY

The principal investment strategy of the Manager is to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes (including, but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate.

The initial property portfolio of Parkway Life REIT will comprise the Properties which are located in Singapore. However, Parkway Life REIT's investment strategy is regional in scope and the Manager envisages future investments across Asia. Such investments may be by way of direct acquisition and ownership of property by Parkway Life REIT or may be effected indirectly through the acquisition and ownership of companies or other legal entities whose primary purpose is to hold or own real estate or real estate-related assets. It is intended that Parkway Life REIT's investments will be for the long-term.

In accordance with the requirements of the Listing Manual, this investment strategy will be adhered to for at least three years following the Listing Date unless otherwise agreed by Unitholders by Extraordinary Resolution.

The Manager's investment strategy in the Asia-Pacific region (including Singapore) will be driven by the following key considerations:

- **Acquisition Growth Strategy** — This involves sourcing and acquiring assets in the Asia-Pacific region (including Singapore) that are aligned with Parkway Life REIT's investment strategy, enhancing the returns of Unitholders through distribution yield accretion and through the potential for future earnings and capital growth, as well as improving portfolio diversification and asset quality.

- **Active Asset Management Strategy** — This involves implementing pro-active measures to enhance the returns from Parkway Life REIT's property portfolio in consultation with the Master Lessee in respect of properties within Parkway Life REIT's portfolio. Such measures include upgrading, refurbishments and reconfiguration of the properties to enhance and maximise the operational efficiency and competitiveness of the properties.

- **Capital and Financial Risk Management Strategy** — This involves employing an appropriate mix of debt and equity in the financing of the acquisition of the Properties and future acquisitions, and utilising interest rate and currency hedging strategies where appropriate, to optimise risk adjusted returns to Unitholders.

**Acquisition Growth Strategy**

The Manager will pursue opportunities for asset acquisitions that will provide attractive cash flows and yields relative to Parkway Life REIT's weighted average cost of capital, and opportunities for future income and capital growth. In evaluating future acquisition opportunities, the Manager will seek acquisitions that enhance the diversification of the portfolio by geography, and optimise risk-adjusted returns to Unitholders. The Manager's acquisition strategy will be underpinned by:

- The grant of a first right of refusal to Parkway Life REIT by the Sponsor, a leading fully integrated healthcare operator in Asia with one of the largest networks of hospitals and healthcare services across the region. Parkway Life REIT has been granted the right of first refusal by the Sponsor over future sales of healthcare or healthcare-related properties located in the Asia-Pacific region (including Singapore) by any Parkway Entity and healthcare or healthcare-related assets offered to any Parkway Entity, subject to certain conditions. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Right of First Refusal Arrangements”);

- Working on its own or jointly with the Sponsor to identify greenfield sites for development of hospital and healthcare-related facilities. If developed by the Sponsor, such hospital or facilities would be subject to the right of first refusal granted by the Sponsor to Parkway Life REIT; and

- Third party asset and portfolio acquisition of hospital and healthcare-related properties.
In addition, the Manager believes that it can secure attractive and yield accretive acquisition opportunities from third parties for Parkway Life REIT due to the following:

- The expected consolidation among Asia’s hospital and healthcare operators providing opportunities to leverage the Manager’s economies of scale and operational expertise across the pan-Asian region; and
- Limited competition from international operators in the healthcare sector in Asia.

Parkway Life REIT’s property portfolio could include hospitals, ambulatory surgery centres, primary clinics, medical office buildings, step-down care facilities, research and development facilities and pharmaceutical facilities in regions such as China, India, South East Asia and the Middle East.

The Manager will generally hold its properties on a long-term basis. However, where the Manager considers that any property in the property portfolio of Parkway Life REIT has reached a stage that offers only limited scope for growth. The Manager may recommend divesting the property and using the proceeds for investments in other properties that meet its investment criteria.

**Active Asset Management Strategy**

The Manager intends to implement a pro-active asset enhancement strategy across the properties owned by Parkway Life REIT to maximize the overall performance of Parkway Life REIT’s property portfolio. Examples of asset enhancement activities include:

- Upgrading, refurbishments and reconfiguration of the properties to enhance the performance and maximise the operational efficiency and competitiveness of the properties; and
- Undertaking redevelopment and expansion programs for the properties to maintain or enhance their competitive position, capitalise on growth for healthcare services and optimise rental income.

**Capital and Financial Risk Management Strategy**

The Manager aims to optimise Parkway Life REIT’s capital structure and cost of capital within the borrowing limits set out in the Property Funds Guidelines and intends to use a combination of debt and equity to fund future acquisitions by Parkway Life REIT and asset enhancement works at its properties.

The objectives of the Manager in relation to capital management are to:

- maintain a strong balance sheet and maximise returns and flexibility in capital structure by adopting an optimal target gearing ratio;
- secure diversified funding sources from both financial institutions and capital markets as Parkway Life REIT undertakes domestic and regional expansion and pursues acquisition opportunities;
- minimise the cost of debt financing; and
- manage the exposure arising from adverse market movements in interest rates and foreign exchange through appropriate hedging strategies.

The Manager’s strategy is to actively manage the risk of potential interest rate volatility through the use of interest rate swap contracts and/or fixed rate borrowings. The Manager’s strategy is to put in place interest rate hedges (through entering into interest rate swap contracts) over all or a portion of Parkway Life REIT’s borrowings to fix the rates for a number of years. Generally, the Manager targets to hedge at least 50.0% (and up to 100.0%) of Parkway Life REIT’s borrowings and to achieve a low gearing at Listing Date which will provide optimal debt headroom, flexibility and acquisition capability.

Parkway Life REIT has put in place the Facilities with Standard Chartered Bank, which will be drawn upon on the Listing Date in an amount of approximately S$34.0 million as part payment of the acquisition value of the Properties. The Trustee has entered into an interest rate swap agreement to fix the floating interest rate for the amount drawn down against the Facilities for a period of three years with effect from the Listing Date.
The Manager's investment strategy includes investing in the Asia-Pacific region. In order to manage the currency risk involved in investing in assets outside of Singapore, the Manager may, as appropriate, adopt currency risk management strategies including:

- the use of foreign currency denominated borrowings to match the currency of the asset investment as a natural currency hedge;
- the use of derivative or other hedging instruments to hedge against fluctuations in the exchange rates of foreign currency income received from offshore assets against Singapore dollars, Parkway Life REIT’s functional and reporting currency; and
- the use of cross currency swaps to hedge against the fluctuations in the exchange rates of any foreign currency denominated net assets of Parkway Life REIT against Singapore dollars, Parkway Life REIT’s functional and reporting currency.
BUSINESS AND PROPERTIES

Overview

Parkway Life REIT is established by Parkway Holdings to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and healthcare-related purposes (including, but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate. Parkway Life REIT seeks to produce regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per Unit.

The Manager’s key financial objective is to provide Unitholders with attractive total returns by, among other things:

- acquiring healthcare dedicated investment properties that meet the Manager’s investment criteria;
- actively managing Parkway Life REIT’s property portfolio to enhance the returns from the property portfolio; and
- employing appropriate capital financing and hedging strategies to manage fluctuation risks in interest rates and foreign exchange risks.

The initial portfolio of Parkway Life REIT will consist of the following:

(a) **The Mount Elizabeth Hospital Property**

The Mount Elizabeth Hospital Property comprises Mount Elizabeth Hospital which has 505 licensed beds, 30 Medical Centre Units and 363 carpark lots.

The Mount Elizabeth Hospital Development comprises Mount Elizabeth Hospital, a medical centre and carparks. Mount Elizabeth Hospital is made up of a 10-storey block and a 5-storey block as well as carpark lots. The medical centre comprises a 17-storey medical and retail block with a total of 232 Medical Centre Units and a carpark on the 4th to 8th storeys. All the blocks are linked by a common podium with basement carpark.

The Mount Elizabeth Hospital Development is located in the heart of Singapore’s prime shopping district of Orchard Road with excellent access to retail facilities and is easily accessible by public transportation. It is five minutes away from the Orchard MRT station and is located adjacent to retail properties such as Paragon Shopping Centre and Lucky Plaza Shopping Centre.

(b) **The Gleneagles Hospital Property**

The Gleneagles Hospital Property comprises Gleneagles Hospital which has 380 licensed beds, 10 Medical Centre Units and 121 carpark lots.

The Gleneagles Hospital Development comprises Gleneagles Hospital, a medical centre and carparks. Gleneagles Hospital is made up of a 10-storey block with 2 basements and a 5-storey annexe block. The medical centre is a 10-storey block with 3 basements and comprises 164 Medical Centre Units from the 2nd to 10th storey. The carparks with an aggregate of 402 carpark lots are located at basement 2 to 1st storey of the hospital building and basement 3 to 1st storey of the medical centre and within the compound of the development.

The Gleneagles Hospital Development is located at the fringe of Singapore’s prime shopping district of Orchard Road and is easily accessible by public transportation. It is in close proximity to Singapore’s prime residential districts.

(c) **The East Shore Hospital Property**

The East Shore Hospital Property comprises East Shore Hospital, a medical centre and carparks. East Shore Hospital is a 4-storey block with 154 licensed hospital beds (including a nursing home with 31 licensed beds) whereas the medical centre is a 5-storey block comprising 28 Medical Centre Units. The 1st and 5th storeys of the medical centre are linked to the 1st and 4th storeys of the hospital block. The carpark lots are located on the 1st storey void deck and within the compound of the development.
The East Shore Hospital Property is located in the eastern part of Singapore and is easily accessible by public transportation. It is also approximately 15 minutes from the Singapore Changi Airport by car.

**Competitive Strengths**

The Manager is of the opinion that the Properties enjoy the following competitive strengths:

*Largest and Premier Portfolio of Strategically Located Private Hospitals and Healthcare-related Facilities in Singapore*

With the initial portfolio of the Properties, Parkway Life REIT has the largest portfolio of private hospitals in Singapore. Strategically located across Singapore, all the Hospitals enjoy close proximity to the local shopping and residential districts and transport hubs servicing the Hospitals.

Mount Elizabeth Hospital is a tertiary hospital, and is currently the largest private hospital in Singapore, offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, haematology, neurosurgery, oncology, orthopaedic surgery, general surgery, gastroenterology and obstetrics & gynaecology. The Mount Elizabeth Hospital Development is located in the heart of Singapore’s prime shopping district of Orchard Road with excellent access to retail facilities and is easily accessible by public transportation. It is five minutes away from the Orchard MRT station and is located adjacent to retail properties such as Paragon Shopping Centre and Lucky Plaza Shopping Centre.

Gleneagles Hospital is a tertiary hospital offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, oncology, orthopaedic surgery, general surgery and obstetrics & gynaecology. The Gleneagles Hospital Development is located at the fringe of Singapore’s prime shopping district of Orchard Road and is easily accessible by public transportation. It is in close proximity to Singapore’s prime residential districts.

East Shore Hospital is a general acute care hospital offering a wide range of medical and surgical services. Its key specialties include cardiology, general surgery, paediatric and obstetrics & gynaecology. The East Shore Hospital Development is located in the eastern part of Singapore and is easily accessible by public transportation. It is also approximately 15 minutes from the Singapore Changi Airport by car.

**Operational Synergies with the Parkway Group**

The Parkway Group operates across several Asian countries and continues to rapidly expand its operations across the Asia-Pacific region. This regional footprint allows the Parkway Group to attract the best talent, invest in state-of-the-art hospital and healthcare management systems and achieve economies of scale advantages.

The Parkway Group’s reputation as a premier specialised healthcare service provider with state-of-the-art facilities attracts both local and foreign patients. As the number of foreign patients seeking specialised medical services in Singapore continues to grow, the Parkway Group will continue to enjoy its leadership position in medical travel across Asia. The Parkway Group’s foreign patients comprise nationals from a diverse range of countries including Indonesia, Malaysia, South Asia and more recently, the Middle East.

On 17 July 2007, an agreement was entered into between the Trustee and the Sponsor pursuant to which Parkway Life REIT was granted a right of first refusal, subject to certain conditions, over sales of healthcare or healthcare-related assets in the Asia-Pacific region (including Singapore) and if applicable, the interests in special purpose vehicles which hold such properties directly or indirectly. The right of first refusal provides Parkway Life REIT with a pipeline of potential future acquisitions with the potential to enhance Parkway Life REIT’s growth potential. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Right of First Refusal Arrangements”.) In connection with the right of first refusal, the Parkway Group intends to support the growth of Parkway Life REIT by developing assets that fit Parkway Life REIT’s investment strategy and thereafter offer these assets to Parkway Life REIT pursuant to the right of first refusal.

**Operating in a highly regulated industry**

The hospital and healthcare services industry is a highly regulated industry with significant barriers to entry. Potential barriers of entry to a new entrant may include:

- compliance with governmental regulations;
• high initial cost of capital investment;
• difficulty in recruitment of skilled healthcare personnel; and
• inability to achieve significant economies of scale realised by sizeable hospital chains.

These barriers of entry have provided a relatively regulated and stable operating environment for the Sponsor and the Master Lessee, and afforded a level of protection from potential new entrants.

Comprehensive Facilities and Services at the Hospitals
The Hospitals provide premier healthcare services in their respective fields and are supported by world class physicians and state-of-the-art medical equipment and facilities. In addition, specialists supporting Parkway Group’s Clinical Programmes at the Hospitals aim to provide the best medical treatment and outcome for patients seeking care in Singapore.

Mount Elizabeth Hospital is a tertiary hospital, and is currently the largest private hospital in Singapore, offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, haematology, neurosurgery, oncology, orthopaedic surgery, general surgery, gastroenterology and obstetrics & gynaecology.

In particular, under the Parkway Group’s Transplant and Cellular Therapy Clinical Programme, Mount Elizabeth Hospital houses the Haematology and Stem Cell Centre. There are over 400 doctors with a total of over 30 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, banking, retail pharmacy and cafeteria are available within Mount Elizabeth Hospital.

Gleneagles Hospital is a tertiary hospital offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, oncology, orthopaedic surgery, ophthalmology, general surgery and obstetrics & gynaecology.

Under the Parkway Group’s Transplant and Cellular Therapy Clinical Programme, Gleneagles Hospital houses the Parkway Liver Centre. Gleneagles Hospital is also where the Parkway Group locates the Parkway Cancer Centre under its Oncology Clinical Programme. There are over 240 doctors with a total of over 25 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, banking, retail pharmacy, sundry shop and cafeteria are available within Gleneagles Hospital.

East Shore Hospital is a general acute care hospital offering a wide range of medical and surgical services. Its key specialties include cardiology, general surgery, paediatric and obstetrics & gynaecology. Under the Parkway Group’s Oncology Clinical Programme, East Shore Hospital will house the Paediatric Cancer Centre. There are over 35 doctors with a total of over 14 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, retail pharmacy and cafeteria are available within East Shore Hospital.

Existing and Future Competition
The healthcare property sector in the Asia-Pacific region (including Singapore) remains highly competitive. Parkway Life REIT competes for the acquisition, leasing and financing of healthcare and/or healthcare-related assets with healthcare providers, other property funds and corporate property investors, real estate partnerships, banks, insurance companies and other investors.

The Manager believes that public hospitals are competitors of Parkway Life REIT in the healthcare and/or healthcare-related industry in the Asia-Pacific region (including Singapore).
The Manager also believes that some of Parkway Life REIT’s key competitors in the private healthcare and/or healthcare-related industry in the Asia-Pacific region (including Singapore) are:

- **Raffles Medical Group Limited, Singapore**(1)
  Raffles Medical Group was founded in 1976 and is listed on the Main Board of the SGX-ST. It has an island-wide network of 60 clinics in Singapore. It also runs four clinics in Hong Kong as well as representative offices in Indonesia and Bangladesh. Raffles Medical Group has a market presence in Bangladesh, Sri Lanka, United Arab Emirates, Abu Dhabi, Bahrain and South Korea as well.

- **Bumrungrad Hospital Public Company Ltd, Thailand**(1)
  Bumrungrad Hospital is one of the largest private hospitals in Southeast Asia and has 554 beds as at 31 March 2007. It is the first hospital in Asia to receive accreditation from JCI. Bumrungrad Hospital Public Company Ltd is listed on the Stock Exchange of Thailand. Its international operations include facilities in Bangladesh, Myanmar, United Arab Emirates and investments in the Asian Hospital in the Philippines.

- **Bangkok Dusit Medical Services Public Company Limited, Thailand**(1)
  Bangkok Dusit Medical Services Public Company Limited provides medical services through its private hospitals in Bangkok, Pattaya, Phuket and Samut Prakan. It is the owner and operator of 14 hospitals in the Bangkok Hospital Group. Bangkok Dusit Medical Services Public Company Limited is listed on the Stock Exchange of Thailand.

- **Apollo Hospitals Enterprise Limited, India**(1)
  Apollo Hospital Enterprise Limited is the largest corporate hospital group in India with 41 hospitals across the country. It is listed on the Bombay Stock Exchange. Apollo Hospital Enterprise Limited has plans to set up or manage hospital projects in Mauritius and Fiji. In addition to its existing overseas facilities in Sri Lanka and the Middle East, it plans to construct multi-specialty hospitals in Bangladesh, Nigeria and Nepal.

- **Fortis Healthcare Limited, India**(1)
  Fortis Healthcare Limited was established by the promoters of Ranbaxy Laboratories, which is among the world’s top 10 generic companies, and is India’s largest pharmaceutical company. It has a network of 11 hospitals, 12 heart command centres across the country. Fortis Healthcare Limited is listed on the Bombay Stock Exchange and the National Stock Exchange of India.

- **KPJ Healthcare Berhad, Malaysia**(1)
  KPJ Healthcare Berhad is the healthcare arm of Johor Corporation, and a leader in Malaysia’s challenging healthcare services industry. It has 36 subsidiaries and associate companies which principally provide medical and specialist healthcare services, making it one of Malaysia’s largest healthcare enterprises. It also has 17 private specialist hospitals. KPJ Healthcare Berhad is the first homegrown healthcare group in Malaysia listed on the Main Board of Bursa Malaysia.

For the last ten years, healthcare reform was a common theme among Asian countries. Key trends observed in these countries, include increasing participation by the private healthcare providers, higher expectations on healthcare quality led by rapid economic growth and rapidly growing medical tourism industry. According to the “Independent Report on Healthcare Industry in Asia” by Frost & Sullivan (Appendix D of this Prospectus), the medical tourism industry in Asia is worth US$500.0 million in 2006 and is expected to generate over US$4.0 billion a year by the year 2012. With high quality medical services

(1) None of Raffles Medical Group Limited, Bumrungrad Hospital Public Company Ltd, Bangkok Dusit Medical Services Public Company Limited, Apollo Hospitals Enterprise Limited, Fortis Healthcare Limited and KPJ Healthcare Berhad has provided its consent, for purposes of Section 249 of the Securities and Futures Act, to the inclusion of the information extracted from their websites or “Independent Report on Healthcare Industry in Asia” by Frost & Sullivan. Accordingly, they are not liable for such information under Section 253 and 254 of the Securities and Futures Act. While the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and the Trustee have taken reasonable actions in an effort to ensure that the information from the relevant websites and the report is reproduced in its proper form and context, and that the information is extracted accurately and fairly from such website or report, neither the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer, the Trustee nor any other party has conducted an independent review of the information contained in such website or report nor verified the accuracy of the contents of the relevant information.
at relatively lower costs, the medical tourism industry in Asia attracts over 1.5 million medical tourists a year. In addition to Singapore, countries such as Thailand, Malaysia, India, United Arab Emirates and South Korea have also focused their efforts in channelling more foreign patients to their countries for medical treatment. Parkway Life REIT therefore also faces competition from these countries.

The principal competitive factors include, among other factors:

- the quality, age and state of its medical equipment and facilities at the properties;
- the scope, breadth and quality of services that each of the property offers to its patients and physicians;
- the number, quality and specialties of the physicians who admit and refer patients to the properties;
- the reputation of the properties; and
- the location and number of competitive healthcare facilities and other systems of healthcare delivery.

The Portfolio

The table below sets out certain other information with respect to the Properties as at 31 March 2007:

<table>
<thead>
<tr>
<th>Years of Building Completion</th>
<th>The Mount Elizabeth Hospital Property</th>
<th>The Gleneagles Hospital Property</th>
<th>The East Shore Hospital Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Centre: 1979 and 1992</td>
<td></td>
<td>Annexe Block: 1979</td>
<td>Medical Centre: 1987</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strata Area/Gross Floor Area (sq m)</th>
<th>The Mount Elizabeth Hospital Property</th>
<th>The Gleneagles Hospital Property</th>
<th>The East Shore Hospital Property</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Strata Area)</td>
<td>58,139</td>
<td>49,003</td>
<td>10,993</td>
<td>—</td>
</tr>
<tr>
<td>Operational beds</td>
<td>339</td>
<td>280</td>
<td>154</td>
<td>773</td>
</tr>
<tr>
<td>Licensed beds</td>
<td>505</td>
<td>380</td>
<td>154</td>
<td>1,039</td>
</tr>
<tr>
<td>Operating Theatres</td>
<td>13</td>
<td>12</td>
<td>4</td>
<td>29</td>
</tr>
<tr>
<td>Medical Centre Units</td>
<td>30</td>
<td>10</td>
<td>28</td>
<td>68</td>
</tr>
<tr>
<td>Labour wards (including First-stage beds)</td>
<td>12</td>
<td>13</td>
<td>7</td>
<td>32</td>
</tr>
<tr>
<td>Day surgery beds</td>
<td>29</td>
<td>30</td>
<td>—</td>
<td>59</td>
</tr>
</tbody>
</table>

Valuation

The Properties were valued independently by the Independent Valuers and the Appraised Values of the Properties as at 23 May 2007 are set out in the following table:

<table>
<thead>
<tr>
<th>Property</th>
<th>Appraised Value by DTZ (S$ million)</th>
<th>Appraised Value by JLL (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Mount Elizabeth Hospital Property</td>
<td>524.4</td>
<td>520.5</td>
</tr>
<tr>
<td>The Gleneagles Hospital Property</td>
<td>216.0</td>
<td>209.0</td>
</tr>
<tr>
<td>The East Shore Hospital Property</td>
<td>34.2</td>
<td>35.5</td>
</tr>
<tr>
<td>Total</td>
<td>774.6</td>
<td>765.0</td>
</tr>
</tbody>
</table>
Purchase Price

The table below shows the purchase price for the Properties. (See “Certain Agreements Relating to Parkway Life REIT and the Properties” for further details).

<table>
<thead>
<tr>
<th>Property</th>
<th>Purchase Price (S$ million)</th>
</tr>
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<tbody>
<tr>
<td>The Mount Elizabeth Hospital Property</td>
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<tr>
<td>The East Shore Hospital Property</td>
<td>34.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>774.6</strong></td>
</tr>
</tbody>
</table>

Encumbrances

There are no encumbrances which are presently outstanding with regard to any of the Properties. However, the Properties may be used to secure the Facilities in the event the Trustee opts to extend the Facilities for a period of 18 months beyond its initial term of 18 months. (See “Capitalisation and Indebtedness”.)

Future Improvement Works

From the commencement of the lease until 31 December 2009, the Master Lessee shall be responsible for all repair and replacement works, whether or not of a capital nature and irrespective of the cost of such works.

After 31 December 2009, Parkway Life REIT shall be responsible for any repair and replacement works in relation to the structural parts of the Properties and the mechanical and electrical equipment which are of a capital nature. Any repair and replacement works which are of an expense nature shall be borne by the Master Lessee.

Insurance

Under the Master Lease Agreements, the Master Lessee is required to take up various insurances save for those which have already been taken up by the MCST of Mount Elizabeth Hospital Development and Gleneagles Hospital Development. The Master Lessee will reimburse Parkway Life REIT for premiums payable for any business interruption insurance taken up by Parkway Life REIT. Parkway Life REIT is responsible for the maintenance of fire insurance policy for The East Shore Hospital Property.

Legal Proceedings

None of Parkway Life REIT, the Manager, the Master Lessee and the Property Manager is currently involved in any material litigation nor, to the best of the Manager's knowledge, is any material litigation currently threatened against Parkway Life REIT, the Manager, the Master Lessee or the Property Manager.
THE PROPERTIES
The Mount Elizabeth Hospital Property

Address
3 Mount Elizabeth, Singapore 228510

Description of Property
32 strata lots in Mount Elizabeth Hospital Development representing approximately 56.71% of the total share value of the strata lots in Mount Elizabeth Hospital Development. The Mount Elizabeth Hospital Property comprises Mount Elizabeth Hospital which has 505 licensed beds, 30 Medical Centre Units and 363 carpark lots.

The Mount Elizabeth Hospital Development comprises Mount Elizabeth Hospital, a medical centre and carparks. Mount Elizabeth Hospital is made up of a 10-storey block and a 5-storey block as well as carpark lots. The medical centre comprises a 17-storey medical and retail block with a total of 232 Medical Centre Units and a carpark on the 4th to 8th storeys. All the blocks are linked by a common podium with basement carpark.

The Mount Elizabeth Hospital Development is located in the heart of Singapore’s prime shopping district of Orchard Road with excellent access to retail facilities and is easily accessible by public transportation. It is five minutes away from the Orchard MRT station and is located adjacent to retail properties such as Paragon Shopping Centre and Lucky Plaza Shopping Centre.

Facilities and Services
Mount Elizabeth Hospital is a tertiary hospital, and is currently the largest private hospital in Singapore offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, haematology, neurosurgery, oncology, orthopaedic surgery, general surgery, gastroenterology and obstetrics & gynaecology.

In particular, under the Parkway Group’s Transplant and Cellular Therapy Clinical Programme, Mount Elizabeth Hospital houses the Haematology and Stem Cell Centre.

There are over 400 doctors with a total of over 30 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, banking, retail pharmacy and cafeteria are available within the hospital.

Awards and Accreditation
In 1998, Mount Elizabeth Hospital was awarded the SQC. It has held that award since 1998. In 2000, Mount Elizabeth Hospital was awarded the People Developer Standard. This award by SPRING Singapore is presented to organisations that have achieved a high quality standard for human resource development. Mount Elizabeth Hospital has been awarded the Superbrands status since the award’s inception in 2002. In addition, Mount Elizabeth Hospital has been accredited by the JCI for its quality of care in a safe environment.

Interest in Property held by Parkway Life REIT
Leasehold interest for 67 years commencing from the Listing Date

Year of Completion of Hospital Development
Hospital Building: 1979
Medical Centre: 1979 and 1992

Strata Area of Property (as at 31 March 2007)
58,139 sq m

Appraised Value of Property by DTZ (as at 23 May 2007)
S$524,430,000
Appraised Value of Property by JLL (as at 23 May 2007)
S$520,500,000

Number of Licensed Beds (as at 31 March 2007)
505

Number of Operational Beds (as at 31 March 2007)
339

Number of Labour Wards/ First-Stage beds (as at 31 March 2007)
8/4

Number of Operating Theatres (as at 31 March 2007)
13

Number of Day Surgery Beds (as at 31 March 2007)
29

Number of Medical Centre Units in Hospital Development (as at 31 March 2007)
232, out of which 30 Medical Centre Units will be owned by Parkway Life REIT

Number of car park lots in Hospital Development (as at 31 March 2007)
363, all of which will be owned by Parkway Life REIT
The Gleneagles Hospital Property

Address
6 Napier Road, Singapore 258499 and 6A Napier Road, Singapore 258500

Description of Property
11 strata lots in Gleneagles Hospital Development representing approximately 69.05% of the total share value of the strata lots in Gleneagles Hospital Development. The Gleneagles Hospital Property comprises Gleneagles Hospital which has 380 licensed beds, 10 Medical Centre Units and 121 carpark lots.

The Gleneagles Hospital Development comprises Gleneagles Hospital, a medical centre and carparks. Gleneagles Hospital is made up of a 10-storey block with 2 basements and a 5-storey annexe block. The medical centre is a 10-storey block with 3 basements and comprises 164 Medical Centre Units from the 2nd to 10th storey. The carparks with an aggregate of 402 carpark lots are located at basement 2 to 1st storey of the hospital building and basement 3 to 1st storey of the medical centre and within the compound of the development.

The Gleneagles Hospital Development is located at the fringe of Singapore's prime shopping district of Orchard Road and is easily accessible by public transportation. It is within close proximity to Singapore's prime residential districts.

Facilities and Services
Gleneagles Hospital is a tertiary hospital offering a wide range of medical and surgical services. Its key specialties include cardiology/cardiothoracic surgery, oncology, orthopaedic surgery, general surgery and obstetrics & gynaecology.

Under the Parkway Group's Transplant and Cellular Therapy Clinical Programme, Gleneagles Hospital houses the Parkway Liver Centre. Gleneagles Hospital is also where the Parkway Group locates the Parkway Cancer Centre under its Oncology Clinical Programme.

There are over 240 doctors with a total of over 25 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, banking, retail pharmacy, sundry shop and cafeteria are available within the hospital.

Awards and Accreditation
Gleneagles Hospital also obtained the SQC status in 2000 and has been re-certified through 2007. Gleneagles Hospital was awarded the People Developer Standard in June 2002. Gleneagles Hospital also won the category of “Internal Service” in 2003, “Best Customer Service” in 2004, and “Patient Safety/ Quality Medical Care” and “Internal Service” in 2005 at the Asian Hospital Management Awards ceremony which recognises and honours hospitals in Asia that carry out best hospital practices. Gleneagles Hospital also won the Healthcare Humanitarian Award in 2005. Gleneagles Hospital has been awarded the Superbrands status since the award’s inception in 2002. In addition, Gleneagles Hospital has been accredited by the JCI for its quality of care in a safe environment.

Interest in Property held by Parkway Life REIT
Leasehold interest for 75 years commencing from the Listing Date

Year of Completion of Hospital Development
Hospital: 1991 and 1993
Annexe Block: 1979
Medical Centre: 1991 and 1993

Strata Area of Property (as at 31 March 2007)
49,003 sq m
Appraised Values of Property by DTZ (as at 23 May 2007)
S$216,000,000

Appraised Value of Property by JLL (as at 23 May 2007)
S$209,000,000

Number of Licensed Beds (as at 31 March 2007)
380

Number of Operational Beds (as at 31 March 2007)
280

Number of Labour Wards/ First-Stage beds (as at 31 March 2007)
9/4

Number of Operating Theatres (as at 31 March 2007)
12

Number of Day Surgery Beds (as at 31 March 2007)
30

Number of Medical Centre Units in Hospital Development (as at 31 March 2007)
164, out of which 10 Medical Centre Units will be owned by Parkway Life REIT

Number of car park lots in Hospital Development (as at 31 March 2007)
402, of which 121 will be owned by Parkway Life REIT
The East Shore Hospital Property

Address
319 Joo Chiat Place, Singapore 427989 and 321 Joo Chiat Place, Singapore 427990

Description of Property
The East Shore Hospital Property comprises East Shore Hospital, a medical centre and car parks. East Shore Hospital is a 4-storey block with 154 licensed hospital beds (including a nursing home with 31 licensed beds) whereas the medical centre is a 5-storey block comprising 28 Medical Centre Units. The 1st and 5th storeys of the medical centre are linked to the 1st and 4th storeys of the hospital block. The carpark lots are located on the 1st storey void deck and within the compound of the development.

The East Shore Hospital Property is located in the eastern part of Singapore and is easily accessible by public transportation. It is also approximately 15 minutes from the Singapore Changi Airport by car.

Facilities and Services
East Shore Hospital is a general acute care hospital offering a wide range of medical and surgical services. Its key specialties include cardiology, general surgery, paediatric and obstetrics & gynaecology.

Under the Parkway Group’s Oncology Clinical Programme, East Shore Hospital will house the Paediatric Cancer Centre.

There are over 35 doctors with a total of over 14 specialties located within the medical centre. Ancillary services such as a fruit and flower shop, retail pharmacy and cafeteria are available within the hospital.

Awards
East Shore Hospital was recognised as a SQC organisation in 1998 and was awarded the People Developer Standard in 2001.

Interest in Property held by Parkway Life REIT
Leasehold interest for 75 years commencing from the Listing Date

Year of Completion of Hospital Development
Hospital Building: 1982
Medical Centre: 1987

Gross Floor Area of Property (as at 31 March 2007)
10,993 sq m

Appraised Value of Property by DTZ (as at 23 May 2007)
S$34,190,000

Appraised Value of Property by JLL (as at 23 May 2007)
S$35,500,000

Number of Licensed Beds (as at 31 March 2007)
154

Number of Operation Beds (as at 31 March 2007)
154

Number of Labour Wards/ First-Stage beds (as at 31 March 2007)
5/2
Number of Operating Theatres (as at 31 March 2007)
4

Number of Medical Centre Units in Hospital Development (as at 31 March 2007)
28, all of which will be owned by Parkway Life REIT

Number of car park lots in Hospital Development (as at 31 March 2007)
75, all of which will be owned by Parkway Life REIT
THE HEALTHCARE INDUSTRY IN ASIA

This summary of the healthcare property market in the Asia-Pacific region (including Singapore) has been prepared by Frost & Sullivan for inclusion in this Prospectus. All the information and data presented in this section, including the analysis of the healthcare property market, has been provided by Frost & Sullivan. The parties stated in this section, other than Frost & Sullivan, have not provided its consent, for purposes of Section 249 of the Securities and Futures Act, to the inclusion of information. Accordingly they are not liable for such information under Sections 253 and 254 of the Securities and Futures Act. While we believe that the information and data are reliable, we cannot ensure the accuracy of the information or data, and neither the Manager, the Trustee, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer nor any of their affiliates or advisors have independently verified this information or data. You should not assume that the information and data contained in this section is accurate as of any date other than the date of this document, except as otherwise indicated. You should also be aware that since the date of this document, there may have been changes in the healthcare property market and the various sectors therein which could affect the accuracy or completeness of the information in this section.

1 Overview of the Healthcare Industry in Singapore

1.1 Major Healthcare Indicators

Healthcare indicators in Singapore have improved significantly in last 40 years attributed to good sanitation and healthcare system.

Table 1.1A Health Indicators (2000 to 2006)

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</tr>
</thead>
<tbody>
<tr>
<td>Total Population (Million)</td>
<td>4.02</td>
<td>4.13</td>
<td>4.18</td>
<td>4.19</td>
<td>4.24</td>
<td>4.35</td>
<td>4.48</td>
<td>1.82%</td>
</tr>
<tr>
<td>Total Population Growth Rate (%)</td>
<td>1.70</td>
<td>2.70</td>
<td>0.90</td>
<td>0.20</td>
<td>1.20</td>
<td>2.40</td>
<td>3.30</td>
<td>11.70%</td>
</tr>
<tr>
<td>Infant Mortality Rate (Per 1,000 Live Births)*</td>
<td>2.50</td>
<td>2.20</td>
<td>2.90</td>
<td>2.50</td>
<td>2.00</td>
<td>2.10</td>
<td>2.50</td>
<td>0.00%</td>
</tr>
<tr>
<td>Crude Death Rate (Per 1,000)*</td>
<td>4.50</td>
<td>4.30</td>
<td>4.40</td>
<td>4.40</td>
<td>4.30</td>
<td>4.30</td>
<td>4.30</td>
<td>-0.75%</td>
</tr>
<tr>
<td>Life Expectancy (Female)*</td>
<td>80.00</td>
<td>80.30</td>
<td>80.60</td>
<td>80.90</td>
<td>81.30</td>
<td>81.60</td>
<td>81.80</td>
<td>0.37%</td>
</tr>
<tr>
<td>Life Expectancy (Male)*</td>
<td>76.00</td>
<td>76.30</td>
<td>76.60</td>
<td>76.90</td>
<td>77.30</td>
<td>77.70</td>
<td>78.00</td>
<td>0.43%</td>
</tr>
<tr>
<td>Total Fertility Rate*</td>
<td>1.60</td>
<td>1.41</td>
<td>1.37</td>
<td>1.26</td>
<td>1.25</td>
<td>1.25</td>
<td>N.A.</td>
<td>-4.03%</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

* Figures for Singapore resident population (not for total Singapore population²)

Reduction in major infectious diseases but chronic diseases pose concerns

Lifestyle disease incidence is increasing in Singapore. As shown in tables 1.1B and 1.1C, currently cancer and ischaemic heart disease are the leading causes of death. This can be attributed to a sedentary lifestyle, unhealthy diet and high levels of work and social stress.

¹ CAGR = Compounded Annual Growth Rate
² Singapore resident population includes only Singapore citizens and permanent residents and does not include foreign workers and employment pass holders.
Table 1.1B Top Five Diseases by Hospitalisation

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</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>18,815</td>
<td>21,540</td>
<td>21,853</td>
<td>23,551</td>
<td>7.77%</td>
</tr>
<tr>
<td>Ischaemic Heart Disease</td>
<td>13,135</td>
<td>15,158</td>
<td>14,973</td>
<td>15,986</td>
<td>6.77%</td>
</tr>
<tr>
<td>Dengue</td>
<td>4,970</td>
<td>7,978</td>
<td>12,950</td>
<td>20,904</td>
<td>61.42%</td>
</tr>
<tr>
<td>Obstetric Complications affecting Foetus or Newborn</td>
<td>4,615</td>
<td>7,180</td>
<td>10,926</td>
<td>16,811</td>
<td>53.87%</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>9,230</td>
<td>9,174</td>
<td>10,522</td>
<td>11,234</td>
<td>6.77%</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

* Frost & Sullivan estimates

Table 1.1C Top Five Causes of Death

<table>
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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>4,153</td>
<td>4,298</td>
<td>4,281</td>
<td>4,346</td>
<td>1.53%</td>
</tr>
<tr>
<td>Ischaemic Heart Disease</td>
<td>3,094</td>
<td>2,981</td>
<td>2,935</td>
<td>2,859</td>
<td>-2.60%</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>2,341</td>
<td>2,236</td>
<td>2,416</td>
<td>2,454</td>
<td>1.59%</td>
</tr>
<tr>
<td>Cerebrovascular Disease (including stroke)</td>
<td>1,555</td>
<td>1,554</td>
<td>1,605</td>
<td>1,631</td>
<td>1.59%</td>
</tr>
<tr>
<td>Other Heart Diseases</td>
<td>914</td>
<td>666</td>
<td>648</td>
<td>546</td>
<td>-15.80%</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

* Frost & Sullivan estimates

1.2 Healthcare Expenditure

In recent years, the total healthcare expenditure\(^3\) in Singapore has been fluctuating around 4% of the GDP, within close proximity of WHO standards which is 5% of a country’s GDP. In the period from 2000 to 2006, per capita healthcare expenditure has increased by 3.71% per annum (i.e. US$819.50 in 2000; US$1,019.73 in 2006). A few underlying reasons include rising income level, health awareness as well as increasing expectations of healthcare quality.

Table 1.2.1A Per Capita Healthcare Expenditure

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</tr>
</thead>
<tbody>
<tr>
<td>Total Healthcare Expenditure (% of GDP)</td>
<td>3.60</td>
<td>4.30</td>
<td>4.30</td>
<td>4.50</td>
<td>4.10</td>
<td>3.80</td>
<td>4.00</td>
<td>1.09%</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)(^4)</td>
<td>3.75</td>
<td>4.31</td>
<td>4.40</td>
<td>4.48</td>
<td>4.50</td>
<td>4.68</td>
<td>4.89</td>
<td>4.52%</td>
</tr>
<tr>
<td>Per Capita Total Healthcare Expenditure (US$)</td>
<td>819.50</td>
<td>888.27</td>
<td>893.47</td>
<td>921.29</td>
<td>942.95</td>
<td>983.25</td>
<td>1,019.73</td>
<td>3.71%</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan

* Frost & Sullivan estimates

\(^3\) The total healthcare expenditure is defined as sum of public, private and non-profit sectors’ healthcare expenses in the process of providing healthcare services. It also includes the expenses incurred for health promotion and disease prevention campaigns.

\(^4\) Figures from WHO and based on an exchange rate of 1 USD to 1.51 SGD (As at 7 May 2007).
1.2.2 Government Healthcare Expenditure

Decline in the share of Government healthcare expenditure — 2000 to 2006

Government healthcare expenditure\(^5\) as a percentage of total healthcare expenditure has decreased slightly from 35.40% in 2000, to 34.56% in 2006. This can be attributed to the increase in coverage of private health insurance and introduction of various practices like co-payment\(^6\) and case-mix\(^7\) to contain the cost of healthcare services in public hospitals. However, the Government healthcare expenditure in 2001 and 2003 was higher than previous years. This is mainly attributed to the restructuring of the public healthcare system with the incorporation of National Healthcare Group (NHG) and Singapore Health Services (SingHealth) in 2001 and the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003.

Table 1.2.2A Government Healthcare Expenditure

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</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Govt. Healthcare Expenditure (US$)*</td>
<td>290.50</td>
<td>321.24</td>
<td>289.90</td>
<td>347.81</td>
<td>320.99</td>
<td>340.77</td>
<td>351.82</td>
<td>3.24%</td>
</tr>
<tr>
<td>Govt. Healthcare Expenditure (% of Total Healthcare Expenditure)</td>
<td>35.40</td>
<td>36.20</td>
<td>32.40</td>
<td>37.80</td>
<td>34.00</td>
<td>34.70</td>
<td>34.56</td>
<td>-0.40%</td>
</tr>
<tr>
<td>Govt. Healthcare Expenditure (US$ Billion)</td>
<td>1.33</td>
<td>1.56</td>
<td>1.43</td>
<td>1.69</td>
<td>1.53</td>
<td>1.62</td>
<td>1.69</td>
<td>4.10%</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan
* Frost & Sullivan estimates

1.2.3 Private Healthcare Expenditure

Rising private healthcare expenditure indicates opportunities for private sector hospitals. With an increasing number of people paying through private health insurance, medisave and out-of-pocket, the private hospitals can expect to penetrate the healthcare market further.

---

\(^5\) Government healthcare expenditure is the sum of outlays by Government entities to provide health care goods and services. It comprises the outlays on health by all levels of Government agencies; offering consolidated direct outlays and indirect outlays such as subsidies to households, individuals and institutions.

\(^6\) Co-payment is a fixed fee that a medicare/health insurance plan subscribers need to pay for his/her use of specific medical services covered by the plan.

\(^7\) Case-mix is a method of classifying types of patients, their treatment and associated costs to describe the level of service needed for the purpose of setting a medical care rate.
Table 1.2.3A Private Healthcare Expenditure

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</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Private Healthcare Expenditure (US$)*</td>
<td>529.40</td>
<td>566.72</td>
<td>603.98</td>
<td>573.04</td>
<td>622.34</td>
<td>642.06</td>
<td>667.32</td>
<td>3.93%</td>
</tr>
<tr>
<td>Private Healthcare Expenditure (% of Total Healthcare Expenditure)</td>
<td>64.60</td>
<td>63.80</td>
<td>67.60</td>
<td>62.20</td>
<td>66.00</td>
<td>65.30</td>
<td>65.44</td>
<td>0.22%</td>
</tr>
<tr>
<td>Private Healthcare Expenditure (US$ Billion)8</td>
<td>2.42</td>
<td>2.75</td>
<td>2.98</td>
<td>2.79</td>
<td>2.97</td>
<td>3.06</td>
<td>3.20</td>
<td>4.74%</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan
* Frost & Sullivan estimates

Table 1.2.4A Comparison of Private and Government Expenditure on Healthcare

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Govt. Healthcare Expenditure (US$ Billion)9</td>
<td>1.33</td>
<td>1.56</td>
<td>1.43</td>
<td>1.69</td>
<td>1.53</td>
<td>1.62</td>
<td>1.69</td>
<td>4.10%</td>
</tr>
<tr>
<td>Govt. Expenditure on Healthcare (% of Total Healthcare Expenditure)</td>
<td>35.40</td>
<td>36.20</td>
<td>32.40</td>
<td>37.80</td>
<td>34.00</td>
<td>34.70</td>
<td>34.56</td>
<td>-0.40%</td>
</tr>
<tr>
<td>Private Healthcare Expenditure (US$ Billion)10</td>
<td>2.42</td>
<td>2.75</td>
<td>2.98</td>
<td>2.79</td>
<td>2.97</td>
<td>3.06</td>
<td>3.20</td>
<td>4.74%</td>
</tr>
<tr>
<td>Private Expenditure on Healthcare (% of Total Healthcare Expenditure)</td>
<td>64.60</td>
<td>63.80</td>
<td>67.60</td>
<td>62.20</td>
<td>66.00</td>
<td>65.30</td>
<td>65.44</td>
<td>0.22%</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan
* Frost & Sullivan estimates

1.3 Healthcare System and Infrastructure

1.3.1 Healthcare Delivery System

Singapore's healthcare system comprises of public, private and non-profit healthcare providers. The public sector hospitals, specialist centres and polyclinics are grouped into two integrated “clusters” or “delivery networks”, NHG and SingHealth. In total, there are 21 polyclinics and 13 hospitals/specialty centres under NHG and SingHealth.

As at 2006, there were 3,157 western and non-western private clinics providing primary as well as specialist healthcare services. There were also 16 private hospitals providing secondary and tertiary healthcare services. In addition to these hospitals, there are 23 Voluntary Welfare

8 Figures from WHO and based on an exchange rate of 1 USD to 1.51 SGD (As at 7 May 2007).
9 Figures from WHO and based on an exchange rate of 1 USD to 1.51 SGD (As at 7 May 2007).
10 Figures from WHO and based on an exchange rate of 1 USD to 1.51 SGD (As at 7 May 2007).
Organisations (VWOs) providing extended and long-term care to elderly in the non-profit healthcare sector.

*Increase in the number of healthcare establishments*

As shown in Table 1.3.1A, total number of healthcare establishments in Singapore has increased from 3,082 in 2002 to 3,930 in 2006. This can be attributed to the rise in demand for healthcare services, driven by an increasing number of elderly as well as international patients.

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</thead>
<tbody>
<tr>
<td>Total Health Establishments**</td>
<td>3,082</td>
<td>3,345</td>
<td>3,418</td>
<td>3,698*</td>
<td>3,930*</td>
<td>6.26%</td>
</tr>
<tr>
<td>Public Hospitals / specialty centers</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>0.00%</td>
</tr>
<tr>
<td>Private Hospitals</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>0.00%</td>
</tr>
<tr>
<td>Polyclinics (Public)</td>
<td>17</td>
<td>17</td>
<td>18</td>
<td>21</td>
<td>23</td>
<td>7.30%</td>
</tr>
<tr>
<td>Clinics (also include Chinese and other traditional clinics)</td>
<td>2,437</td>
<td>2,613</td>
<td>2,630</td>
<td>2,959*</td>
<td>3,157*</td>
<td>6.68%</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

* Frost & Sullivan estimates

** Total health establishments shown also include dental clinics which are not displayed in this table. Hence the summation of the respective categories of hospitals and clinics in Table 1.3.1A will not match the number of total health establishments shown.

*Decrease in the number of beds in public hospitals*

As shown in Table 1.3.1B, the number of hospital beds in public hospitals for extended care has decreased significantly by 28% from 3,292 beds in 2000 to 2,369 beds in 2005. This is in line with the MOH’s vision to improve clinical outcomes and reduce the average length of stay in hospitals.

*Increase in number of beds in private hospitals*

In contrast, the total number of beds in private hospitals has increased by 40%, from 2,300 beds in 2000 to 3,231 beds in 2005. Rise in local and international patient volume, growing income levels and patients’ expectations of healthcare services have triggered the demand for individualised care in private hospitals.

---

11 Healthcare establishments include public/private hospitals, specialty centers, private clinics, polyclinics, and Chinese and other traditional clinics.
Table 1.3.1B Number of Licensed Hospital Beds

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</tr>
</thead>
<tbody>
<tr>
<td>No. of Hospitals/ Specialty Centres</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>0.00%</td>
</tr>
<tr>
<td>Public Sector Hospitals</td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>−1.47%</td>
</tr>
<tr>
<td>Private Sector Hospitals</td>
<td>15</td>
<td>15</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>1.30%</td>
</tr>
<tr>
<td>Total No. of Hospital Beds</td>
<td>11,856</td>
<td>11,942</td>
<td>11,761</td>
<td>11,855</td>
<td>11,840</td>
<td>11,830</td>
<td>11,825</td>
<td>−0.04%</td>
</tr>
<tr>
<td>— Acute Care</td>
<td>7,849</td>
<td>8,153</td>
<td>8,069</td>
<td>8,291</td>
<td>8,279</td>
<td>8,159</td>
<td>8,222</td>
<td>0.78%</td>
</tr>
<tr>
<td>— Extended Care</td>
<td>4,007</td>
<td>3,789</td>
<td>3,692</td>
<td>3,564</td>
<td>3,561</td>
<td>3,671</td>
<td>3,607</td>
<td>−1.74%</td>
</tr>
<tr>
<td>Public Sector Hospital Beds</td>
<td>9,556</td>
<td>9,274</td>
<td>8,748</td>
<td>8,831</td>
<td>8,813</td>
<td>8,599</td>
<td>8,419</td>
<td>−2.09%</td>
</tr>
<tr>
<td>— Acute Care</td>
<td>6,264</td>
<td>6,228</td>
<td>6,206</td>
<td>6,406</td>
<td>6,388</td>
<td>6,230</td>
<td>6,223</td>
<td>−0.11%</td>
</tr>
<tr>
<td>— Extended Care</td>
<td>3,292</td>
<td>3,046</td>
<td>2,542</td>
<td>2,425</td>
<td>2,425</td>
<td>2,369</td>
<td>2,218</td>
<td>−6.37%</td>
</tr>
<tr>
<td>Private Sector Hospital Beds</td>
<td>2,300</td>
<td>2,668</td>
<td>3,013</td>
<td>3,024</td>
<td>3,027</td>
<td>3,231</td>
<td>3,458</td>
<td>7.03%</td>
</tr>
<tr>
<td>— Acute Care</td>
<td>1,585</td>
<td>1,925</td>
<td>1,863</td>
<td>1,885</td>
<td>1,891</td>
<td>1,929</td>
<td>2,006</td>
<td>4.01%</td>
</tr>
<tr>
<td>— Extended Care</td>
<td>715</td>
<td>742</td>
<td>1,150</td>
<td>1,139</td>
<td>1,136</td>
<td>1,302</td>
<td>1,468</td>
<td>12.74%</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

* Frost & Sullivan estimates

1.3.2 Number of Hospitals by Bed Size

There are 3.7 beds per 1,000 persons in Singapore. As shown in the Table 1.3.2A, 60% of the public hospitals have 800 beds or more. Private hospitals are relatively smaller in scale as compared to public hospitals.

Table 1.3.2A Number of Hospitals by Bed Size*

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<tr>
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</thead>
<tbody>
<tr>
<td>No. of hospitals by bed size (&lt;100)</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>No. of hospitals by bed size (100 to 300)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>No. of hospitals by bed size (300 to 500)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>No. of hospitals by bed size (500 to 800)</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>No. of hospitals by bed size (&gt;800)</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>7</td>
<td>8</td>
<td>25</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

* The total number of hospitals exclude three national specialist centres and Johns Hopkins Singapore International Medical Centre, which was relocated from National University Hospital to Tan Tock Seng Hospital in 2006.

1.3.3 Manpower in Healthcare Sector

The number of doctors has been growing at a CAGR of 3.9% from 2000 to 2005. Despite an increase in the number of healthcare personnel over the years, currently Singapore is still facing a shortage of medical personnel. To meet the rising demand for doctors, the Government has recently set up a new medical college, Graduate Medical School (GMS) in association with Duke University. The Government has also increased the number of overseas medical schools listed in
the Schedule of the Medical Registration Act (MRA), such that graduates from these medical schools can work in Singapore.

Table 1.3.3A Manpower in Healthcare Sector

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Doctors</td>
<td>5,577</td>
<td>5,922</td>
<td>6,029</td>
<td>6,292</td>
<td>6,492</td>
<td>6,748</td>
<td>7,010</td>
<td>3.89%</td>
</tr>
<tr>
<td>No. of Dentists</td>
<td>1,028</td>
<td>1,087</td>
<td>1,130</td>
<td>1,183</td>
<td>1,227</td>
<td>1,277</td>
<td>1,334</td>
<td>4.43%</td>
</tr>
<tr>
<td>No. of Nurses/Midwives</td>
<td>16,074</td>
<td>16,983</td>
<td>17,641</td>
<td>18,763</td>
<td>19,329</td>
<td>20,167</td>
<td>21,103</td>
<td>4.64%</td>
</tr>
<tr>
<td>No. of Pharmacists</td>
<td>1,098</td>
<td>1,141</td>
<td>1,191</td>
<td>1,236</td>
<td>1,288</td>
<td>1,330</td>
<td>1,382</td>
<td>3.91%</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

* Frost & Sullivan estimates

1.3.4 Utilisation of Healthcare Services

Currently, public and private hospitals in Singapore are addressing different patient segments. Private hospitals are serving mainly middle to high income residents, expatriates and international patients. Till date, public hospitals are mainly providing subsidised medical services to middle or low income residents. With the utilisation of private hospital services often correlating to economic growth and rising income levels, private hospitals can expect increasing patient volumes in future especially when GDP growth is forecasted to be 4.5% in 2007.

Admissions to private hospitals have rose at a CAGR of 3.2% from 2000 to 2006. This shows the increasing involvement and rising market share of private healthcare providers in secondary and tertiary healthcare services.

Table 1.3.4A. Utilisation of Healthcare Services

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Admissions</td>
<td>390,447</td>
<td>384,054</td>
<td>392,489</td>
<td>356,535</td>
<td>405,354</td>
<td>414,367</td>
<td>419,324</td>
<td>1.20%</td>
</tr>
<tr>
<td>Public Sector Hospitals</td>
<td>305,532</td>
<td>304,595</td>
<td>310,597</td>
<td>270,691</td>
<td>311,129</td>
<td>315,149</td>
<td>317,108</td>
<td>0.62%</td>
</tr>
<tr>
<td>Private Sector Hospitals</td>
<td>84,915</td>
<td>79,459</td>
<td>81,892</td>
<td>85,844</td>
<td>94,225</td>
<td>99,218</td>
<td>102,356</td>
<td>3.16%</td>
</tr>
<tr>
<td>Public Hospitals A&amp;E Attendances</td>
<td>537,342</td>
<td>565,375</td>
<td>596,986</td>
<td>552,233</td>
<td>618,490</td>
<td>658,311</td>
<td>685,594</td>
<td>4.14%</td>
</tr>
<tr>
<td>Public Hospitals Specialist Outpatient Clinics Attendances ('000)</td>
<td>2,730</td>
<td>2,848</td>
<td>3,079</td>
<td>2,806</td>
<td>3,334</td>
<td>3,453</td>
<td>3,619</td>
<td>4.81%</td>
</tr>
<tr>
<td>Attendances at Polyclinics ('000)</td>
<td>2,728</td>
<td>3,024</td>
<td>3,344</td>
<td>3,337</td>
<td>3,792</td>
<td>3,913</td>
<td>4,206</td>
<td>7.48%</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

* Frost & Sullivan estimates
1.3.5 Competition between Private and Public Hospitals

1.4 Primary and Secondary Care Market

1.4.1 Primary Care

Primary care\(^{12}\) in Singapore is affordable and accessible through a network of 23 polyclinics and over 3,157 private clinics. In 2005, 22% of primary care was provided by the polyclinics, whereas the rest was provided by private General Practitioners (GP). In recent years, the clustering of GP clinics and numerous chain of clinics have surfaced in the market. Large clinic chains include Parkway Shenton, Raffles Medical Clinics, Healthway Medical Group and Point Medical Group. Apart from those, there are large specialist outpatient clinics housed in Camden Medical Centre, Novena Medical Centre and Mount Alvernia Medical Centre.

1.4.2 Secondary and Tertiary Care

In 2005, there were a total of 29 hospitals/specialty centres with 11,830 hospital beds to provide secondary and tertiary care\(^{13}\) in Singapore. 13 public hospitals provided 76% of secondary and tertiary care with the remaining provided by the 16 private hospitals. In addition, there are six national specialty centres for cardiology, oncology, dermatology, ophthalmology, neurology and dental. Leading private hospitals include Gleneagles Hospital, Mount Elizabeth Hospital, East Shore Hospital, Raffles Hospital, Mount Alvernia Hospital and Thomson Medical Centre.

1.4.3 Intermediate and Long-Term Care (ILTC)

There are residential and non-residential facilities to provide ILTC. Nursing homes form the largest percentage of ILTC providers. Majority of these facilities are either managed privately or by non-profit organisations. Since April 2003, MOH decided to extend subsidies to elderly patients who meet the “Means Testing” criteria in accredited private nursing homes.

1.4.3A Intermediate and long-term care providers (2006)

<table>
<thead>
<tr>
<th>Intermediate and long-term care providers</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute hospitals with geriatric units/ departments</td>
<td>4</td>
</tr>
<tr>
<td>Community hospitals</td>
<td>5</td>
</tr>
<tr>
<td>Chronic sick hospitals</td>
<td>4</td>
</tr>
<tr>
<td>Nursing homes</td>
<td>53</td>
</tr>
<tr>
<td>Day rehabilitation centres</td>
<td>27</td>
</tr>
<tr>
<td>Voluntary Welfare Organisations (VWOs) with home medical</td>
<td>10</td>
</tr>
<tr>
<td>VWOs with home nursing services</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

Table 1.4.3B Nursing Homes in Singapore (2005)

<table>
<thead>
<tr>
<th>VWO Nursing Homes Subsidised</th>
<th>VWO Nursing Homes - not Subsidised</th>
<th>Private Nursing Homes Subsidised</th>
<th>Private Nursing Homes - not Subsidised</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of nursing homes</td>
<td>23</td>
<td>5</td>
<td>8</td>
<td>23</td>
</tr>
<tr>
<td>No. of beds</td>
<td>3,676</td>
<td>867</td>
<td>1,276</td>
<td>1,493</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan

\(^{12}\) Primary care is the medical care a patient receives upon his/her first contact with the healthcare system, before being referred to elsewhere in the system for further consultation. It is basic healthcare provided by the GPs trained in family medicine, pediatrics, internal medicine and gynecology.

\(^{13}\) Secondary care is consultative, short term and disease-oriented care for the purpose of assisting GP. Medical specialists provide such care to the patients referred by the GPs, whereas tertiary care is the specialised consultative care usually provided on referral from the primary or secondary medical care providers. Some of the examples of tertiary care services are specialist cancer care, neurosurgery and cardiac surgery.
Future Outlook of ILTC — expected rise in future demand

As shown in Table 1.4.3C, the Inter-Ministerial Committee (IMC) report on healthcare services for the elderly, demand for nursing homes has outstripped supply since 1997.

Table 1.4.3C Singapore — Needs for Elderly Health Services in 1997 and 2000

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Availability in 1997</th>
<th>Demand in 1997</th>
<th>Availability in 2000</th>
<th>Demand in 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute care geriatric beds</td>
<td>188</td>
<td>217</td>
<td>5,226</td>
<td>235</td>
</tr>
<tr>
<td>Geriatric specialist</td>
<td>15</td>
<td>22</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>Community hospital beds</td>
<td>426</td>
<td>761</td>
<td>426</td>
<td>820</td>
</tr>
<tr>
<td>Sick hospital beds for the chronically ill</td>
<td>218</td>
<td>326</td>
<td>218</td>
<td>352</td>
</tr>
<tr>
<td>Nursing home beds</td>
<td>4,703</td>
<td>6,087</td>
<td>5,635</td>
<td>6,566</td>
</tr>
</tbody>
</table>

Source: IMC Report, 1999, Frost & Sullivan

Table 1.4.3D Singapore — Projected Needs for Elderly Health Services (2010 to 2030)

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Projected Demand (2010)</th>
<th>Projected Demand (2020)</th>
<th>Projected Demand (2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute care geriatric beds</td>
<td>310</td>
<td>530</td>
<td>800</td>
</tr>
<tr>
<td>Geriatric specialist</td>
<td>30</td>
<td>55</td>
<td>80</td>
</tr>
<tr>
<td>Community hospital beds</td>
<td>1,090</td>
<td>1,855</td>
<td>2,800</td>
</tr>
<tr>
<td>Sick hospital beds for the chronically ill</td>
<td>480</td>
<td>800</td>
<td>1,200</td>
</tr>
<tr>
<td>Nursing home beds</td>
<td>8,800</td>
<td>14,900</td>
<td>22,400</td>
</tr>
</tbody>
</table>

Source: IMC Report, 1999, Frost & Sullivan

2 Key Drivers for Healthcare Industry in Singapore

2.1 Key Drivers for Healthcare Industry in Singapore

Singapore healthcare industry in the next ten years is expected to grow at a healthy rate. Key drivers for the healthcare sector in Singapore are as following.

2.1.1 Changing Demographics

Large demand for nursing homes and step-down care in next 10 years

Till date, most developed nations are grappling with the issue of ageing population and Singapore is no exception. The Total Fertility Rate (TFR) of the average Singapore female residents has fallen from 3.07 children per female in 1970, to 1.25 in 2005. This is key driver of aging population in Singapore.
Table 2.1.1A Singapore Demographic Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>4.02</td>
<td>4.13</td>
<td>4.17</td>
<td>4.18</td>
<td>4.24</td>
<td>4.35</td>
<td>4.41</td>
<td>1.56%</td>
</tr>
<tr>
<td>(Million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident population</td>
<td>3.27</td>
<td>3.32</td>
<td>3.38</td>
<td>3.43</td>
<td>3.48</td>
<td>3.55</td>
<td>3.61</td>
<td>1.66%</td>
</tr>
<tr>
<td>(Million)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Fertility Rate*</td>
<td>1.60</td>
<td>1.41</td>
<td>1.37</td>
<td>1.26</td>
<td>1.25</td>
<td>1.25</td>
<td>1.00</td>
<td>-4.82%</td>
</tr>
<tr>
<td>0 — 14 years (<em>000)</em></td>
<td>689</td>
<td>707</td>
<td>716</td>
<td>739</td>
<td>711</td>
<td>705</td>
<td>709</td>
<td>0.46%</td>
</tr>
<tr>
<td>15 — 64 years (<em>000)</em></td>
<td>2,338</td>
<td>2,368</td>
<td>2,390</td>
<td>2,441</td>
<td>2,495</td>
<td>2,548</td>
<td>2,592</td>
<td>1.73%</td>
</tr>
<tr>
<td>65 years and above (<em>000)</em></td>
<td>235</td>
<td>243</td>
<td>271</td>
<td>254</td>
<td>275</td>
<td>291</td>
<td>303</td>
<td>4.38%</td>
</tr>
</tbody>
</table>

Source: Singapore Department of Statistics

* Figures for Singapore resident population (not for total Singapore population)
** Frost & Sullivan estimates

The Government projects that by 2030, the proportion of people aged 65 or older, will increase to 18.9% of total population. This spells implications for the country’s healthcare resources where demand for long-term care will be substantial.

Table 2.1.1B Singapore — Number and Proportion of Older Persons

<table>
<thead>
<tr>
<th>Population Profile</th>
<th>1999</th>
<th>2000</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. aged 56+ (*000)</td>
<td>235</td>
<td>312</td>
<td>529</td>
<td>796</td>
</tr>
<tr>
<td>Proportion aged 65+*</td>
<td>7.30</td>
<td>8.40</td>
<td>13.10</td>
<td>18.90</td>
</tr>
<tr>
<td>Median age (years)</td>
<td>33.40</td>
<td>36.90</td>
<td>39.30</td>
<td>41.20</td>
</tr>
<tr>
<td>Dependency ratio (DR)</td>
<td>42.00</td>
<td>38.70</td>
<td>44.90</td>
<td>56.40</td>
</tr>
<tr>
<td>DR (Young) 0-14 years</td>
<td>31.70</td>
<td>27.10</td>
<td>25.90</td>
<td>26.90</td>
</tr>
<tr>
<td>DR (Old) 65+ years</td>
<td>10.40</td>
<td>11.60</td>
<td>19.00</td>
<td>29.50</td>
</tr>
</tbody>
</table>


* Figures for 2000-2030 are estimates

2.1.2 Accessibility and Affordability of Healthcare in Singapore

Health insurance scheme ensures affordability of healthcare

Singapore has developed a unique 3M framework — Medisave, Medishield and Medifund to address the issues of healthcare financing. As of 2006, 89,000 working Singaporeans or 77% of the total population were covered under the Medishield health insurance scheme. To ensure the affordability of healthcare, patients are subsidised by the Government at varying levels, according to the class of wards that they choose in public hospitals.

Medisave — extension of coverage for chronic disease treatment

To increase healthcare affordability, MOH decided that starting 1st January 2007, Medisave will extend coverage to include three additional diseases — high blood pressure, lipid disorder and stroke under the Chronic Disease Management Programme (CDMP). In addition, Medisave can be utilised for MRI and CT scans during outpatient consultations. MOH has also increased inpatient daily withdrawal limit from S$400 to S$450. This eventually makes private healthcare affordable to a larger group.

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14 Singapore resident population includes only Singapore citizens and permanent residents and does not include foreign workers and employment pass holders.
2.1.3 Patient Trends and Opportunities

Changing role of patients — higher expectations and awareness towards well-being

Higher education and income levels have led to increased health awareness among Singaporeans. With aggressive campaigns by Health Promotion Board (HPB) and increasing health awareness among Singaporeans, the demand for general and advanced health-screening services is expected to increase in future.

Day surgery — an attractive alternative to inpatient surgery

The number of day surgeries in Singapore has increased steadily from 15% to 20% in the last 5 to 10 years. As day surgeries have a substitutive effect on inpatient surgeries, increase in day surgery is likely to cause inpatient surgeries to decline in the future.

2.1.4 An Industry with High Potential — Medical Travel

Singapore’s sophisticated private healthcare providers have attracted many international patients. These patients come from as far as Northern Asia and Middle East to as close as neighboring countries, including Indonesia and Brunei. According to SingaporeMedicine15, the number of international patients traveling to Singapore has increased from 189,730 to 448,800 patients in the period from 2001 to 2006, demonstrating a strong growth of 136%. In 2005, this generated around US$900 million in revenues for the economy.

Figure 2.1.4A International Patient Inflow to Singapore (2001 to 2006)

Source: MOH, Straits Times — 29 March 2006, Frost & Sullivan

Types of treatment sought

Being at the forefront of clinical advancement, physicians in both public and private hospitals have developed clinical expertise to perform complicated surgeries with high success rates. Apart from complex surgical procedures, large numbers of international patients visit Singapore for health screenings and aesthetic surgeries. In 2005, the top 5 specialties in terms of treatment for international patients were — General Medicine; Ophthalmology; General Surgery; Gynecology and Urology. As for inpatient treatment, General Surgery, Cardiology, Gynecology and Orthopedic Surgery made up 55% of total inpatient hospitalisations.

Origin of foreign patients

As shown in figure 2.1.4B, patients from Indonesia accounted for 51.7% of international patients. Patients from Malaysia come in second at 11.4%. A small number of patients were from USA/Canada (i.e. 5.1%) and Britain (i.e. 3.7%)

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15 SingaporeMedicine is a multi-agency initiative conceived by Economic Development Board (EDB), Singapore Tourism Board (STB) and International Enterprise Singapore (IE) back in 2003. The objective was to develop Singapore as a healthcare hub for the Asian region.
SingaporeMedicine: An Initiative to develop Singapore as regional healthcare hub

SingaporeMedicine is a multi-agency initiative conceived by Economic Development Board (EDB), Singapore Tourism Board (STB) and International Enterprise Singapore (IE) in 2003. The objective of SingaporeMedicine is to develop Singapore as a healthcare hub for the Asian region. Singapore aims to attract one million international patients annually by the year 2012. This will generate S$3 billion in revenues and create at least 13,000 jobs in the medical travel industry.

In January this year, Singapore and U.A.E had signed a Memorandum of Understanding (MOU) to promote closer cooperation in healthcare. Most importantly, both countries agreed to promote and foster business opportunities in the healthcare sector.

3 National Strategies, Implementation Plans and Role of Hospitals in Singapore

3.1 The Ministry of Health — National Strategies and Priority Areas

In 2004, the MOH has set a vision for a “Healthy Singapore” by focusing on eight main priorities.

1. **Build Healthy Population** — HPB has been delegated the responsibility of keeping Singaporeans healthy by raising health awareness. HPB will continue to guide consumers in their choice of food through “Healthier Choice” product labels.

2. **Manage Disease Holistically Instead of Episodically** — The Director of Medical Services is assigned this priority, which will be accomplished through the integration of primary, secondary, tertiary and elderly care. Disease management programs especially targeted at diabetes, hypertension, asthma and early psychosis intervention, are implemented to manage disease holistically.

3. **Exploit IT Maximally** — MOH aims to make IT adoption as one of its main priorities to help increase healthcare personnel's productivity, enhance patient care and reduce costs through higher efficiency. As part of this initiative, the Government has developed a nation-wide Electronic Medical Records Exchange (EMRX). This will support clinical practice and provide a life-long medical record for each Singaporean.

4. **Counter Disease Outbreak** — MOH has emergency plans in place to counteract potential outbreaks of the Avian Flu. All hospitals will have a dedicated group of staff or an 'infection control response team'. In addition, the Agri-Food and Veterinary Authority (AVA) has a contingency plan to deal with any outbreak of avian flu in the poultry farms here.

5. **Manage Medical Inflation** — The CEOs of the respective public healthcare clusters are responsible for this initiative. Since 1999, public hospitals have launched Casemix using the Diagnosis Related Groups (DRG) system to contain healthcare costs, where diseases are grouped according to clinical conditions and the costs incurred.

6. **Ensure Long-Term Healthcare Financing** — The Deputy Secretary of Health, Mr Goh Aik Guan will be taking charge of this initiative through the enhanced 3M (i.e. Medisave,
Medishield and Medifund) framework, as illustrated in Section 3.1.2 — Accessibility and Affordability of Healthcare in Singapore.

7. **Safeguard Medical Standard** — The Director of Medical Services will be ensuring the quality, reliability and cost effectiveness of healthcare in Singapore. These will be achieved through the strengthening of doctors’ training, especially on Continuing Medical Education (CME) as well as implementation of clinical quality assurance programmes.

8. **Exploit Economic Value as Regional Medical Hub** — Mr Philip Yeo, the Chairman of A*STAR is responsible in spearheading this initiative. The objective of Biopolis is to make Singapore an international hub for biomedical sciences with world-class capabilities across the entire economic value chain of healthcare services. The four key areas of focus will be — pharmaceuticals, nutrition, healthcare, biotechnology and medical devices. This will enable healthcare professionals to provide the latest innovative treatment and therapies. In addition, manufacturing active pharmaceutical ingredients in Singapore may help to contain spiraling drug costs.

*Internationalisation of public healthcare clusters — NHG and SingHealth*

Besides creating a biomedical hub, NHG and SingHealth are encouraged to go international in the near future. NHG and SingHealth plan to tap the medical travel market currently dominated by private hospitals. To this, NHG has established an International Patient Liaison Centre (IPLC) located at the National University Hospital (NUH). To expand its presence beyond Singapore, NHG has also incorporated NHG Gulf Pte Ltd, a company focusing on the Gulf Cooperation Council (GCC) countries to provide healthcare consultancy and hospital management services. SingHealth also has established an International Medical Service (IMS), located at Singapore General Hospital (SGH), to offer international patients one-stop healthcare services including appointment and referrals, admission services, accommodation and transportation and concierge services.

### 3.2 Opening Up Local Healthcare Market to Competition

MOH is expected to subject the local healthcare market to greater foreign participation in future. To this, MOH is already pushing for the release of sites for private hospitals and day surgery centres and has identified two possible sites for further development — one in the northern region and another beside Novena MRT station.

MOH has leveled the playing field as foreign hospital operators are eligible to bid and operate private hospitals here. Just in October last year, advanced institutions such as The West Clinic from Memphis, Tennessee have set up the West Clinic Excellence Cancer Centre in Singapore. Located in Camden Medical Centre, the Cancer Centre will also be the first facility outside North America to implement the PACE System(TM) (Patient Assessment, Care, and Education).

### 3.3 Singapore’s Future Healthcare Directions — 2007 onwards

According to the 2007 Budget, the Government will be increasing public healthcare expenditure to US$1.8 billion a year by 2012, as compared to US$1.2 billion today.16 These funds will be channelled into the grooming of doctors, nurses and allied health personnel in public hospitals. Nurses in particular, play an important role in elderly care. Hence there is a target of adding 4,500 more nurses over the next 5 years. The Government will also be topping up elderly Singaporeans’ Medisave accounts. Funds of around US$843 million will be set aside for this purpose.

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16 As mentioned earlier the Government and MOH considers only subvention to public hospitals, while calculating government healthcare expenditure, and does not include capital investment. Thus, above mentioned rise in government healthcare expenditure would be only towards non-capital healthcare expenditure and should not be compared with existing Singapore Government healthcare expenditure as per WHO reflected in Table 2.3.2A, which also includes capital investment.
4 Trends and Future Developments in Other Asian Countries

4.1 General Healthcare Trends in Asia

4.1.1 Changing Demographics — Increase in Ageing Population

As per United Nations’ estimates, the number of people aged 65 and above is expected to increase by 314% in Asia and 430% in South East Asia (S.E.A.) by the year 2050.

Table 4.1.1A Projected Growth of Asia’s Elderly (2000 to 2050)

<table>
<thead>
<tr>
<th>Region / Sub-region</th>
<th>Number of people aged 65 and above (‘000)</th>
<th>Percent Change (2000 to 2050)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>2025</td>
</tr>
<tr>
<td>Asia</td>
<td>206,822</td>
<td>456,303</td>
</tr>
<tr>
<td>East Asia</td>
<td>114,729</td>
<td>244,082</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>24,335</td>
<td>57,836</td>
</tr>
<tr>
<td>South Asia</td>
<td>67,758</td>
<td>154,385</td>
</tr>
</tbody>
</table>

Source: United Nations; Frost & Sullivan

The aging population in Asia is expected to increase the demand for life-saving drugs, technologically advanced medical devices and equipment. From an infrastructure perspective, this will include demand for nursing homes and community hospitals to provide chronic and long-term care.

4.1.2 Rising Incidence of Lifestyle and Chronic Diseases

According to the WHO Regional Office for South East Asia, chronic diseases are growing at alarming rates in Asia. Fast-paced economic growth, rising income levels, changing lifestyles and ageing populations have led to an increase in diseases like hypertension, diabetes, cardiovascular diseases and cancer in Asian countries. Cancer and heart diseases are amongst the top five causes of morbidity and mortality in majority of the Asian countries. Growing incidence of these diseases will drive the demand for healthcare infrastructure and services in Asian countries, including Singapore.

4.1.3 Growing Incidence of Infectious or Communicable Diseases

For developing countries such as Vietnam and Indonesia, infectious or communicable diseases such as Avian Flu and dengue continue to be a major health concern. The other major threat is from the growing incidence of HIV/AIDS in India, China and developing Asian countries. Additionally, malaria and tuberculosis are major causes of morbidity and mortality in developing Asian countries.

4.1.4 Growing Medical Travel

According to Abacus International (Singapore), the medical travel industry in Asia is worth US$500 million in 2006 and is expected to generate over US$4 billion annually by the year 2012. With high quality medical care at relatively lower costs, the medical travel industry in Asia attracts over 1.5 million medical tourists a year. In addition to Singapore, countries such as Thailand, Malaysia, India, United Arab Emirates (U.A.E) and South Korea have also focused their efforts in channeling more foreign patients to their countries for medical treatment. It is foreseeable that Singapore will face competition from these countries.

4.2 Leading Private Hospitals / Hospital Groups in Asia

The role of private hospitals in the provision of quality healthcare services in Asia has grown significantly in last one decade. There are many large hospital groups in Indonesia, Malaysia, India, Singapore and Thailand. Table 4.2A, shows the performance indicators of eight leading private hospitals/hospital groups in Asia.

17 This does not include hospitals in Japan.
<table>
<thead>
<tr>
<th>Hospital Group</th>
<th>Country of Incorporation</th>
<th>Number of Hospitals</th>
<th>Number of Beds</th>
<th>Bed Occupancy (%)</th>
<th>Revenue (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apollo Hospitals Enterprise Limited</td>
<td>India</td>
<td>41</td>
<td>7,000</td>
<td>N.A.</td>
<td>160.50</td>
</tr>
<tr>
<td>Bangkok Dusit Medical Services Public Company Limited*</td>
<td>Thailand</td>
<td>17</td>
<td>3,389**</td>
<td>N.A.</td>
<td>313.10</td>
</tr>
<tr>
<td>Bumrungrad Hospital Public Company Ltd*</td>
<td>Thailand</td>
<td>1</td>
<td>554</td>
<td>75</td>
<td>198.70</td>
</tr>
<tr>
<td>KPJ Healthcare Berhad*</td>
<td>Malaysia</td>
<td>13</td>
<td>1,537</td>
<td>68</td>
<td>177.60</td>
</tr>
<tr>
<td>Pantai Hospitals Sdn Berhad*</td>
<td>Malaysia</td>
<td>7</td>
<td>1,158</td>
<td>78</td>
<td>185.90</td>
</tr>
<tr>
<td>Parkway Holdings Limited</td>
<td>Singapore</td>
<td>15</td>
<td>2,800</td>
<td>N.A.</td>
<td>569.81**</td>
</tr>
<tr>
<td>Raffles Hospital</td>
<td>Singapore</td>
<td>1</td>
<td>380</td>
<td>72*</td>
<td>134.24</td>
</tr>
<tr>
<td>Fortis Healthcare</td>
<td>India</td>
<td>12</td>
<td>1,803</td>
<td>N.A.</td>
<td>67.53</td>
</tr>
</tbody>
</table>

Source: Company Annual Reports; Company Websites; Trade Interviews; Frost & Sullivan

* 2005 figures
** Figures based on an exchange rate of 1USD=1.5233SGD

*18 Figures obtained through hospital websites and interviews with hospitals.
THE MANAGER AND CORPORATE GOVERNANCE

The Manager of Parkway Life REIT

The Manager was incorporated in Singapore under the name of “PHR Management Pte. Ltd.” on 19 April 2007. It changed its name to “Parkway Trust Management Pte. Ltd.” and subsequently to “Parkway Trust Management Limited” in connection with its conversion into a public limited company on 12 July 2007. The Manager has a paid-up capital of S$1.0 million and its registered office is located at 1 Grange Road, #11-01 Orchard Building, Singapore 239693. Its telephone and facsimile numbers are (65) 6796-0623 and (65) 6796-0635 respectively.

The Manager is a direct wholly owned subsidiary of the Sponsor.

Directors of the Manager

The Board is entrusted with the responsibility for the overall management of the Manager. The following table sets forth information regarding the Board:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Address</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lim Kok Hoong</td>
<td>60</td>
<td>21 Balmoral Park #05-10,</td>
<td>Independent Director and Chairman</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Singapore 259850</td>
<td></td>
</tr>
<tr>
<td>Puah Tuan Soon Benson</td>
<td>50</td>
<td>28 Dalvey Estate #08-30,</td>
<td>Independent Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Singapore 259548</td>
<td></td>
</tr>
<tr>
<td>Tan Bong Lin</td>
<td>51</td>
<td>9 Crescent Road,</td>
<td>Independent Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Singapore 439296</td>
<td></td>
</tr>
<tr>
<td>Dr. Lim Cheok Peng</td>
<td>60</td>
<td>10 Cluny Road,</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Singapore 259576</td>
<td></td>
</tr>
<tr>
<td>Choo Oi Yee</td>
<td>33</td>
<td>47 Niven Road,</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Singapore 228395</td>
<td></td>
</tr>
<tr>
<td>Ashish Jaiprakash Shastry</td>
<td>32</td>
<td>33 Robin Road #11-02,</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Singapore 258208</td>
<td></td>
</tr>
<tr>
<td>Justine Victoria Wingrove</td>
<td>39</td>
<td>18 Chestnut Crescent,</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Singapore 679373</td>
<td></td>
</tr>
</tbody>
</table>

None of the Directors has any family relationship with one another, any substantial shareholder of the Manager or any Substantial Unitholder.

Experience and Expertise of the Board of Directors

Information on the business and working experience of the Directors is set out below:

Mr. Lim Kok Hoong is an Independent Director of the Manager and Chairman of the Board.

Mr. Lim is currently retired. He was a senior partner at Ernst & Young, Singapore from 2002 to 2003. During this period he served as audit partner on various clients and assisted in management of the firm. Prior to his appointment in Ernst & Young, Singapore, he was the Managing Partner of Arthur Andersen, Singapore from 1990 to 2002. He also held the position of Area Managing Partner Asia Pacific for Audit & Business Advisory Services from 1999 to 2000. Mr. Lim has over 32 years experience working in public accountancy, with a substantial amount of his time spent on audits of companies operating in a variety of industries.

Mr. Lim graduated from the University of Western Australia in 1971 with a Bachelor of Commerce. He is a member of the Institute of Chartered Accountants in Australia and the Institute of Certified Public Accountants of Singapore. In addition, he is a member of the audit committee of the Agency for Science, Technology and Research, a Singapore statutory body.

Mr. Puah Tuan Soon Benson is an Independent Director of the Manager.

Mr. Puah has been the Chief Executive Officer of The Esplanade Co Ltd since 1998. His responsibilities include ensuring The Esplanade achieves its vision of being a performing arts centre for everyone, attaining international recognition for its sense of creativity and adventure, renowned for its exceptional service standards. Prior to his appointment at The Esplanade Co Ltd, he was the Chief Executive Officer at Temasia Health Pte Ltd (formerly known as HCS-HMI), the international business and management arm of Singapore.
Health Corporation of Singapore, an entity linked to the Government of Singapore that invests and develops businesses in health services, from 1997 to 1998. From 1995 to 1997, Mr. Puah was the director and Chief Executive Officer at the Sentosa Development Corporation, a government statutory board which is responsible for the development, management and promotion of Sentosa and 11 off-shore islands. From 1982 to 1994, Mr. Puah worked in various positions in hotels managed by global hotel operators including Shangri-La's Rasa Sentosa Resort in Singapore, Shangri-La Hotel Surabaya in Indonesia, the Mandarin Oriental Hotel Group and Hilton International in Singapore.

Mr. Puah graduated from the University of Surrey, Guildford in the United Kingdom with a Bachelor of Science in Hotel, Catering & Tourism Administration.

**Mr. Tan Bong Lin** is an Independent Director of the Manager and is also the Chairman of the Audit Committee of the Manager.

Mr. Tan is currently retired. Between 1990 and 2007, he was with Citigroup Global Markets Singapore Pte Ltd and was its Managing Director from 1991 to 2007. His responsibility included overseeing the Smith Barney brokerage and advisory business. Prior to his appointment in Citigroup Global Markets Singapore Pte Ltd, he held various positions in Drexel Burnham Lambert (S) Pte Ltd, including as a dealer, an operations manager and an assistant general manager, from 1980 to 1990. Mr Tan was a member of the Finance Committee at Singapore Broadcasting Authority from 1997 to 2002.

Mr. Tan graduated from the University of Singapore in 1980 with a Bachelor of Accountancy.

**Dr. Lim Cheok Peng** is a Non-Executive Director of the Manager.

Dr. Lim is currently the Managing Director of the Sponsor, an appointment which he has held since 2000. He has also been a Consultant Physician & Cardiologist in private practice in Singapore since 1985. In 1984, he was the Assistant Research Cardiologist with the Cardiovascular Research Institute, Moffitt Hospital University of California. Prior to this, Dr. Lim was the Consultant Physician Cardiologist in Kuantan Specialist Centre, Kuantan, Pahang from 1981 to 1983. Dr. Lim has over 25 years’ international experience in the healthcare sector.

Besides his involvement in the Sponsor as the Managing Director, where he is in charge of the management and operations of the hospital and healthcare business of the Parkway Group, Dr. Lim is also the Co-Chairman of Health & Life Science of the Singapore British Business Council and is a member of the Council for the Third Age of Ministry of Community Development, Youth & Sports. He is also a board member of Republic Polytechnic and acts as consultant to various ongoing healthcare projects in Kampuchea, Vietnam, Bangladesh and China. Dr. Lim was a member of the Economic Review Subcommittee for Healthcare Singapore and a member of the government parliamentary committee for healthcare in 2001.

Dr. Lim graduated from the University of Singapore in 1972 with a MBBS. Thereafter, he obtained a Master in Medicine (Internal Medicine) in 1976 from the University of Singapore. In 1991, Dr. Lim obtained the Diploma of Fellowship from the Royal College of Physicians and Surgeons of Glasgow and Royal College of Physicians and Surgeons of Edinburgh. Dr. Lim was elected to the membership from the Royal College of Physicians of the United Kingdom in 1977 and was admitted as a Fellow of the Academy of Medicine, Singapore (Cardiology) at the Academy of Medicine, Singapore in 2003.

**Ms. Choo Oi Yee** is a Non-Executive Director of the Manager.

Ms. Choo has been the Group Senior Vice-President, Strategic Planning & Business Development of the Sponsor since 2006. Prior to her appointment in the Sponsor, she was a Vice-President in the Investment Banking Division in Citigroup. At Citigroup from 2000 to 2006, she was more recently responsible for the origination, structuring and execution of mergers & acquisitions and capital markets transactions in the real estate and REIT sectors in Singapore and Southeast Asia. From 1999 to 2000, Ms. Choo was a Financial Analyst with Schroders International Merchant Bankers Limited. From 1996 to 1998, she was with Arthur Andersen.

Ms. Choo graduated from the Nanyang Technological University in 1996 with a Bachelor in Accountancy. She also holds a Master in Business Administration from Manchester Business School.

**Mr. Ashish Jaiprakash Shastry** is a Non-Executive Director of the Manager.

Mr. Shastry is a Managing Director and the Head of Southeast Asia at TPG Capital. Since joining TPG Capital in 1998, he has been based in Singapore and Hong Kong, focusing on TPG Capital's investment
activities in India, Australia and Southeast Asia. Prior to joining TPG Capital, he was an investment banker at Lehman Brothers in New York, specializing in power and telecom mergers & acquisitions. He serves as a non-executive director on the boards of Parkway Holdings Limited (the Sponsor), Pantai Holdings Berhad (an affiliate of the Sponsor) and Fairmont Raffles Holdings International (alternate).

Mr. Shastry received an A.B. in Economics with Honors from Princeton University.

Ms. Justine Victoria Wingrove is the Chief Executive Officer of the Manager.

Ms. Wingrove is the Chief Executive Officer of the Manager. Prior to her appointment in the Manager, Ms. Wingrove was a Senior Vice President of Capital Services Group, Singapore from 2005 to 2007. She was approached by Lehman Brothers Investment Bank to set up and head up Capital Services Group in Singapore. Capital Services Group provides asset management, acquisition advice, investment disposal services, quarterly valuations and cash-flow management services to Lehman Brothers throughout Asia. Her roles include overseeing sales & marketing agents, property managers, lawyers, and accountants on fund assets. From 2003 to 2005, Ms. Wingrove was Head of Investment in Savills (Singapore) Pte Ltd where she was working with institutional funds and property companies, on their property investment requirements in Asia and the UK. Her responsibilities include originating, structuring and negotiating a broad range of investment properties, including direct investment, joint ventures and property development.

From 2000 to 2003, Ms. Wingrove was a Property Investor & Developer and she undertook real estate consulting projects in Singapore and managed three extensive residential refurbishment projects in London, UK. From 1997 to 2000, she worked at Jones Lang La Salle, Singapore as a Regional Senior Manager, Global Client Service, where she was involved in directing and managing a number of strategic alliance partnerships in areas such as acquisition of new space, consolidation, lease renewal, lease restructuring and renegotiation, investment sales, covering the areas of strategic planning, price planning and competitive positioning.

From 1995 to 1997, Ms. Wingrove was a Senior Investment Surveyor / Broker in Strutt & Parker, London, UK. She was a member of the Central London Business Team and was involved in the marketing, sale and acquisition of commercial investment property for pension funds, insurance companies and property companies. She also has extensive experience in due diligence and legal framework of sales/acquisitions. From 1994 to 1995, Ms. Wingrove was a Trainee Investment Surveyor in Hermes Property Asset Management Ltd, London, UK. Her responsibilities include buying and selling for a fund on a day-to-day basis that involved detailed investment appraisals to assess yield performance and internal rates of return and carrying out end-of-year valuations, which were used to assess performance. She was also the Sales & Marketing Manager in Palco Group, London, UK from 1988 to 1990 and was responsible for developing marketing strategies, ensuring the sales team reached sales targets, and recruiting and training employees.

Ms. Wingrove is a Chartered Surveyor and Member of the Royal Institution of Chartered Surveyors. She also graduated from the South Bank University in 1994 with a Bachelor of Science in Estate Management.

A list of the present (excluding directorship in the Manager) and past directorships of each Director of the Manager over the last five years preceding 1 January 2007 is set out in Appendix H of this Prospectus.

The Board has the appropriate expertise for serving as directors of the Manager, as evidenced by their business and working experience set out above.

The Key Roles of the Board

The key roles of the Board are to:

• guide the corporate strategy and directions of the Manager;
• ensure that senior management provides business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
• oversee the proper conduct of the Manager.

The Board is made up of seven Directors, comprising one executive Director and six non-executive Directors (three of whom are independent Directors). The executive Director, who is also the Chief Executive Officer, is Ms. Justine Victoria Wingrove.
The Board meets to review the key activities and business strategies of the Manager. The Board intends to meet regularly, at least once every quarter, to deliberate the strategic policies of Parkway Life REIT, including acquisitions and disposals, approval of the annual budget and review of the performance of Parkway Life REIT.

Each Director has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of Parkway Life REIT. The Directors will contribute in different ways, including using their personal networks to further the interest of Parkway Life REIT.

Three of the Directors, namely Mr. Lim Kok Hoong, Dr. Lim Cheok Peng and Mr. Ashish Jaiprakash Shastry, have experience in being a director of public listed companies. (See “The Manager and Corporate Governance — Experience and Expertise of the Board of Directors.”) They have the appropriate experience to act as directors of the Manager and are familiar with the rules and responsibilities of a director of a public listed company. The remaining Directors will undergo relevant training to prepare them for the roles and responsibilities of a director of the manager of a Singapore public listed real estate investment trust.

The Board has approved a set of internal controls which sets out approval limits for capital expenditure, investments and divestments and bank borrowings as well as arrangements in relation to cheque signatories. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

Changes to regulations and accounting standards are monitored closely by the members of the Audit Committee. To keep pace with regulatory changes where these changes have an important bearing on the Manager's or Directors' disclosure obligations, the Directors will be briefed either during Board meetings or at specially convened sessions involving the relevant professionals. Management also provides the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

The majority of the Directors are non-executive and/or independent of the management. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of roles of the Chairman and Chief Executive Officer, provides a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate the business activities of the Manager.

The positions of Chairman of the Board and Chief Executive Officer are separately held by two persons in order to maintain an effective check and balance. The Chairman of the Board, Mr. Lim Kok Hoong is an Independent Director, while the Chief Executive Officer, Ms. Justine Victoria Wingrove, is an executive director.

The Chairman is responsible for the overall management of the Board as well as ensuring that the Directors and the management work together with integrity and competency, and that the Board engages the management in constructive debate on strategy, business operations, enterprise risk and other plans. The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Manager.

The Board has separate and independent access to senior management and the company secretary at all times. The company secretary attends to corporate secretarial administration matters and attends all Board meetings. The Board also has access to independent professional advice where appropriate.
Management Reporting Structure of the Manager

<table>
<thead>
<tr>
<th>Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lim Kok Hoong (Chairman)</td>
</tr>
<tr>
<td>Puah Tuan Soon Benson</td>
</tr>
<tr>
<td>Tan Bong Lin</td>
</tr>
<tr>
<td>Dr. Lim Cheok Peng</td>
</tr>
<tr>
<td>Choo Qi Yee</td>
</tr>
<tr>
<td>Ashish Jaiprakash Shastry</td>
</tr>
<tr>
<td>Justine Victoria Wingrove</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chief Executive Officer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Justine Victoria Wingrove</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vice-President, Investment Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ong Eng Yaw</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vice-President, Finance and Investor Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lim Sze Mei</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vice-President, Asset Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chan Fai Tuck</td>
</tr>
</tbody>
</table>

Roles of the Executive Officers of the Manager

The Chief Executive Officer of the Manager will work with the Board to determine the strategy for Parkway Life REIT. The Chief Executive Officer will also work with the other members of the Manager's management team to ensure that Parkway Life REIT is operated in accordance with the Manager's stated investment strategy. Additionally, the Chief Executive Officer will be responsible for planning the future strategic development of Parkway Life REIT.

The Chief Executive Officer is also responsible for strategic planning, the day-to-day operations of Parkway Life REIT and working with the Manager's investment, asset management, financial and compliance personnel in meeting the strategic, investment and operational objectives of Parkway Life REIT.

The Chief Executive Officer is further responsible for facilitating communications and liaison with Unitholders. This includes regular statutory reporting, such as producing annual reports to Unitholders, and reporting to the SGX-ST in compliance with the Listing Manual. The principal objective of the Chief Executive Officer is to provide exceptional service to Unitholders by maintaining continuous disclosure and transparent communications with Unitholders and the market. The Chief Executive Officer will facilitate and coordinate the formulation of strategic plans focused on the creation of value for Unitholders, and in promoting and marketing Parkway Life REIT to Unitholders, prospective investors and the media through regular communications, roadshows, events and a website.

The Vice-President, Investment Management is in charge of the investment team, which is responsible for identifying, researching and evaluating potential acquisitions and related investments with a view of enhancing Parkway Life REIT’s portfolio or divestments where a property is no longer strategic, fails to enhance the value of Parkway Life REIT’s portfolio or fails to be yield accretive. In order to support these various initiatives, the team develops financial models to test the financial impact of different courses of action. These findings will be research-driven to help develop and implement the proposed initiatives both in Singapore and overseas.

The Vice-President, Finance and Investor Relations is in charge of the finance team, which is responsible for the finances of Parkway Life REIT. The responsibilities of the Vice-President, Finance and Investor Relations include monitoring and reporting on the financial performance of Parkway Life REIT, preparing statutory accounts, co-ordinating with external auditors and managing tax affairs and treasury matters. She is also responsible for investor relations, facilitating communications and liaison with
the Unitholders which includes producing annual reports to the Unitholders and ensuring compliance by Parkway Life REIT with the reporting requirements under the Listing Manual and the law.

The **Vice-President, Asset Management** leads the asset management team which focuses on the operations of Parkway Life REIT’s properties, the implementation of the short to medium-term objectives of Parkway Life REIT’s portfolio and supervises the Property Manager in relation to, *inter alia*, projects for the development or re-development (if not prohibited by the Property Funds Guidelines or if otherwise permitted by the MAS), refurbishment, retrofitting and renovation of a property. The asset management team led by the Vice President, Asset Management also recommends and analyses potential asset enhancement initiatives.

**Experience and Expertise of the Executive Officers of the Manager**

Information on the working experience of the Executive Officers of the Manager is set out below:

**Ms. Justine Victoria Wingrove** is the Chief Executive Officer of the Manager. Details of her working experience have been set out in the section "Experience and Expertise of the Board of Directors".

**Mr. Ong Eng Yaw** is the Vice-President, Investment Management of the Manager.

Mr. Ong is the Vice-President, Investment Management of the Manager. Prior to his appointment in the Manager, he was the Vice-President, Investment Banking of CIMB-GK Securities Pte Ltd from 2005 to 2007. While at CIMB-GK Securities Pte Ltd, Mr. Ong worked on various real estate-related transactions which involved Malaysian and Singapore listed corporate entities. From 2003 to 2005, Mr. Ong was the Manager, Investment of Hwa Hong Corporation Limited (“Hwa Hong”). While at Hwa Hong, Mr. Ong was responsible for, *inter alia*, Hwa Hong’s real estate investment activities in Singapore and the United Kingdom and Hwa Hong’s residential development activities in Singapore. From 1997 to 2001, Mr. Ong worked as an investment banker at Vickers Baltic Holdings Limited and subsequently at Oversea-Chinese Banking Corporation Limited.

Mr. Ong graduated from University College London with a Bachelor of Law in 1996. In 1997, he obtained a Masters of Science (Investment Management) from Cass Business School in London. In 2002, Mr. Ong obtained a Masters of Business Administration from INSEAD.

**Ms. Lim Sze Mei** is the Vice-President, Finance and Investor Relations of the Manager.

Ms. Lim is the Vice-President, Finance and Investor Relations of the Manager and was employed by the Sponsor as Vice President, Finance prior to her appointment in the Manager. Ms. Lim was Vice-President, Investments, of Khazanah Nasional Berhad (“Khazanah”) from 2005 to 2007. Her role in Khazanah covered Khazanah’s investments in the financial services and aviation sectors and included the restructuring of a major investee company of Khazanah. From 2003 to 2005, Ms. Lim was the Manager, Corporate Finance of AirAsia Berhad (“AirAsia”), a company listed on Bursa Malaysia, and played an important role in its initial public offering process and aircraft financing program. Ms. Lim’s portfolio, amongst other things, included AirAsia’s corporate finance, risk management and investor relations functions as well as ensuring AirAsia’s compliance with the listing requirements of Bursa Malaysia. She worked in various financial institutions and held the appointments of analyst, associate and manager, between 1997 and 2003. Her experience in financial services includes capital markets, mergers and acquisitions, debt restructuring, financial derivatives and corporate lending.

Ms. Lim graduated from the University of Bridgeport in the United States with a Bachelor of Science (Finance — International Business) in 1997.

**Mr. Chan Fai Tuck** is the Vice-President, Asset Management of the Manager.

Mr. Chan is the Vice-President, Asset Management of the Manager. Prior to his appointment in the Manager, he was the Divisional Vice-President (Building Services) of Parkway Hospitals Singapore Pte Ltd. From 2000 to 2007, Mr. Chan was the Assistant General Manager (Operations), Gleneagles Hospital. From 1997 to 2000, Mr. Chan worked in various positions within the Parkway Group. From 1988 to 1995, he worked in various property-related roles outside the Parkway Group.

Mr. Chan graduated from the National University of Singapore with a Bachelor of Engineering (Civil) in 1988. In 1995, he obtained a Masters of Business Administration from the National University of Singapore.
A list of the present and past directorships of each Executive Officer of the Manager over the last five years preceding 1 January 2007 is set out in Appendix H of this Prospectus.

Roles and Responsibilities of the Property Manager

Under the Master Lease Agreement, the Master Lessee is responsible for the day-to-day management and maintenance of the Properties. (See “Certain Agreements relating to Parkway Life REIT and the Properties — Description of the Master Lease Agreements”.)

The Property Manager, a wholly-owned subsidiary of the Sponsor, was incorporated in Singapore under the Companies Act on 8 November 1995. Its registered office is located at 1 Grange Road, #11-01 Orchard Building, Singapore 239693. The Property Manager will, subject to the overall management and supervision of the Manager, provide project management services, which include co-ordination of pre-qualification and tender exercises as well as project meetings, recommendation of project budget and appointment of project consultants, as well as monitoring and supervising projects. The Property Manager may, with the consent of the Trustee on the recommendation of the Manager, delegate all or some of these functions to a third party. Notwithstanding this, the Property Manager shall remain liable under the Property Management Agreement.

Roles and Responsibilities of the Manager

The Manager has general powers of management over the assets of Parkway Life REIT. The Manager’s main responsibility is to manage Parkway Life REIT’s assets and liabilities for the benefit of Unitholders.

The SGX-ST has granted a waiver to Parkway Life REIT from the requirement that the Manager must be reputable and have an established track record in managing investments, and that the Manager must have been in operation for at least five years. SGX has also granted a waiver to Parkway Life REIT from the requirement to submit the financial track record of the Manager and of persons employed by it to carry out duties as investment manager or investment adviser (if any) in the application for the listing of Units of Parkway Life REIT on the SGX-ST.

The Manager will set the strategic direction of Parkway Life REIT and give recommendations to the Trustee on the acquisition, divestment or enhancement of assets of Parkway Life REIT in accordance with Parkway Life REIT’s stated investment strategy.

The Manager has covenanted in the Trust Deed to use its best endeavours to carry on and conduct its business in a proper and efficient manner, ensure that Parkway Life REIT is carried on and conducted in a proper and efficient manner, and to conduct all transactions with or for Parkway Life REIT at arm’s length and on normal commercial terms.

The Manager will also be responsible for ensuring compliance with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Guidelines), the Trust Deed, the Tax Ruling and all relevant contracts. The Manager will be responsible for all regular communications with Unitholders.

The Manager may require the Trustee to borrow on behalf of Parkway Life REIT (upon such terms and conditions as the Manager deems fit, and in particular by charging or mortgaging all or any part of the Deposited Property) whenever the Manager considers, among other things, that such borrowings are necessary or desirable in order to enable Parkway Life REIT to meet any liabilities or to finance the acquisition of any property or the redemption of Units. However, the Manager must not direct the Trustee to incur a borrowing if to do so would mean that Parkway Life REIT’s total borrowings exceed 35.0% (or such other limit as may be stipulated by the MAS under the CIS Code) of the value of its Deposited Property immediately prior to the time the borrowing is incurred. The Property Funds Guidelines also provide that the aggregate leverage of a real estate investment trust may exceed 35.0% of the value of its Deposited Property (up to a maximum of 60.0%) only if a credit rating of Parkway Life REIT from Fitch Inc., Moody’s or Standard and Poor’s is obtained and disclosed to the public. Parkway Life REIT should maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0%.

In the absence of fraud, negligence, wilful default or breach of the Trust Deed by the Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Trust Deed. In addition, the Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Manager, to have recourse to the Deposited Property or any part thereof, save where such
action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Trust Deed by the Manager. The Manager may, in managing Parkway Life REIT and in carrying out and performing its duties and obligations under the Trust Deed, with the written consent of the Trustee appoint such person(s) to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Trust Deed, provided always that the Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

Manager’s Fees

The Manager is entitled under the Trust Deed to the following management fees:

(i) a Base Fee which is 0.3% per annum of the value of the Deposited Property; and
(ii) a Performance Fee which is 4.5% per annum of Net Property Income for that financial year.

Subject to the Property Funds Guidelines, the Base Fee and Performance Fee shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect prior to each such payment) out of the Deposited Property and in such proportion as may be determined by the Manager. Units issued to the Manager in payment of the Base Fee and Performance Fee are entitled to all the rights attached to Units as any other Unitholders, including being entitled to receive distributions. The Base Fee and the Performance Fee will be paid monthly and quarterly in arrears respectively.

When paid in the form of Units, the Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of the management fee attributable to such period at an issue price equal to the Market Price. The Manager shall announce such payment of management fees in Units in the quarterly financial announcements of Parkway Life REIT.

For this purpose, “Market Price” means the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of ten business days preceding the relevant business day or, if the Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of a Unit, means an amount as determined by the Manager (after consultation with a stockbroker approved by the Trustee), and as approved by both the Audit Committee of the Manager and the Trustee as being the fair Market Price.

Units issued to the Manager in payment of the Manager’s management fees are equally entitled to, as with all the other Units, any distribution to be made thereon. Subject to the Manager’s undertaking to the MAS not to deal in the Units during certain specified periods (See “The Manager and Corporate Governance — Dealing in Units” for further details) and to a 180-day lock-up from and including the Listing Date (See “Plan of Distribution — Lock-up Arrangements” for further details), the Manager may, at its own option, sell any such Units issued and is entitled to keep any gains made on such sale for its own account.

Any increase in the maximum permitted amount or any change in the structure of the Manager’s Base Fee and Performance Fee must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders’ meeting duly convened under the provisions of the Trust Deed.

The Manager is also entitled to receive:

- An Acquisition Fee of 1.0% of the Enterprise Value of any Real Estate or Real Estate Related Asset acquired directly or indirectly by Parkway Life REIT, pro-rated, if applicable, to the proportion of Parkway Life REIT’s interest. For this purpose, where the assets acquired by Parkway Life REIT are shares in a company whose primary purpose is to hold/own real estate (directly or indirectly), “Enterprise Value” shall mean the sum of the equity value and the total net debt attributable to the shares being acquired by Parkway Life REIT and where the asset acquired by Parkway Life REIT is a property, “Enterprise Value” shall mean the value of the property. In the event that there is payment to third party agents or brokers in connection with the acquisition, such payment shall be paid out of the Deposited Property.

  For the avoidance of doubt, no Acquisition Fee is payable for the acquisition of the Properties; and

- A Divestment Fee of 0.5% of the Enterprise Value of any Real Estate or Real Estate Related Asset divested directly or indirectly by Parkway Life REIT, pro-rated, if applicable, to the proportion of Parkway Life REIT’s interest.

Unless required by the Property Funds Guidelines to be paid in Units only, the Acquisition Fee and Divestment Fee are payable to the Manager in the form of cash and/or Units (as the Manager may elect) at
the then prevailing market price provided that in respect of any acquisition and sale or divestment of real estate assets from/to interested parties, such a fee should be in the form of Units issued by Parkway Life REIT at prevailing Market Price(s). The Manager shall announce immediately such payment of the Acquisition Fee or Divestment Fee in Units on the SGXNET. Such Units should not be sold within one year from the date of their issuance. Any increase in the maximum permitted level of the Acquisition Fee or Divestment Fee must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders’ meeting duly convened under the provisions of the Trust Deed.

**Property Management Fees, Lease Management Fees and Marketing Services Commission**

In addition to management fees, the Manager is also entitled to the following fees, in relation to the properties:

(i) a fee of 2.0% per annum of the Revenue of the Managed Property (excluding the Properties for the duration of the Master Lease Agreements) for property management services provided by the Manager;

(ii) a fee of 1.0% per annum of the Revenue of the Managed Property (excluding the Properties for the duration of the Master Lease Agreements) for lease management services provided by the Manager;

(iii) commissions as set out below for securing new leases or renewal of leases for those Real Estate which are not leased to a master lessee under a master lease agreement, pursuant to marketing services provided by the Manager:

(a) One month’s gross rent inclusive of service charge, for securing a lease of three years or less;

(b) Two months’ gross rent inclusive of service charge, for securing a lease of more than three years;

(c) Half month’s gross rent inclusive of service charge, for securing a renewal of lease of three years or less; and

(d) One month’s gross rent inclusive of service charge, for securing a renewal of lease of more than three years.

If a third party agent secures a lease, the Manager will be responsible for all marketing services commission payable to such third party agent, and the Manager will be entitled to a marketing services commission of:

(a) 1.2 months’ gross rent inclusive of service charge for securing or renewal of a lease of three years or less; and

(b) 2.4 months’ gross rent inclusive of service charge for securing or renewal of a lease of more than three years.

The marketing services commission may be adjusted accordingly at the time of securing or renewal of a lease by the Manager or a third party agent, to be consistent with and no higher than the prevailing market rates of such marketing services commission in the country where the Real Estate is located.

For the avoidance of doubt, no property management fee and lease management fee shall be payable to the Manager in respect of the Properties for the duration of the Master Lease Agreements.

**Annual Reports**

An annual report will be issued by the Manager to Unitholders within three months from the end of each financial year of Parkway Life REIT containing, among other things, the following key items:

(a) details of all real estate transactions entered into during the financial accounting period;

(b) details of Parkway Life REIT’s real estate assets;

(c) if applicable, with respect to investments other than real property:

(i) a brief description of the business;
(ii) proportion of share capital owned;
(iii) cost;
(iv) (if relevant) directors’ valuation and in the case of listed investments, market value, dividends received during the year (indicating any interim dividends);
(v) dividend cover or underlying earnings; and
(vi) net assets attributable to investments;
(d) cost of each property held by Parkway Life REIT;
(e) annual valuation of each property of Parkway Life REIT;
(f) analysis of provision for diminution in value of each property of Parkway Life REIT (to the extent possible);
(g) annual rental income for each property of Parkway Life REIT;
(h) occupancy rates for each property of Parkway Life REIT;
(i) remaining term for each of Parkway Life REIT’s leasehold properties;
(j) amount of distributable income held pending distribution;
(k) details of assets other than real estate;
(l) details of Parkway Life REIT’s exposure to derivatives;
(m) details of Parkway Life REIT’s investments in other property funds;
(n) details of borrowings by the Trustee and other financial accommodation to the Trustee in relation to Parkway Life REIT;
(o) value of the Deposited Property and the net asset value of Parkway Life REIT at the beginning and end of the financial year under review;
(p) the prices at which the Units were quoted at the beginning and end of the accounting period, and the highest and lowest prices at which the Units were traded on the SGX-ST during the financial accounting period;
(q) volume of trade in the Units during the accounting period;
(r) the aggregate value of all transactions entered into by the Trustee (for and on behalf of Parkway Life REIT) with an “interested party” (as defined in the Property Funds Guidelines) or with an “interested person” (as defined in the Listing Manual) during the financial year under review;
(s) total operating expenses of Parkway Life REIT in respect of the accounting period, including expenses paid to the Manager and interested parties (if any) and the Trustee, and taxation incurred in relation to Parkway Life REIT’s properties;
(t) historical performance of Parkway Life REIT, including rental income obtained and occupancy rates for each property in respect of the accounting period and other various periods of time (e.g. 1-year, 3-year, 5-year or 10-year) and any distributions made;
(u) total amount of fees paid to the Trustee;
(v) name of the Manager, together with an indication of the terms and duration of its appointment and the basis of its remuneration;
(w) total amount of fees paid to the Manager, including any Units issued and the price(s) at which they were issued in part payment thereof;
(x) total amount of fees paid to the Property Manager;
(y) an analysis of realised and unrealised surpluses or losses, stating separately profits and losses as between listed and unlisted investments, if applicable;
(z) such other items which may be required to be disclosed under the prevailing applicable laws, regulations and rules; and
(aa) any extraordinary items.
The first report will cover the period from the date of establishment of Parkway Life REIT to 31 December 2007. The SGX-ST has granted a waiver to Parkway Life REIT from the requirement to disclose additional information for the more significant investments of Parkway Life REIT in its annual report.

The SGX-ST has granted a waiver to Parkway Life REIT from the requirement to announce via SGXNET its net tangible assets per Unit at the end of each week. Accordingly, Parkway Life REIT will announce its net asset value on a quarterly basis. Such announcements will be based on the latest available valuation of Parkway Life REIT’s real estate assets and real estate-related assets, which will be conducted at least once a year (as required under the Property Funds Guidelines). The first such valuation will be conducted by 31 December 2007.

Retirement or Removal of the Manager

The Manager shall have the power to retire in favour of a corporation approved by the Trustee to act as the manager of Parkway Life REIT.

The Manager may be removed by notice given in writing by the Trustee if:

(a) the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the Manager;

(b) the Manager ceases to carry on business;

(c) the Manager fails or neglects after 30 days’ written notice from the Trustee to carry out or satisfy any material obligation imposed on the Manager by the Trust Deed;

(d) the Unitholders, by an Ordinary Resolution, shall so decide (without any Unitholder being disenfranchised);

(e) if the Trustee is of the opinion, and so states in writing such opinion and the reason therefore, that the Manager has, to the prejudice of Unitholders, failed to comply with any provision of the Trust Deed, and summons a meeting of the Unitholders for the purpose of determining an appropriate course of action pursuant to the SFA, and if at such meeting, the Unitholders, by Extraordinary Resolution determine to remove the Manager; or

(f) the MAS directs the Trustee to remove the Manager.

Where the Manager is removed on the basis that a change of the Manager is desirable in the interests of the Unitholders, the Manager has a right under the Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the Manager, the Trustee and all Unitholders.

Corporate Governance of the Manager

The following outlines the main corporate governance practices of the Manager:

Board of Directors of the Manager

The Board is responsible for the overall corporate governance of the Manager including establishing goals for management and monitoring the achievement of these goals. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of Directors. The Board has established a framework for the management of the Manager, including a system of internal controls and a business risk management process. The Board consists of seven members, six of whom are non-executive directors (including three independent directors) and one of whom is an executive director. None of the Directors has entered into any service contract directly with Parkway Life REIT.

The composition of the Board is determined using the following principles:

(a) the Chairman of the Board should be a non-executive director of the Manager;

(b) the Board should comprise directors with a broad range of commercial experience including expertise in funds management and the property industry; and

(c) at least one-third of the Board should comprise independent directors.
The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

**Audit Committee**

The Audit Committee is appointed by the Board from among the directors of the Manager and is composed of three members, a majority of whom (including the Chairman of the Audit Committee) are required to be independent directors. As at the date of this Prospectus, the members of the Audit Committee are Messrs Lim Kok Hoong, Puah Tuan Soon Benson and Tan Bong Lin. Mr. Tan Bong Lin has been appointed as the Chairman of the Audit Committee. The role of the Audit Committee is to monitor and evaluate the effectiveness of the Manager’s internal controls. The Audit Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

The Audit Committee’s responsibilities also include:

(a) monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the Listing Manual relating to “interested person transactions” and the provisions of the Property Funds Guidelines relating to “interested party transactions”;

(b) reviewing arrangements by which employees of Parkway Trust REIT may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;

(c) reviewing external audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management;

(d) reviewing internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with;

(e) ensuring that the internal audit function is adequately resourced and has appropriate standing with Parkway Life REIT;

(f) monitoring the procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Guidelines;

(g) reviewing the nature and extent of non-audit services performed by external auditors;

(h) reviewing, on an annual basis, the independence and objectivity of the external auditors;

(i) meetings with external and internal auditors, without the presence of the Executive Officers, at least annually;

(j) examining the effectiveness of financial, operating and compliance controls at least annually;

(k) reviewing the financial statements and the internal audit report;

(l) reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of Parkway Trust REIT and any formal announcements relating to Parkway Trust REIT’s financial performance;

(m) investigating any matters within the Audit Committee’s term of reference, whenever it deems necessary; and

(n) reporting to the Board on material matters, findings and recommendations.

**Dealing in Units**

The Trust Deed requires each Director to give notice to the Manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest.

(See “The Formation and Structure of Parkway Life REIT — Directors’ Declaration of Unitholdings”.)

All dealings in Units by the Board will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com.
The Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units:

(a) in the period commencing one month before the public announcement of Parkway Life REIT’s annual and semi-annual results (where applicable) and (where applicable) property valuations and two weeks before the public announcement of Parkway Life REIT’s quarterly results, and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and

(b) at any time while in possession of price sensitive information.

In addition, the Manager has given an undertaking to the MAS that it will announce via SGXNET the particulars of its holdings in the Units and any changes thereto within two Business Days after the date on which it acquires or disposes of any Units, as the case may be. The Manager has also undertaken that it will not deal in the Units in the period commencing one month before the public announcement of Parkway Life REIT’s annual results and (where applicable) property valuations and two weeks before the public announcement of Parkway Life REIT’s quarterly results, and ending on the date of announcement of the relevant results or, as the case may be, property valuations.

Management of Business Risks

The Board will meet quarterly (or more often, if necessary) and will review the financial performance of the Manager and Parkway Life REIT against a previously approved budget. The Board will also review the business risks of Parkway Life REIT, examine liability management and will act upon any comments from the auditors of Parkway Life REIT.

The Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Manager and Parkway Life REIT. In assessing business risks, the Board will consider the economic environment and risks relevant to the property industry. It reviews management reports and feasibility studies on individual development projects prior to approving major transactions. The management meets regularly to review the operations of the Manager and discuss any disclosure issues.

Potential Conflicts of Interest

The Manager has instituted the following procedures to deal with potential conflicts of interest issues:

(a) The Manager will not manage any other real estate investment trust which invests in the same type of properties as Parkway Life REIT.

(b) All resolutions in writing of the Board in relation to matters concerning Parkway Life REIT must be approved by a majority of the Directors, including at least one independent Director.

(c) At least one-third of the Board shall comprise Independent Directors.

(d) All Related Party Transactions must be reviewed by the Audit Committee and approved by a majority of the Audit Committee. If a member of the Audit Committee has an interest in a transaction, he or she will abstain from voting.

(e) In respect of matters in which the Sponsor and/or its subsidiaries have an interest, direct or indirect, any nominees appointed by the Sponsor and/or its subsidiaries to the Board to represent its/their interest will abstain from voting. In such matters, the quorum must comprise a majority of the independent Directors and must exclude nominee directors of the Sponsor and/or its subsidiaries.

(f) In respect of matters in which a Director or his associates have an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Board and must exclude such interested Directors.

(g) Under the Trust Deed, the Manager and its Associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its Associates has a material interest. For so long as Parkway Trust Management Limited is the manager of Parkway Life REIT, the controlling shareholders (as defined in the Listing Manual) of the Manager and their respective Associates are prohibited from being counted in the quorum for or voting at any meeting of Unitholders convened to consider a
matter in respect of which the relevant controlling shareholders of Parkway Trust Management Limited and/or their Associates have a material interest.

(h) It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Parkway Life REIT with a related party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Parkway Life REIT, has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Board (including its independent Directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Parkway Life REIT with a related party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

Parkway Life REIT's initial properties are located in Singapore and its strategy is to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes (including, but not limited to, hospitals, healthcare facilities, and real estate). The properties include healthcare and healthcare-related assets, such as hospitals, healthcare facilities, and real estate used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine, and other healthcare goods and devices, whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate. The Sponsor has interests in several healthcare and/or healthcare-related properties in the Asia-Pacific such as those located in Malaysia. Potential conflicts of interest between the Sponsor and Parkway Life REIT may arise in respect of acquisition and ownership of healthcare and/or healthcare-related assets in the Asia-Pacific region, including Singapore where Parkway Life REIT's initial properties are located, and where Parkway Life REIT's investment strategy is to invest in healthcare and/or healthcare-related properties located therein.

In order to mitigate any conflict of interest between the Sponsor and Parkway Life REIT in the Asia-Pacific region, Parkway Life REIT has been granted by the Sponsor a right of first refusal, subject to certain conditions, over sales of healthcare or healthcare-related assets in the Asia-Pacific region (including Singapore) and if applicable, the interests in special purpose vehicles which hold such assets directly or indirectly (together, the “Relevant Assets”). Where the Sponsor or any of its subsidiaries (a “Parkway Entity”) proposes to sell or transfer a Relevant Asset to an unrelated third party; or a proposed offer for sale or transfer of a Relevant Asset is made to a Parkway Entity, the Sponsor shall, grant to the Trustee the first right to purchase the Relevant Asset for the benefit of Parkway Life REIT. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Right of First Refusal Arrangements”.)

Furthermore, the interests of the Sponsor are aligned with that of Parkway Life REIT as it will hold not less than 30.1% of the issued Units in Parkway Life REIT after the listing of Parkway Life REIT on the SGX-ST (assuming the Over-allotment Option is exercised in full).

Related Party Transactions

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all future Related Party Transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of Parkway Life REIT or the Unitholders. As a general rule, the Manager must demonstrate to the Audit Committee that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Guidelines).

The Manager will maintain a register to record all Related Party Transactions which are entered into by Parkway Life REIT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered. The Manager will also incorporate
into its internal audit plan a review of all Related Party Transactions entered into by Parkway Life REIT. The Audit Committee shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. In addition, the Trustee will also have the right to review such audit reports to ascertain that the Property Funds Guidelines have been complied with. Further, the following procedures will be undertaken:

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of Parkway Life REIT’s net tangible assets will be subject to review by the Audit Committee at regular intervals;

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Parkway Life REIT’s net tangible assets will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of the value of Parkway Life REIT’s net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Guidelines, such transactions would have to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning Parkway Life REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Parkway Life REIT with a related party of the Manager or Parkway Life REIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on an arm's length basis and on normal commercial terms, are not prejudicial to the interests of Parkway Life REIT or the Unitholders, and in accordance with all applicable requirements under the Property Funds Guidelines and/or the Listing Manual relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or Parkway Life REIT. If the Trustee is to sign any contract with a related party of the Manager or Parkway Life REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Guidelines (as may be amended from time to time) and the provisions of the Listing Manual relating to interested person transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to real estate investment trusts.

Save for the transactions described under “Related Party Transaction In Connection with the Setting Up of Parkway Life REIT” and “Exempted Agreements”, Parkway Life REIT will, in compliance with Rule 905 of the Listing Manual, announce any interested person transaction if such transaction, by itself or when aggregated with other interested person transactions entered into with the same interested person during the same financial year, is 3.0% or more of Parkway Life REIT’s latest audited net tangible assets.

The aggregate value of all Related Party Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Parkway Life REIT’s annual report for the relevant financial year.

**Role of the Audit Committee for Related Party Transactions**

All Related Party Transactions must be reviewed by the Audit Committee and approved by a majority of the Audit Committee to ensure compliance with the Manager’s internal control system and with the relevant provisions of the Listing Manual as well as the Property Funds Guidelines. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit Committee.

If a member of the Audit Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.
Related Party Transactions In Connection with the Setting Up of Parkway Life REIT

The Trustee, on behalf of Parkway Life REIT, has entered, or will enter, into a number of transactions with the Manager and certain related parties of the Manager in connection with the setting up of Parkway Life REIT. These Related Party Transactions are as follows:

(1) The Trustee has entered into the Trust Deed with the Manager. The terms of the Trust Deed are generally described in “The Manager and Corporate Governance — Manager's Fees” and “The Formation and Structure of Parkway Life REIT”.

(2) The Trustee will enter into instruments of lease with the subsidiaries of the Sponsor, namely Parkway Hospitals Singapore Pte Ltd and Mount Elizabeth Medical Holdings Ltd, for the grant of leasehold interests in The Mount Elizabeth Hospital Property for a period of 67 years commencing on the Listing Date to Parkway Life REIT. The instruments of lease are more particularly described in “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of Instruments of Lease relating to The Mount Elizabeth Hospital Property”.

(3) The Trustee will enter into instruments of lease with the subsidiaries of the Sponsor, namely Parkway Hospitals Singapore Pte Ltd, Gleneagles Medical Centre Ltd and Gleneagles Pharmacy Pte Ltd, for the grant of leasehold interests in The Gleneagles Hospital Property for a period of 75 years commencing on the Listing Date to Parkway Life REIT. The instruments of lease are more particularly described in “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of Instruments of Lease relating to The Gleneagles Hospital Property”.

(4) The Trustee will enter into an instrument of lease with Parkway Hospitals Singapore Pte Ltd for the grant of leasehold interests in The East Shore Hospital Property for a period of 75 years commencing on the Listing Date to Parkway Life REIT. The instrument of lease is more particularly described in “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of Instrument of Lease relating to The East Shore Hospital Property”.

(5) The Trustee will enter into the Master Lease Agreements with Parkway Hospitals Singapore Pte Ltd for the lease, operation and maintenance of the Properties from the Listing Date. The Master Lease Agreements are more particularly described in “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Master Lease Agreements”.

Based on its experience, expertise and knowledge of contracts, the Manager believes that the Master Lease Agreements are on normal commercial terms and are not prejudicial to the interests of Parkway Life REIT and the Unitholders.

(6) The Trustee will enter into the Appointment of Property Manager Agreement with the Property Manager for the provision of project management services by the Property Manager to Parkway Life REIT. These services include co-ordination of pre-qualification and tender exercises as well as project meetings, recommendation of project budget and appointment of project consultants, as well as monitoring and supervising projects. (See “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Appointment of Property Manager Agreement”.)

The Manager considers that the Property Manager has the necessary expertise and resources to provide the above-aided project management services. Based on its experience, expertise and knowledge of contracts, the Manager believes that the Appointment of Property Manager Agreement is on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and the Unitholders.

Save as disclosed in this Prospectus, the Trustee has not entered into any other material transactions with the Manager or any related party of the Manager in connection with the setting up of Parkway Life REIT.

Other Related Party Transactions

Licence granted by the Sponsor for the use of trademarks

On 12 July 2007, and in consideration of the payment of a nominal sum of S$1.00, the Sponsor granted a non-exclusive licence to the Trustee, as trustee of Parkway Life REIT, for the use of “Parkway” and other trademarks that the Sponsor owns or has the right to licence in connection with the operations of Parkway Life REIT for an initial term of 15 years from the Listing Date, subject to automatic termination as set out below. Parkway Life REIT shall have the option to renew the licence upon the expiry of the initial term, on
terms to be mutually agreed between the Sponsor and Parkway Life REIT, provided that there has been no breach by Parkway Life REIT of its obligations under the agreement. The licence will be automatically terminated if (a) Parkway Trust Management Limited ceases to be the manager of Parkway Life REIT, (b) the Sponsor and/or its subsidiaries ceases to hold an aggregate of at least 20.0% of the outstanding Units, or (c) Parkway Life REIT ceases to exist. The Manager believes that the licence granted by the Sponsor to the Trustee as trustee of Parkway Life REIT, for use of such trademarks is not prejudicial to the interests of Parkway Life REIT and its Unitholders.

**Exempted Agreements**

The fees and charges payable by Parkway Life REIT to the Manager under the Trust Deed and to the Property Manager under the Appointment of Property Manager Agreement, and the leasing of the Properties to the Master Lessee under the Master Lease Agreement, each of which constitutes a Related Party Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Parkway Life REIT. However, any amendment to, or where applicable renewal of, such agreements will be subject to Rules 905 and 906 of the Listing Manual.

**Future Interested Party Transactions**

As a real estate investment trust, Parkway Life REIT is regulated by the Property Funds Guidelines and the Listing Manual. The Property Funds Guidelines regulate, among other things, transactions entered into by the Trustee (for and on behalf of Parkway Life REIT) with an interested party relating to Parkway Life REIT’s acquisition of assets from or sale of assets to an interested party, Parkway Life REIT’s investment in securities of or issued by an interested party and the engagement of an interested party as property management agent or marketing agent for Parkway Life REIT’s properties. Depending on the materiality of transactions entered into by Parkway Life REIT for the acquisition of assets from, the sale of assets to or the investment in securities of or issued by, an interested party, the Property Funds Guidelines may require that an immediate announcement to the SGX-ST be made, and may also require that the approval of the Unitholders be obtained.

The Listing Manual regulates all interested person transactions, including transactions already governed by the Property Funds Guidelines. Depending on the materiality of the transaction, Parkway Life REIT may be required to make a public announcement of the transaction (Rule 905 of the Listing Manual), or to make a public announcement of and to obtain Unitholders’ prior approval for the transaction (Rule 906 of the Listing Manual). The Trust Deed requires the Trustee and the Manager to comply with the provisions of the Listing Manual relating to interested person transactions as well as such other guidelines relating to interested person transactions as may be prescribed by the SGX-ST to apply to real estate investment trusts.

The Manager may at any time in the future seek a general annual mandate from the Unitholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, including a general mandate in relation to leases and/or licence agreements to be entered into with interested persons, and all transactions conducted under such general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee will appoint an independent financial adviser (without being required to consult the Manager) pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the general annual mandate are sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of Parkway Life REIT and the Unitholders.

Both the Property Funds Guidelines and the Listing Manual requirements would have to be complied with in respect of a proposed transaction which is *prima facie* governed by both sets of rules. Where matters concerning Parkway Life REIT relate to transactions entered or to be entered into by the Trustee for and on behalf of Parkway Life REIT with a related party (either an “interested party” under the Property Funds Guidelines or an “interested person” under the Listing Manual) of the Manager or Parkway Life REIT, the Trustee is required to ensure that such transactions are conducted in accordance with applicable requirements under the Property Funds Guidelines and/or the Listing Manual relating to the transaction in question.
The Manager is not prohibited by either the Property Funds Guidelines or the Listing Manual from contracting or entering into any financial, banking or any other type of transaction with the Trustee (when acting other than in its capacity as trustee of Parkway Life REIT) or from being interested in any such contract or transaction, provided that any such transaction is on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and the Unitholders. The Manager shall not be liable to account to the Trustee or to the Unitholders for any profits or benefits or other commission made or derived from or in connection with any such transaction. The Trustee shall not be liable to account to the Manager or to the Unitholders for any profits or benefits or other commission made or derived from or in connection with any such transaction.

Generally, under the Listing Manual, the Manager, its “connected persons” (as defined in the Listing Manual) and any Director of the Manager are prohibited from voting, or being counted as part of a quorum for, any meeting to approve any matter in which it or he has a material interest.
The Sponsor, Parkway Holdings Limited, is one of Asia’s premier, fully integrated healthcare providers, with one of the largest networks of hospitals and healthcare services in the region. It currently has interests in and/or operates 15 hospitals, including the Properties, located in Singapore, Brunei, India and Malaysia. It also has interests in and/or operates an ambulatory surgical centre and clinics in China and an aesthetics clinic in Vietnam. The Sponsor is also in the process of establishing a day surgery and specialist centre in Balestier, Singapore. Apart from the operation of private hospitals, the Sponsor also engages in primary healthcare services such as general practice and dental services, diagnostic services including radiology and laboratory services and contract clinical research. It also offers consultancy services in hospital development and management. The Sponsor has also established International Patient Assistance Centres throughout the world including China, India, United Arab Emirates and the United Kingdom. In Singapore, it has over 1,200 accredited medical specialists covering over 40 areas of specialisations. The Manager believes that Parkway Life REIT can draw from the Parkway Group’s expertise and experience in the healthcare industry to provide Parkway Life REIT with access to healthcare and/or healthcare-related assets across the Asia-Pacific region (including Singapore).

The Sponsor was listed on the SGX-ST Mainboard on 7 April 1975 and had a market capitalisation of just over S$3.1 billion as at 30 June 2007. It is one of the stocks comprised in the Straits Times Index, a market value-weighted stock market index based on the stocks of 50 representative companies listed on the SGX-ST.

The Sponsor has formulated the following strategies with respect to its healthcare operating business:

- A continued commitment to put patients first — The Sponsor’s primary objective is to provide patients with the highest standards of healthcare and service excellence. This continued focus on serving the patients’ needs will set the Sponsor apart and allow it to provide the “gold standard” of care to its patients.

- Continuing to recruit and attract the best specialists and physicians — The standards of doctors in the Sponsor are respected and well regarded internationally. The Sponsor’s role is to continue to attract and provide its doctors with the best possible work environment, superior medical support services and cutting-edge technologies.

- Maintaining the niche as a specialist high-end value-added healthcare provider — The Sponsor’s expertise covers areas such as cardiology, oncology, neurology, haematology, liver and stem cell transplants. With this, the Sponsor is able to draw from its unique expertise and knowledge to cater to the complex needs and medical care required in the region, particularly in developing countries where these services can be limited.

- Tapping on the growth in regional medical travel — Healthcare has been identified as a growth sector and the Singapore Government has been actively promoting Singapore as a regional medical hub. The Sponsor is well positioned to expand its role as a leader in regional private healthcare. The international patient services team in the Sponsor’s hospitals seeks to meet specific needs of individual foreign patients and their families. The Sponsor has introduced dedicated international patient facilities, translation services, special menus and new Arabic and Bangladeshi staff. Regionally, the Sponsor has set up more than 40 International Patient Assistance Centres worldwide to reach out to the increasing number of international patients.

- Growing its presence in the region — In August 2006, the Sponsor advanced its presence in Malaysia through a partnership with Khazanah Nasional Berhad, the investment arm of the Malaysian Government. Through a joint venture company, Pantai Irama Ventures Sdn. Bhd., the Sponsor will provide hospital operating and management expertise to Pantai Holdings Bhd while pursuing other healthcare opportunities in Malaysia.

- Ongoing investments in technology and training — The Sponsor will continue to remain at the forefront of adopting innovative technologies and medical capabilities to enhance its level of medical care. Recent developments include a new liver intensive care facility and a cutting edge tomotherapy machine. The Parkway Liver Centre located at Gleneagles Hospital was set up in November 2006. The Liver Centre features a dedicated intensive care unit and is the first fully integrated facility for liver transplant and treatment in Asia. The Sponsor also recently invested in a TomoTherapy Hi-Art System located at Mount Elizabeth Hospital. This system delivers highly...
accurate radiation doses with precision, and advanced diagnostic imaging that captures moment-by-moment images of targeted tumour immediately before and after treatment.

The Sponsor’s International Division

- **Malaysia** — The Sponsor has an interest in Pantai Holdings Bhd through a joint venture with Khazanah Nasional Bhd, the investment arm of the Malaysian government. The Sponsor also has direct interests in Gleneagles Intan Medical Centre, Kuala Lumpur and Gleneagles Medical Centre, Penang.

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<tr>
<th>Hospital</th>
<th>Location</th>
<th>Licensed Beds</th>
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<tbody>
<tr>
<td>Gleneagles Intan Medical Centre</td>
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<td>Gleneagles Medical Centre</td>
<td>Penang</td>
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<tr>
<td>Pantai Medical Centre</td>
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<td>Selangor</td>
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<td>Klang Valley</td>
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<td>Hospital Pantai Mutiara</td>
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<tr>
<td>Hospital Pantai Batu Pahat</td>
<td>Johor</td>
<td>50</td>
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</tbody>
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- **India** — In Kolkata, the Sponsor has established a 50:50 joint venture with the Apollo Group to build and manage Apollo Gleneagles Hospital, Kolkata. Apollo Gleneagles Hospital currently has 325 operational beds.

- **China** — In 2007, the Sponsor commenced operations of the Shanghai Gleneagles International Medical and Surgical Centre. This is an ambulatory surgical centre offering services such as aesthetics, general practice/health screening, dentistry, obstetrics & gynaecology and general surgery. The Sponsor also recently acquired the World Link chain of clinics.

- **Brunei** — The Sponsor has a joint venture with the Jerudong Park Medical Centre Sdn Bhd to run a 20-bed cardiac centre, Gleneagles JPMC Cardiac Centre.

- **Vietnam** — The Sponsor also has an aesthetics clinic in Ho Chi Minh City.

The Sponsor also has a track record of hospital development and consultation. Completed projects include:

- Gleneagles Hospital in Singapore;
- Gleneagles Intan Medical Centre in Malaysia;
- London Heart Hospital in United Kingdom;
- Gleneagles Medical Centre in Malaysia;
- Apollo Gleneagles Hospital in India;
- Shanghai Gleneagles International Medical and Surgical Centre in China; and
- Gleneagles JPMC Cardiac Centre in Brunei.
THE FORMATION AND STRUCTURE OF PARKWAY LIFE REIT

The Trust Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Trust Deed. Investors should refer to the Trust Deed itself to confirm specific information or for a detailed understanding of Parkway Life REIT. The Trust Deed is available for inspection at the registered office of the Manager at 1 Grange Road, #11-01 Orchard Building, Singapore 239693.

The Trust Deed

Parkway Life REIT is a real estate investment trust constituted by the Trust Deed which was entered into on 12 July 2007 between the Trustee and the Manager, and is principally regulated by the SFA and the CIS Code (including the Property Funds Guidelines).

The terms and conditions of the Trust Deed shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed, and an authorisation by each Unitholder to do all such acts and things as the Trust Deed may require the Manager and/or the Trustee to do.

The provisions of the SFA and the CIS Code (including the Property Funds Guidelines) prescribe certain terms of the Trust Deed and certain rights, duties and obligations of the Manager, the Trustee and the Unitholders under the Trust Deed. The Property Funds Guidelines also impose certain restrictions on real estate investment trusts in Singapore, including a restriction on the types of investments which real estate investment trusts in Singapore may hold, a general limit on their level of borrowings (up to a maximum of 35.0% of the value of their deposited property at the time the borrowing is incurred or unless such borrowing is permitted in accordance with the Property Funds Guidelines) and certain restrictions with respect to interested party transactions. The Property Funds Guidelines also provide that the aggregate leverage of a real estate investment trust may exceed 35.0% of the value of its Deposited Property (up to a maximum of 60.0%) only if a credit rating of Parkway Life REIT from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. Parkway Life REIT should maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0%.

Operational Structure

Parkway Life REIT is established with a principal investment policy of investing in real estate and real estate-related assets and the Manager must manage Parkway Life REIT such that the principal investments of Parkway Life REIT are real estate and real estate-related assets. Real estate-related assets include shares in companies whose primary purpose is to hold or own real estate and real estate-related assets. The principal investment strategy of Parkway Life REIT is to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that is used primarily for healthcare and/or healthcare-related purposes (including, but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate.

Parkway Life REIT aims to generate returns for its Unitholders by owning, buying, selling and actively managing such properties in line with its investment strategy, including the divestment of any property that is identified by the Manager at any time, to have limited scope for growth.

Subject to the restrictions and requirements in the Property Funds Guidelines, the Listing Manual and the Tax Ruling, the Manager is also authorised under the Trust Deed to invest in investments which need not be real estate. The Manager may use certain financial derivative instruments for hedging purposes or efficient portfolio management provided that such financial derivative instruments are not used to gear Parkway Life REIT’s overall investment portfolio or are intended to be borrowings of Parkway Life REIT. The Manager presently does not have any intention for Parkway Life REIT to invest in options, warrants, commodities, futures contracts and precious metals.

For further details of the investment objectives and policies of the Manager, see Clause 10.2 of the Trust Deed.
The Units and Unitholders

The rights, interests and obligations of Unitholders are contained in the Trust Deed.

Each Unit represents an undivided interest in Parkway Life REIT. A Unitholder has no equitable or proprietary interest in the underlying assets of Parkway Life REIT and is not entitled to the transfer to it of any asset (or any part thereof) or of any estate or interest in any asset and real estate-related assets (or any part thereof) or any other asset of Parkway Life REIT. A Unitholder's right is limited to the right to require due administration of Parkway Life REIT in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee or the Manager.

Under the Trust Deed, each Unitholder acknowledges and agrees that it will not commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the assets of Parkway Life REIT (or any part thereof), including all its Authorised Investments, and waives any rights it may otherwise have to such relief. If the Trustee or the Manager breaches or threatens to breach its duties or obligations to the Unitholder under the Trust Deed, the Unitholder's recourse against the Trustee or the Manager is limited to a right to recover damages or compensation from the Trustee or the Manager in a court of competent jurisdiction, and the Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach or threatened breach.

Further, unless otherwise expressly provided in the Trust Deed, a Unitholder may not interfere or seek to interfere with the rights, powers, authority or discretion of the Manager or the Trustee, exercise any right in respect of the assets of Parkway Life REIT or any part thereof or lodge any caveat or other notice affecting the real estate assets and real estate-related assets of Parkway Life REIT (or any part thereof), or require that any Authorised Investments forming part of the assets of Parkway Life REIT be transferred to such Unitholder.

No certificate shall be issued to Unitholders by either the Manager or the Trustee in respect of Units issued to Unitholders. For so long as Parkway Life REIT is listed, quoted and traded on the SGX-ST and the Units have not been suspended from such listing, quotation and trading for more than 60 consecutive calendar days or delisted permanently, the Manager shall pursuant to the Depository Services Agreement appoint CDP as the Unit depository for Parkway Life REIT, and all Units issued will be represented by entries in the register of Unitholders kept by the Trustee or the agent appointed by the Trustee in the name of, and deposited with, CDP as the registered holder of such Units. The Manager or the agent appointed by the Manager shall issue to CDP not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium. For the purposes of the Trust Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

Pursuant to a practice statement titled “Practice Statement on Real Estate Investment Trusts” released by the Securities Industry Council on 8 June 2007, the Securities Industry Council which administers and enforces the Singapore Code on Take-overs and Mergers (“Takeover Code”) has extended the application of the Takeover Code to property trusts structured as collective investment schemes (“REIT”) under the SFA. The Takeover Code and the SFA will be amended to give effect to the extension of the Takeover Code to REITs. The Securities Industry Council suggests that parties engaged in take-over or merger transactions involving REITs comply with the Takeover Code. With effect from 8 June 2007, parties intending to (i) acquire 30.0% or more of the total units in a REIT, or (ii) (when holding not less than 30.0% but not more than 50.0% of the total units of a REIT) acquire more than 1.0% of the total units of a REIT in any six-month period, should make a general offer for the REIT. Parties should consult the Securities Industry Council where in doubt.

Issue of Units

The following paragraphs set out, inter alia, a summary of the provisions of the Trust Deed relating to the issue of Units in Parkway Life REIT.

The Manager has the exclusive right to issue Units. Subject to the following sub-paragraphs (1), (2) and (3) below and to such laws, rules and regulations as may be applicable (including the provisions of the Listing Manual and the Trust Deed), for so long as Parkway Life REIT is listed on the SGX-ST or any other Recognised Stock Exchange, the Manager may issue Units on any Business Day at an Issue Price equal to the “market price”, without the prior approval of the Unitholders in a Unitholders’ meeting duly convened and held in accordance with the provisions of the Trust Deed. For this purpose, “market price” shall mean (i) the volume weighted average price for a Unit (if applicable, of the same Class) for all trades on the
SGX-ST, or such other Recognised Stock Exchange on which Parkway Life REIT is listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day; or (ii) if the Manager believes that the calculation in (i) above does not provide a fair reflection of the market price of a Unit, an amount as determined by the Manager (after consultation with a stockbroker approved by the Trustee), and as approved by both the Audit Committee of the Manager and the Trustee as being the fair market price of a Unit.

(1) The Manager shall comply with the Listing Rules in determining the Issue Price, including the Issue Price for a rights issue on a pro-rata basis to all existing Unitholders, the Issue Price of a Unit issued other than by way of a rights issue offered on a pro-rata basis to all existing Unitholders and the Issue Price for any reinvestment of distribution arrangement.

(2) Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by the Trust in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the Issue Price of a Unit so issued as partial consideration shall be the same as the Issue Price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

(3) Under Rule 887 of the Listing Manual, the Manager may issue new Units without the prior approval of Unitholders in a general meeting duly convened and held if the issue (together with any other issue of Units in the same financial year) would not exceed 10.0% of the number of Units in issue. The scope of the general mandate that may be given in a general meeting of the Unitholders to the Manager to issue new Units is limited to the issue of an aggregate number of additional Units which must not exceed 50.0% of the total number of Units in issue, of which the aggregate number of additional Units to be issued other than on pro rata basis to the existing Unitholders must not exceed 20.0% of the total number of Units in issue (the “Unit Issue Mandate”).

By purchasing the Units under the Offering, investors are deemed to have approved and given the Manager the Unit Issue Mandate, such Mandate expiring on 31 December 2007.

If in connection with an issue of a Unit, (a) any requisite payment of the Issue Price for such Unit has not been received by the Trustee before the seventh Business Day after the Unit was agreed to be issued (or such other date as the Manager and the Trustee may agree) or (b) the Issue Price paid in respect of any Unit is returned to the Unitholder, (in respect of paragraph (a)) the agreement to issue such Unit and (in respect of paragraph (b)) such Unit may, in the absolute discretion of the Manager, at that time or any time thereafter be cancelled by the Manager by giving notice to that effect to the Trustee and such Unit will be deemed never to have been issued or agreed to be issued. The applicant or Unitholder shall have no right or claim in respect thereof against the Manager or the Trustee. In such an event, the Manager may, at its discretion, charge the investor (and retain the same for its own account) (i) a cancellation fee of such amount as the Manager may from time to time determine to represent the administrative costs involved in processing the application for such Unit, and (ii) an amount (if any) by which the Issue Price of such Unit exceeds the repurchase price applying if such Unit was requested to have been repurchased or redeemed on the same day.

Suspension of Issue of Units

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Manual, or the listing rules of any other relevant Recognised Stock Exchange, suspend the issue of Units during:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the opinion of the Manager or the Trustee (as the case may be), might seriously prejudice the interests of the Unitholders as a whole or the Deposited Property;
- any breakdown in the means of communication normally employed in determining the price of any assets of Parkway Life REIT or the current price thereof on the SGX-ST or any other relevant
Recognised Stock Exchange, or when for any reason the prices of any assets of Parkway Life REIT cannot be promptly and accurately ascertained;

- in relation to any general meeting of the Unitholders, the period 48 hours before such general meeting or any adjournment thereof;

- any period when remittance of money which will or may be involved in the realisation of any asset of Parkway Life REIT or in the payment for such asset of Parkway Life REIT cannot, in the opinion of the Manager, be carried out at normal rates of exchange;

- any period where the issuance of Units is suspended pursuant to any order or direction issued by the MAS; or

- when the business operations of the Manager or the Trustee in relation to Parkway Life REIT are substantially interrupted or closed as a result of, or arising from, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or the Trustee (as the case may be) and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Manager or the Trustee (as the case may be).

In the event of any suspension while Parkway Life REIT is listed on the SGX-ST and/or any other Recognised Stock Exchange(s), the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

**Redemption of Units**

The Trust Deed provides that any redemption of Units will be carried out in accordance with the Property Funds Guidelines, the rules of the Listing Manual (if applicable) and all other applicable laws and regulations. With respect to any terms which are necessary to carry out such redemption but are not prescribed by the Property Funds Guidelines, the rules in the Listing Manual and any laws and regulations, these terms shall be determined by mutual agreement between the Manager and the Trustee.

However, for so long as the Units are listed on the SGX-ST and/or any other Recognised Stock Exchange, the Unitholders have no right to request the Manager to repurchase or redeem their Units while the Units are listed on the SGX-ST and/or any other Recognised Stock Exchange. It is intended that the Unitholders may only deal in their listed Units through trading on the SGX-ST.

**Rights and Liabilities of Unitholders**

The key rights of Unitholders include rights to:

1. receive income and other distributions attributable to the Units held;
2. receive audited accounts and the annual reports of Parkway Life REIT; and
3. participate in the termination of Parkway Life REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Parkway Life REIT less any liabilities, in accordance with their proportionate interests in Parkway Life REIT.

No Unitholder has a right to require that any asset of Parkway Life REIT be transferred to him.

Further, Unitholders cannot give any directions to the Trustee or the Manager (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which:

1. may result in Parkway Life REIT ceasing to comply with applicable laws, the Listing Rules or the Property Funds Guidelines; or
2. encroaches on the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, required the agreement of either or both of the Trustee and the Manager.

The Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any Unit. The provisions seek to ensure that if the Issue Price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally...
liable to indemnify the Trustee or any creditor of Parkway Life REIT in the event that the liabilities of Parkway Life REIT exceed its assets.

Under the Trust Deed, every Unit carries the same voting rights.

**Amendment of the Trust Deed**

Subject to the third paragraph below, after Parkway Life REIT is listed, save where an amendment to the Trust Deed has been approved by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed, no amendment may be made to the provisions of the Trust Deed unless the Trustee certifies, in its opinion, that such amendment:

1. does not materially prejudice the interests of Unitholders and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders;
2. is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law); or
3. is made to remove obsolete provisions or correct a manifest error.

No such amendment shall impose upon any Unitholder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof.

Notwithstanding any of the above, the Manager and the Trustee may, with the written approval of the competent authorities, alter certain provisions in Clause 10.17 of the Trust Deed relating to the use of derivatives.

**Meeting of Unitholders**

Under applicable law and the provisions of the Trust Deed, Parkway Life REIT will not hold any meetings for Unitholders unless the Trustee or the Manager convenes a meeting or unless not less than 50 Unitholders or Unitholders representing not less than 10.0% of the total Units issued request a meeting to be convened.

A meeting of Unitholders when convened may:

1. by Extraordinary Resolution and in accordance with the Trust Deed, sanction any modification, alteration or addition to the Trust Deed which shall be agreed by the Trustee and the Manager as provided in the Trust Deed;
2. by Extraordinary Resolution and in accordance with the Trust Deed, sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the Manager's Base Fee, Performance Fee, Acquisition Fee and Divestment Fee and the Trustee's fee;
3. by Extraordinary Resolution and in accordance with the Trust Deed, remove the auditors;
4. by Extraordinary Resolution and in accordance with the Trust Deed, remove the Trustee;
5. by Extraordinary Resolution and in accordance with the Trust Deed, direct the Trustee to take any action pursuant to Section 295 of the SFA; and
6. by Extraordinary Resolution and in accordance with the Trust Deed, delist Parkway Life REIT after it has been listed.

Any decision to be made by resolution of Unitholders other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the SFA, the CIS Code or the Listing Manual.

Except as otherwise provided for in the Trust Deed, 14 days’ notice at the least (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Unitholders in the manner provided in the Trust Deed. The quorum at a meeting shall not be less than two Unitholders present in person or by proxy of one-tenth in value of all the Units for the time being in issue. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed, and each such notice may, in general, be given by advertisement in the daily press and in writing to each stock exchange on which Parkway Life REIT is listed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such special business.

Voting at a meeting shall be by a show of hands unless a poll is demanded by the chairman of the meeting, or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of
all the Units represented at the meeting. On a show of hands, every Unitholder has one vote. On a poll, every Unitholder has one vote for each Unit of which it is the Unitholder. The Trust Deed does not contain any limitation on non-Singapore resident or foreign Unitholders holding Units or exercising the voting rights with respect to their unitholdings.

Neither the Manager nor any of its Associates shall be entitled to be counted in the quorum for or vote at a meeting convened to consider a matter in respect of which the Manager or any of its Associates has a material interest save for an ordinary resolution duly proposed to remove the Manager, in which case, no Unitholder shall be disenfranchised.

In addition, for so long as the Manager is the manager of Parkway Life REIT, the controlling shareholders (as defined in the Listing Manual) of the Manager and of any of its Associates are prohibited from voting or being counted in the quorum for any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholder of the Manager and/or any of its Associates have a material interest.

Substantial Holdings

Under Section 137B of the Securities and Futures Act, Substantial Unitholders will be required to notify the Trustee of their deemed and direct holdings and any subsequent change in the percentage level of such holdings (rounded down to the next whole number) or their ceasing to hold 5.0% or more of the total number of Units within two Business Days of acquiring such holdings or of such changes or such cessation.

Under Section 137A of the Securities and Futures Act, Substantial Unitholders must also, within the same time limit, submit such notifications to the SGX-ST.

Failure to comply with either Section 137A or Section 137B of the Securities and Futures Act constitutes an offence and will render a Substantial Unitholder liable to a fine on conviction.

Directors’ Declaration of Unitholdings

Under the Trust Deed, the Directors are required to give notice to the Manager of their acquisition of Units or of changes to the number of Units which they hold or in which they have an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of Units which they hold or in which they have an interest, as applicable. Upon such notification, the Manager will promptly announce such interests or changes via SGXNET.

A Director is deemed to have an interest in Units in the following circumstances:

1. Where the Director is the beneficial owner of a Unit (whether directly through a direct Securities Account or indirectly through a depository agent or otherwise), he is deemed to have an interest in that Unit.

2. Where a body corporate is the beneficial owner of a Unit and the Director is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate, he is deemed to have interest in that Unit.

3. Where the Director’s spouse or infant child (including step-child and adopted child) has any interest in a Unit, he is deemed to have an interest in that Unit.

4. Where the Director, his spouse or infant child (including step-child and adopted child):
   (i) has entered into a contract to purchase a Unit;
   (ii) has a right to have a Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
   (iii) has the right to acquire a Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
   (iv) is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of Unitholders) to exercise or control the exercise of a right attached to a Unit, not being a Unit of which any of them holds,

the Director is deemed to have an interest in that Unit.
Where the property subject to Parkway Life REIT consists of or includes a Unit and the Director knows or has reasonable grounds for believing that he has an interest under Parkway Life REIT and the property subject to Parkway Life REIT consists of or includes such Unit, he is deemed to have an interest in that Unit.

The Trustee

The trustee of Parkway Life REIT is HSBC Institutional Trust Services (Singapore) Limited. The Trustee is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act 2005, Chapter 336 of Singapore. It is approved to act as a trustee for authorised collective investment schemes under the SFA. The Trustee has a paid-up capital of S$5,150,000.00 and has a place of business in Singapore at 21 Collyer Quay, #14-01, HSBC Building, Singapore 049320. The Trustee is independent of the Manager.

Powers, Duties and Obligations of the Trustee

The Trustee's powers, duties and obligations are set out in the Trust Deed. The powers and duties of the Trustee include:

1. acting as trustee of Parkway Life REIT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of Parkway Life REIT with a related party of the Manager or Parkway Life REIT are conducted on normal commercial terms, are not prejudicial to the interests of Parkway Life REIT and the Unitholders, and in accordance with all applicable requirements under the Property Funds Guidelines and/or the Listing Manual or the rules of other relevant Recognised Stock Exchanges(s) relating to the transaction in question;

2. holding the assets of Parkway Life REIT on trust for the benefit of the Unitholders in accordance with the Trust Deed; and

3. exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of Parkway Life REIT.

The Trustee has covenanted in the Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the Trustee may (on the recommendation of the Manager in writing) and subject to the provisions of the Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Trustee may, subject to the provisions of the Trust Deed, appoint and engage:

1. a person or entity to exercise any of its powers or perform its obligations; and

2. on the Manager’s recommendation, any real estate agents or managers or service providers or such other persons, including a related party of the Manager, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of any of real estate assets and real estate-related assets.

Subject to the Trust Deed and the Property Funds Guidelines, the Manager may direct the Trustee to lend, borrow or raise money or obtain other financial accommodation for the purposes of Parkway Life REIT, both on a secured and unsecured basis.

The Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Guidelines), the Tax Ruling and all other relevant laws. It must retain Parkway Life REIT’s assets, or cause Parkway Life REIT’s assets to be retained, in safe custody and cause Parkway Life REIT’s accounts to be audited. It can also appoint valuers to value the real estate assets and real estate-related assets of Parkway Life REIT.

The Trustee is not personally liable to a Unitholder in connection with the office of the Trustee except in respect of its own fraud, gross negligence, wilful default, breach of duty or breach of trust. Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of Parkway Life REIT over which the Trustee has recourse, provided that the Trustee has acted without fraud, gross negligence, wilful default, breach of trust or breach of the Trust Deed. The Trust Deed contains certain indemnities in

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favour of the Trustee under which it will be indemnified out of the assets of Parkway Life REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to applicable laws.

Retirement and Replacement of the Trustee

The Trustee may retire or be replaced under the following circumstances:

(1) The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Trust Deed).

(2) The Trustee may be removed by notice in writing to the Trustee by the Manager:
   (i) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;
   (ii) if the Trustee ceases to carry on business;
   (iii) if the Trustee fails or neglects after 30 days’ written notice from the Manager to carry out or satisfy any material obligation imposed on the Trustee by the Trust Deed;
   (iv) if the Unitholders by Extraordinary Resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the Trust Deed, and of which not less than 21 days’ notice has been given to the Trustee and the Manager, shall so decide; or
   (v) if the MAS directs that the Trustee be removed.

Trustee’s Fee

Under the Trust Deed, the maximum fee payable to the Trustee is 0.03% per annum of the value of the Deposited Property, subject to a minimum of S$10,000 a month, excluding out-of-pocket expenses and GST. The Trustee’s fee will be subject to review annually.

Parkway Life REIT will also pay the Trustee a one-time inception fee of S$25,000.

Any increase in the maximum permitted amount or any change in the structure of the Trustee’s fee must be passed by an Extraordinary Resolution of Unitholders at a Unitholders’ meeting convened and held in accordance with the provisions of the Trust Deed.

Termination of Parkway Life REIT

Under the provisions of the Trust Deed, the duration of Parkway Life REIT shall end on the earliest of:
- such date as may be provided under written law; or
- the date on which Parkway Life REIT is terminated by the Manager in the circumstances set out in the Trust Deed, as described below; or
- the date on which Parkway Life REIT is terminated by the Trustee in the circumstances set out in the Trust Deed, as described below.

The Manager may at its absolute discretion terminate Parkway Life REIT by giving notice in writing to all Unitholders and the Trustee not less than three months in advance and to the MAS not less than seven days before the termination in any of the following circumstances:
- if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue Parkway Life REIT;
- if the net asset value of the Deposited Property shall be less than S$50,000,000 after the end of the first anniversary of the date of the Trust Deed or any time thereafter; and
- if at any time Parkway Life REIT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable law or regulation, Parkway Life REIT may be terminated by the Trustee by notice in writing in any of the following events, namely:
- if (i) the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee); or (ii) if
a receiver is appointed over any of its assets; or (iii) if a judicial manager is appointed in respect of the Manager; or (iv) if any encumbrancer shall take possession of any of its assets; or (v) if it shall cease business; and the Trustee in any of the situations above fails to appoint a successor manager in accordance with the provisions of the Trust Deed;

- if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue Parkway Life REIT; and

- if within the period of three months from the date of the Trustee expressing in writing to the Manager the desire to retire the Manager shall have failed to appoint a new trustee in accordance with the provisions of the Trust Deed.

The decision of the Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate Parkway Life REIT pursuant to the paragraphs above or otherwise. The Manager shall accept the decision of the Trustee and relieve the Trustee of any liability to it thereof and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

Generally, upon the termination of Parkway Life REIT, the Trustee shall, subject to any authorisations or directions given to it by the Manager or the Unitholders pursuant to the Trust Deed, sell the Deposited Property and repay any borrowings incurred on behalf of Parkway Life REIT in accordance with the Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of Parkway Life REIT before distributing the balance of the Deposited Property to the Unitholders in accordance with their proportionate interests in Parkway Life REIT.
Proposed Amendments to the Property Funds Guidelines

The MAS has, on 23 March 2007, released a consultation paper setting out a list of proposed amendments to the Property Funds Guidelines. Among some of the proposed amendments to the Property Funds Guidelines that have been proposed are the following:

(i) Safeguards for Distributions to Unitholders

The MAS is proposing to allow a real estate investment trust (the “REIT”) to pay dividends in excess of current income if the manager of the REIT:

(a) certifies, in consultation with the trustee of the REIT, that the REIT will be able to pay, from its trust property, its liabilities as they fall due; and

(b) discloses its distribution policy as well as the measures and assumptions for deriving the amount available to be distributed from the trust property.

(ii) Minimum Threshold for Investment in Real Estate

Currently, the Property Funds Guidelines require at least 35.0% of a REIT’s assets to be invested in real estate and at least 70.0% of a REIT’s assets to be invested in real estate and real estate-related assets.

The MAS is proposing to amend the Property Funds Guidelines to require REITs to invest at least 75.0% of their assets in income producing real estate and up to 25.0% of the real estate investment trust’s assets may be invested in other permissible investments, such as real estate-related assets, cash, government securities, listed or unlisted debt securities, or listed shares of companies not in the real estate business.

(iii) Revenue from Non-Rental Operations

The MAS is proposing to amend the Property Funds Guidelines to formalise the policy that not more than 10.0% of a REIT’s revenue can be derived from sources other than:

(a) rental payments to be made by tenants of properties held by the real estate investment trust; and

(b) interest, dividends, and other similar payments from special purpose vehicles and other permissible investments held by the REIT.

(iv) Trustee’s Responsibilities in Interested Person Transactions

Currently, two independent valuations are required for all acquisitions from or disposals to interested parties. For interested party transactions that do not require unitholders’ approval (i.e. value of the interested party transaction is less than 5.0% of the REIT’s net asset value), the trustee is required to provide a written confirmation that the transaction is carried out on normal commercial terms and is not prejudicial to the interests of unitholders if:

(a) the acquisition price is more than the lower of the two valuations; or

(b) the disposal price is less than the higher of the two valuations.

The MAS is proposing to amend the Property Funds Guidelines to require such confirmation from the trustee of the REIT only when:

(a) the acquisition price is more than the average of the two valuations; or

(b) the disposal price is less than the average of the two valuations.

(v) Trustee’s duties in reviewing contracts

Currently, trustees of REITs are required to ensure that all contracts entered into on behalf of the REIT are legal, valid, binding, and enforceable by or on behalf of the REIT in accordance with its terms.

The MAS is proposing to amend the Property Funds Guidelines to require trustees of REITs to review only material contracts which:

(a) constitute 5.0% or more of the REIT’s gross revenue; or
(b) are not entered into in the ordinary course of business (such as acquisitions and borrowings).

(vi) Licensing Framework for REIT Managers

The MAS is proposing to licence managers of REITs under the SFA, which will result in the introduction of capital requirements and licence fees for managers of REITs.

Managers of REITs which are already listed on the date that the legislative amendments come into effect will be migrated to the licensing regime. During the transitional period, which is envisaged to last for six months, existing managers of REITs will have to furnish particulars on the company, its shareholders, directors and management. The criteria for managers of REITs as set out in the Property Funds Guidelines will continue to apply to these managers.

It is intended that all professional employees of managers of REITs will hold a Capital Markets Services (the “CMS”) representative’s licence and meet minimum entry and examination requirements similar to those applicable to existing CMS representatives conducting other regulated activities.

In recognition of the specialised nature of the management of REITs, MAS proposes to introduce a new module to the Capital Markets and Financial Advisory Services Examination (the “CMFAS Exam”). The proposed CMFAS Exam for representatives of managers of REITs is envisaged to be administered in the form of a single paper covering both product and regulatory knowledge relevant to REIT management. The coverage of the CMFAS Exam is being developed with the Asian Public Real Estate Association and is aimed at ensuring that new entrants possess basic skills and knowledge in managing a REIT within the local regulatory environment.

To ease the transition for managers of existing REITs, MAS will waive the examination requirement for professional employees of managers of existing REITs. These individuals will instead undergo a non-examinable course covering the same topics as the proposed CMFAS Exam which will be made available during the six months transitional period. Notwithstanding such waiver, all professional employees of managers of existing REITs will be required to furnish their particulars in the prescribed form to the MAS for licensing within the six months transitional period after they have completed the non-examinable course or passed the CMFAS Exam.
CERTAIN AGREEMENTS RELATING TO PARKWAY LIFE REIT AND THE PROPERTIES

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of Parkway Life REIT. The agreements are available for inspection at the registered office of the Manager at 1 Grange Road, #11-01 Orchard Building, Singapore 239693 for a period of six months from the date of this Prospectus.

DESCRIPTION OF INSTRUMENTS OF LEASE

Description of Instruments of Lease relating to The Mount Elizabeth Hospital Property

Principal Terms

The Trustee, as lessee under each Instrument of Lease had covenanted to pay the yearly rent of S$12.00 during the term granted on the first day of January in each and every year of the term of each Instrument of Lease, and proportionately for any period of less than a year. The Trustee shall also pay all rates, taxes, assessments, property tax, impositions and outgoings which may be imposed during the term of each Instrument of Lease, together with the goods and services tax in respect of the yearly rent and the relevant consideration under each Instrument of Lease, which may be imposed or charged by any relevant authority from time to time.

The respective vendors of leasehold interests in the Properties, as lessors under the respective Instruments of Lease, will before the commencement of the term, carry out and complete rectification works in respect of (a) material building defects (if any) in the respective properties which are in non-compliance with applicable laws or regulations, and (b) contamination (if any) affecting the respective Properties where required by the relevant authorities, and shall regularise encroachment (if any) affecting the respective Properties. The Trustee, as lessee under each Instrument of Lease shall be allowed to require a reasonable amount (the “Retention Sum”) to be held back from the consideration payable under the respective Instruments of Lease by the Trustee’s solicitors at the commencement of the term under the respective Instruments of Lease pending the completion of the rectification works and regularisation after which the Retention Sum shall be released to the respective vendors of interests in the Properties without deduction or set-off.

Information on the title of The Mount Elizabeth Hospital Property

Leasehold title to The Mount Elizabeth Hospital Property is held under two Instruments of Lease in respect of 32 strata lots in Mount Elizabeth Hospital Development for a period of 67 years commencing on the Listing Date.

Management Corporation of Mount Elizabeth Hospital Development

Mount Elizabeth Hospital Development is a subdivided development comprising The Mount Elizabeth Hospital Property, the balance of the strata lots in Mount Elizabeth Hospital Development (the “Other Mount Elizabeth Strata Lots”) and the common property.

Under the Land Titles (Strata) Act, the subsidiary proprietors of The Mount Elizabeth Hospital Property and the Other Mount Elizabeth Strata Lots constitute the Mount Elizabeth Management Corporation, which is a body corporate constituted under the Act. The subsidiary proprietors own the common property as tenants-in-common in proportion to the share values attributable to their respective strata lots.

Share value of The Mount Elizabeth Hospital Property

The aggregate share value of The Mount Elizabeth Hospital Property is 56,709, representing 56.71% of the total share value of the strata lots comprised in Mount Elizabeth Hospital Development.

The voting rights of a subsidiary proprietor are based on the share values attributed to its strata lots and the maintenance and sinking fund contributions to be paid to the management corporation are also based on the share values attributed to its strata lots.
**Resolutions of the management corporation**

The management corporation is responsible for the control, management and administration of the common property. Under the Building Maintenance and Strata Management Act 2004, six types of resolutions may be passed, namely, ordinary resolutions, special resolutions, unanimous resolutions, 90.0% resolutions, comprehensive resolutions and resolutions by consensus depending on the matters in respect of which decisions of the management corporation are to be taken.

The determination of the amounts of maintenance fund and sinking fund contributions and the appointment of a managing agent are matters which a management corporation may at a general meeting decide by the passing of an ordinary resolution. An ordinary resolution is passed at a general meeting of the management corporation duly convened after at least 14 days’ notice, where:

(a) if no poll is taken at such general meeting, a simple majority in the number of votes is taken in support of the relevant motion; or

(b) if a poll is taken at such general meeting, the value of the valid votes cast (such value to be equal to the share value of the strata lots which conferred the right to cast such votes) in favour of the relevant motion is more than the value of the valid votes cast (such value to be equal to the share value of the strata lots which conferred the right to cast such votes) against the relevant motion.

The installation or provision of additional facilities or the making of improvements to the common property must be approved by a special resolution, which is passed at a general meeting of the management corporation duly convened after at least 21 days’ notice, where, on a poll, the value of the valid votes (such value to be equal to the share value of the strata lots which conferred the right to cast such votes) counted in favour of the resolution is at least 75.0% of the aggregate share values of the strata lots owned by the subsidiary proprietors who are present (in person or by proxy) when such vote is taken.

The dispositions of common property must be approved by a 90.0% resolution. A 90.0% resolution will be passed at a general meeting of the management corporation duly convened after at least 21 days’ notice, where, on a poll, the total of the share values of the strata lots for which valid votes are counted in favour of the resolution is at least 90.0% of the aggregate share values of the strata lots for which all valid votes are cast by the subsidiary proprietors who are present (in person or by proxy) when such vote is taken. The grant by the management corporation to a subsidiary proprietor of the exclusive use of and privileges in respect of any common property or part thereof for a period exceeding three years also requires sanction by a 90.0% resolution.

The creation of easements and restrictions affecting common property is to be approved by a unanimous resolution. A unanimous resolution is passed at a general meeting of the management corporation duly convened after at least 21 days’ notice, where the resolution is supported by every valid vote cast by subsidiary proprietors who are present (in person or by proxy) at such general meeting.

In respect of levying any contributions to the management fund and sinking fund on any subsidiary proprietor for the alteration of common property or the erection of any structure on the common property giving rise to a change in the use of such common property using formulae other than share value, a comprehensive resolution is required. A motion is decided by comprehensive resolution if the motion is considered at a general meeting of the management corporation duly convened after at least 21 days’ notice, on a poll taken at the end of 12 weeks after the general meeting is convened, the value of the valid votes cast (such value to be equal to the share value of the strata lots which conferred the right to cast such votes) in favour of the resolution is at least 90.0% of the aggregate share value of the strata lots of all the subsidiary proprietors who, at the end of the 12 weeks, constitute the management corporation.

Unless otherwise directed by a resolution by consensus, the management corporation has to insure every subdivided building shown in the strata title plan and keep the building insured under a damage policy. A motion is decided by resolution by consensus if the motion is considered at a general meeting of the management corporation duly convened, for which 21 days’ notice has been given and all subsidiary proprietors support the motion in writing at the end of a period of 12 weeks after the general meeting.

**Council of the Mount Elizabeth Hospital Management Corporation (Management Corporation Strata Title Plan No. 1692)**

The Mount Elizabeth Hospital Management Corporation is required under the Building Maintenance and Strata Management Act 2004 to have a council which is a representative body of members elected from subsidiary proprietors or their nominees.
Notwithstanding that a council holds office, the Mount Elizabeth Hospital Management Corporation may in
general meeting continue to exercise or perform all or any of the powers, duties and functions conferred on
the Mount Elizabeth Hospital Management Corporation by the Building Maintenance and Strata
Management Act 2004 or the by-laws.

The council is restricted from deciding on matters or class of matters which the Mount Elizabeth Hospital
Management Corporation in general meeting decides must be determined only by the Mount Elizabeth
Hospital Management Corporation in general meeting. Unless so restricted, the council may decide on
operational matters relating to the administration of the common property.

The council must not make a decision (and, if it does so, such decision shall have no force or effect) if prior
notice in writing is given to the Secretary of the Council by subsidiary proprietors who own not less than
one-third of the strata lots in the development that the making of the decision is opposed by these
subsidiary proprietors.

Description of Instruments of Lease relating to The Gleneagles Hospital Property

Principal Terms

The Trustee, as lessee under each Instrument of Lease had covenanted to pay the yearly rent of S$12.00
during the term granted on the first day of January in each and every year of the term of each Instrument of
Lease, and proportionately for any period of less than a year. The Trustee shall also pay all rates, taxes,
asessments, property tax, impositions and outgoings which may be imposed during the term of each
Instrument of Lease, together with the goods and services tax in respect of the yearly rent and the relevant
consideration under each Instrument of Lease, fees which may be imposed or charged by any relevant
authority from time to time.

The respective vendors of leasehold interests in the Properties, as lessors under the respective
Instruments of Lease, will before the commencement of the term, carry out and complete rectification
works in respect of (a) material building defects (if any) in the respective properties which are in non-
compliance with applicable laws or regulations, and (b) contamination (if any) affecting the respective
Properties where required by the relevant authorities, and shall regularise encroachment (if any) affecting
the respective Properties. The Trustee, as lessee under each Instrument of Lease shall be allowed to
require a reasonable amount (the “Retention Sum”) to be held back from the consideration payable under
the respective Instruments of Lease by the Trustee’s solicitors at the commencement of the term under the
respective Instruments of Lease pending the completion of the rectification works and regularisation after
which the Retention Sum shall be released to the respective vendors of interests in the Properties without
deduction or set-off.

Information on the title of The Gleneagles Hospital Property

Leasehold title to The Gleneagles Hospital Property is held under three Instruments of Lease in respect of
11 strata lots in Gleneagles Hospital Development for a period of 75 years commencing on the Listing
Date.

Management Corporation of Gleneagles Hospital Development

Gleneagles Hospital Development is a subdivided development comprising The Gleneagles Hospital
Property, the balance of the strata lots in Gleneagles Hospital Development (the “Other Gleneagles Strata
Lots”) and the common property.

Under the Land Titles (Strata) Act, the subsidiary proprietors of The Gleneagles Hospital Property and the
Other Gleneagles Strata Lots constitute the Gleneagles Management Corporation, which is a body
corporate constituted under the Act. The subsidiary proprietors own the common property as
tenants-in-common in proportion to the share values attributable to their respective strata lots.

Share value of The Gleneagles Hospital Property

The aggregate share value of The Gleneagles Hospital Property is 69,053, representing 69.05% of the
total share value of the strata lots comprised in Gleneagles Hospital Development.

The voting rights of a subsidiary proprietor are based on the share values attributed to its strata lots and the
maintenance and sinking fund contributions to be paid to the management corporation are also based on
the share values attributed to its strata lots.
**Resolutions of the management corporation**

The management corporation is responsible for the control, management and administration of the common property. Under the Building Maintenance and Strata Management Act 2004, six types of resolutions may be passed, namely, ordinary resolutions, special resolutions, unanimous resolutions, 90.0% resolutions, comprehensive resolutions and resolutions by consensus depending on the matters in respect of which decisions of the management corporation are to be taken.

The determination of the amounts of maintenance fund and sinking fund contributions and the appointment of a managing agent are matters which a management corporation may at a general meeting decide by the passing of an ordinary resolution. An ordinary resolution is passed at a general meeting of the management corporation duly convened after at least 14 days’ notice, where:

(a) if no poll is taken at such general meeting, a simple majority in the number of votes is taken in support of the relevant motion; or

(b) if a poll is taken at such general meeting, the value of the valid votes cast (such value to be equal to the share value of the strata lots which conferred the right to cast such votes) in favour of the relevant motion is more than the value of the valid votes cast (such value to be equal to the share value of the strata lots which conferred the right to cast such votes) against the relevant motion.

The installation or provision of additional facilities or the making of improvements to the common property must be approved by a special resolution, which is passed at a general meeting of the management corporation duly convened after at least 21 days’ notice, where, on a poll, the value of the valid votes (such value to be equal to the share value of the strata lots which conferred the right to cast such votes) counted in favour of the resolution is at least 75.0% of the aggregate share values of the strata lots owned by the subsidiary proprietors who are present (in person or by proxy) when such vote is taken.

The dispositions of common property must be approved by a 90.0% resolution. A 90.0% resolution will be passed at a general meeting of the management corporation duly convened after at least 21 days’ notice, where, on a poll, the total of the share values of the strata lots for which valid votes are counted in favour of the resolution is at least 90.0% of the aggregate share values of the strata lots for which all valid votes are cast by the subsidiary proprietors who are present (in person or by proxy) when such vote is taken. The grant by the management corporation to a subsidiary proprietor of the exclusive use of and privileges in respect of any common property or part thereof for a period exceeding three years also requires sanction by a 90.0% resolution.

The creation of easements and restrictions affecting common property is to be approved by a unanimous resolution. A unanimous resolution is passed at a general meeting of the management corporation duly convened after at least 21 days’ notice, where the resolution is supported by every valid vote cast by subsidiary proprietors who are present (in person or by proxy) at such general meeting.

In respect of levying any contributions to the management fund and sinking fund on any subsidiary proprietor for the alteration of common property or the erection of any structure on the common property giving rise to a change in the use of such common property using formulae other than share value, a comprehensive resolution is required. A motion is decided by comprehensive resolution if the motion is considered at a general meeting of the management corporation duly convened after at least 21 days’ notice, on a poll taken at the end of 12 weeks after the general meeting is convened, the value of the valid votes cast (such value to be equal to the share value of the strata lots which conferred the right to cast such votes) in favour of the resolution is at least 90.0% of the aggregate share value of the strata lots of all the subsidiary proprietors who, at the end of the 12 weeks, constitute the management corporation.

Unless otherwise directed by a resolution by consensus, the management corporation has to insure every subdivided building shown in the strata title plan and keep the building insured under a damage policy. A motion is decided by resolution by consensus if the motion is considered at a general meeting of the management corporation duly convened, for which 21 days’ notice has been given and all subsidiary proprietors support the motion in writing at the end of a period of 12 weeks after the general meeting.

**Council of the Gleneagles Hospital Management Corporation (Management Corporation Strata Title Plan No. 1847)**

The Gleneagles Hospital Management Corporation is required under the Building Maintenance and Strata Management Act 2004 to have a council which is a representative body of members elected from subsidiary proprietors or their nominees.
Notwithstanding that a council holds office, the Gleneagles Hospital Management Corporation may in general meeting continue to exercise or perform all or any of the powers, duties and functions conferred on the Gleneagles Hospital Management Corporation by the Building Maintenance and Strata Management Act 2004 or the by-laws.

The council is restricted from deciding on matters or class of matters which the Gleneagles Hospital Management Corporation in general meeting decides must be determined only by the Gleneagles Hospital Management Corporation in general meeting. Unless so restricted, the council may decide on operational matters relating to the administration of the common property.

The council must not make a decision (and, if it does so, such decision shall have no force or effect) if prior notice is given by subsidiary proprietors who own not less than one-third of the strata lots in the development that the making of the decision is opposed by these subsidiary proprietors.

Description of Instrument of Lease relating to The East Shore Hospital Property

Principal Terms

The Trustee, as lessee under the Instrument of Lease had covenanted to pay the yearly rent of S$12.00 during the term granted on the first day of January in each and every year of the term of the Instrument of Lease, and proportionately for any period of less than a year. The Trustee shall also pay all rates, taxes, assessments, property tax, impositions and outgoings which may be imposed during the term of the Instrument of Lease, together with the goods and services tax in respect of the yearly rent and the relevant consideration under each Instrument of Lease, fees which may be imposed or charged by any relevant authority from time to time.

The respective vendors of leasehold interests in the Properties, as lessors under the respective Instruments of Lease, will before the commencement of the term, carry out and complete rectification works in respect of (a) material building defects (if any) in the respective properties which are in non-compliance with applicable laws or regulations, and (b) contamination (if any) affecting the respective Properties where required by the relevant authorities, and shall regularise encroachment (if any) affecting the respective Properties. The Trustee, as lessee under each Instrument of Lease shall be allowed to require a reasonable amount (the “Retention Sum”) to be held back from the consideration payable under the respective Instruments of Lease by the Trustee's solicitors at the commencement of the term under the respective Instruments of Lease pending the completion of the rectification works and regularisation after which the Retention Sum shall be released to the respective vendors of interests in the Properties without deduction or set-off.

Information on the title of The East Shore Hospital Property

Leasehold title to The East Shore Hospital Property is held under one Instrument of Lease in respect of one land lot for a period of 75 years commencing on the Listing Date.
DESCRIPTION OF THE MASTER LEASE AGREEMENTS

The Properties are each leased by Parkway Life REIT to the Master Lessee pursuant to Master Lease Agreements.

Principal Terms of the Master Lease Agreements

The term of each of the Master Lease Agreements is for an initial term of 15 years from the Listing Date (the “Initial Term”). During the Initial Term, the Master Lessee will have to pay to Parkway Life REIT an annual rent for each of the Properties. The annual rent for each of the Properties comprises a base rent and a variable rent component. A summary of the aggregate annual rent payable for each of the Properties is as follow:

<table>
<thead>
<tr>
<th>Year</th>
<th>The Mount Elizabeth Hospital Property</th>
<th>The Gleneagles Hospital Property</th>
<th>The East Shore Hospital Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st year of the Initial Term</td>
<td>Aggregate of:</td>
<td>Aggregate of:</td>
<td>Aggregate of:</td>
</tr>
<tr>
<td></td>
<td>(a) S$19.8 million (“Mount Elizabeth Base Rent”); and</td>
<td>(a) S$8.7 million (“Gleneagles Base Rent”); and</td>
<td>(a) S$1.5 million (“East Shore Base Rent”); and</td>
</tr>
<tr>
<td></td>
<td>(b) the higher of (i) 3.8% of Adjusted Hospital Property for the current financial year (&quot;Mount Elizabeth Variable Rent&quot;) or (ii) S$9.9 million.</td>
<td>(b) the higher of (i) 3.8% of Adjusted Hospital Property for the current financial year (&quot;Gleneagles Variable Rent&quot;) or (ii) S$4.3 million.</td>
<td>(b) the higher of (i) 3.8% of Adjusted Hospital Property for the current financial year (&quot;East Shore Variable Rent&quot;) or (ii) S$0.8 million.</td>
</tr>
<tr>
<td>2nd year till final year of the Initial Term</td>
<td>Aggregate of:</td>
<td>Aggregate of:</td>
<td>Aggregate of:</td>
</tr>
<tr>
<td></td>
<td>(a) Mount Elizabeth Base Rent; and</td>
<td>(a) Gleneagles Base Rent; and</td>
<td>(a) East Shore Base Rent; and</td>
</tr>
<tr>
<td></td>
<td>(b) Mount Elizabeth Variable Rent,</td>
<td>(b) Gleneagles Variable Rent,</td>
<td>(b) East Shore Variable Rent,</td>
</tr>
<tr>
<td></td>
<td>PROVIDED ALWAYS that the rent payable shall be no less than the equivalent of:</td>
<td>PROVIDED ALWAYS that the rent payable shall be no less than the equivalent of:</td>
<td>PROVIDED ALWAYS that the rent payable shall be no less than the equivalent of:</td>
</tr>
<tr>
<td></td>
<td>(1 + (CPI + 1.0%)) X total rent payable for the immediately preceding year.</td>
<td>(1 + (CPI + 1.0%)) X total rent payable for the immediately preceding year.</td>
<td>(1 + (CPI + 1.0%)) X total rent payable for the immediately preceding year.</td>
</tr>
<tr>
<td>Where CPI is negative for any given year, then CPI shall be deemed to be zero.</td>
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<td></td>
</tr>
</tbody>
</table>

For the purpose of determining the variable rent component of each of the Properties, the “Adjusted Hospital Revenue” in respect of each Property shall mean the sum of:

(1) the invoiced value for the following services rendered and income earned on or from the Properties by the Master Lessee without reserve or deduction for uncollected or uncollectible accounts (the invoiced value being considered to be received when a sale is made or on completion of the services rendered, irrespective of when payment is made) after deducting all discounts (including corporate, staff or other discounts) of whatever nature given by the Master Lessee in respect of such invoiced value:

(a) Inpatient revenue, including lodger revenue;

(b) Outpatient revenue;

(c) Rental and licence fee income from the lease/licence of the Properties or any part thereof (but excluding rental and licence fee income earned from Parkway Laboratory Services Ltd (“PLS”) and Medi-Rad Associates Ltd (“Medi-Rad”) (if applicable));
(d) Carpark revenue;
(e) Retail pharmacy revenue and amounts paid in connection therewith, if applicable; and
(f) Food and beverage revenue from the staff cafeteria and doctors’ lounge;

(2) the invoiced value for radiology services rendered on or from the Properties by Medi-Rad without reserve or deduction for uncollected or uncollectible accounts (the invoiced value being considered to be received on completion of the services rendered, irrespective of when payment is made), but excludes such radiology revenue of Medi-Rad from radiology services rendered on or from the Properties which are billed by Medi-Rad to the Master Lessee, after deducting all discounts (including corporate, staff or other discounts) of whatever nature given by Medi-Rad in respect of such radiology revenue.

Unless otherwise specified above, all other income of the Master Lessee shall be excluded from the computation of Adjusted Hospital Revenue. In addition, the above computation of Adjusted Hospital Revenue shall exclude the following:

(i) service charges;
(ii) cess charges;
(iii) GST; and
(iv) any revenues from professional fees or charges by physicians or providers of ancillary services when and to the extent such charges are paid over to such physicians or providers of ancillary services, or are accompanied by separate charges for use of any medical facilities at the Properties.

For the avoidance of doubt, all amounts for services rendered and income earned by the Master Lessee on or from premises which are not part of the Properties shall not be included under the definition of Adjusted Hospital Revenue.

The base rent component for each of the Properties will be paid in 12 equal monthly payments (and proportionately for any part of a month) in advance. The variable rent component for each of the Properties will be paid quarterly as follow:

(a) for the first three quarters of each current financial year commencing on 1 January and ending on 31 December, on the date falling 75 days after the end of each quarter; and
(b) for the last quarter of each current financial year commencing on 1 January and ending on 31 December, on the date falling 90 days after the end of such financial year.

The Master Lessee will have an option to extend the lease of each of the Properties for a further term of 15 years (the “Extended Term”) upon the expiry of the Initial Term by giving a written notice to the Trustee at least 12 months prior to the expiration of the Initial Term, provided that the Master Lessee is not in breach of the relevant Master Lease Agreement at the time of the notice. Upon receipt of such notice, the Trustee will grant the Extended Term at a revised rent based on the then prevailing market rent (which shall be inclusive of the respective base rent and variable rent components) and on the same terms and conditions set out in the relevant Master Lease Agreement (save for the option to renew the lease), provided that the revised rent for the first year of the Extended Term shall not exceed 15.0% of the Adjusted Hospital Revenue for the period from 1 January 2021 to 31 December 2021. Unitholders’ approval will be obtained in connection with the extension of the Master Lease Agreement for the Extended Term, if required under the rules of the Listing Manual.

Rationale for Structure of Rent

Under the Master Lease Agreements, the Master Lessee is required to pay a rent amount of the higher of the following:

(a) an annual aggregate base rent of S$30.0 million and a variable rent of 3.8% of the Master Lessee’s Adjusted Hospital Revenue for the current financial year for each of the Properties; or
(b) \( (1 + (CPI + 1.0\%)) \times \) the total rent payable for the immediately preceding year.

PROVIDED THAT the rental for FY2007 shall be subject to a minimum rental of S$45.0 million (on an annualised basis) comprising an aggregate base rental of S$30.0 million plus a variable rental of
S$15.0 million. Where CPI is negative for any given year, the CPI shall be deemed to be zero for that particular year.

**Base Rent**

The aggregate base rent for the Properties is S$30.0 million per annum. The base rent is determined after taking into account factors such as the free cash flow of the Master Lessee so as to protect Unitholders from any downside of the distribution amount.

**Variable Rent**

The variable rent mechanism is formulated to enable Parkway Life REIT to benefit from the growth of the Hospitals. Accordingly, the Sponsor believes that the variable rent percentage of 3.8% of the Adjusted Hospital Revenue of each Property is reasonable as it allows Unitholders to participate in the growing healthcare sector in Singapore while protecting a down side protection mechanism.

**CPI Index formula**

The step-up is based on percentage increase in CPI which is commonly used by healthcare REITs in the United States. The average Singapore CPI increase was approximately 1.4% over the 15-year period between 1991 and 2005.

**Other Material Terms**

The Master Lessee shall be responsible for the property tax (including all increases thereof) and all outgoings and expenses to be incurred in respect of each of the Properties during the term of each of the Master Lease Agreements, excluding all applicable maintenances charges and applicable contributions to the sinking fund charged from time to time by the relevant management corporation (if any) of the relevant property which will be the responsibility of Parkway Life REIT.

From the commencement of the lease until 31 December 2009, the Master Lessee shall be responsible for all repair and replacement works, whether or not of a capital nature and irrespective of the cost of such works. After 31 December 2009, Parkway Life REIT is responsible for any replacement works in relation to the structural parts of the Properties and the mechanical and electrical equipment which are of a capital nature.

Under the Master Lease Agreements, the Master Lessee is required to take up various insurances save for those which have already been taken up by the MCST of Mount Elizabeth Hospital Development and Gleneagles Hospital Development. The Master Lessee will reimburse Parkway Life REIT for premiums payable for any business interruption insurance taken up by Parkway Life REIT. Parkway Life REIT is responsible for the taking up of and the maintenance of fire insurance policy for The East Shore Hospital Property.

All necessary regulatory licences required by law for the operation of its business in the Properties must be obtained by the Master Lessee at its costs and expenses.

The Master Lessee is permitted to sublet any part of the Properties subject to compliance with the terms of the Master Lease Agreements and the requirements of all relevant authorities.

The Master Lessee shall use the Properties as hospitals and medical centres with ancillary carparks, retail shops, banks and/or offices or such other uses as may be approved by the authorities and subject to any restrictions imposed on the Properties.

Upon occurrence of certain specified events as provided in the Master Lease Agreements, Parkway Life REIT may without prejudice to any other rights accruing to it under the terms the Master Lease Agreements and the requirements of all relevant authorities.

If the Properties or any part thereof shall at any time during the Term be wholly or partially damaged or destroyed pursuant to events as provided in the Master Lease Agreement for a continuous period of more than one (1) month the rental covenanted to be paid or a fair proportion thereof according to the nature and
extent of the damage sustained shall be suspended until the Properties or such part thereof shall again be rendered fit for occupation and use or until access thereto may be obtained. If the unfitness of the Properties or any part thereof or the inaccessibility thereto shall continue for a period of more than ninety (90) days either Parkway Life REIT or the Master Lessee shall be at liberty by notice in writing to determine the Term and upon such notice being given the Term shall absolutely cease and determine without prejudice to any right of action of Parkway Life REIT in respect of any antecedent breach of the Master Lease Agreement by the Master Lessee.

The Master Lessee shall not carry out or cause to be carried out any alterations, additions or renovations to the Properties or any part thereof or to any fixtures, installations or improvements, or construct or install any erections or fixtures, or carry out any decorations or other works without obtaining the consent of Parkway Life REIT and the relevant competent authorities (where required) in writing Provided Always that Parkway Life REIT's consent is deemed granted if the following conditions are satisfied in respect of each Property:

(a) the estimated costs of the proposed alterations, additions or renovations do not exceed S$2,000,000 for each of The Mount Elizabeth Hospital Property and The Gleneagles Hospital Property, and approval from the relevant competent authorities is not required for the proposed alterations, additions or renovations;

(b) the estimated costs of the proposed alterations, additions or renovations do not exceed S$500,000 for The East Shore Hospital Property, and approval from the relevant competent authorities is not required for the proposed alterations, additions or renovations; and

(c) the aggregate costs of alterations, additions or renovations carried out to-date in the relevant calendar year have not exceeded 2.0% of the valuation of the Property for that relevant year.

Upon the expiration or earlier determination of the Term, the Master Lessee shall surrender and deliver the Properties to Parkway Life REIT on an “as is where is” basis and in the physical state and condition of the Properties at the time of such expiration or earlier determination of the Term. The Master Lessee shall remove or cause to be removed at its own cost and expense any fixtures (including all medical equipment whether they are Parkway Life REIT’s or the Master Lessee’s fixtures), fittings, alterations, decorations, additions and improvements made by the Master Lessee to the Properties.
DESCRIPTION OF THE APPOINTMENT OF PROPERTY MANAGER AGREEMENT

The Appointment of Property Manager Agreement will be entered into by the Trustee, the Manager and the Property Manager pursuant to which, for all the Properties as well as all other properties in Singapore from time to time acquired by Parkway Life REIT and in respect of which the Trustee has right to appoint the property manager for such properties, the Property Manager shall be appointed to be the property manager pursuant to the terms of the Appointment of Property Manager Agreement and in accordance to such appointment, the Property Manager will enter into a property management agreement ("Property Management Agreement") to provide project management services which include co-ordination of pre-qualification and tender exercises as well as project meetings, recommendation of project budget and appointment of project consultants, as well as monitoring and supervising projects. The Property Manager may, with the consent of the Trustee on the recommendation of the Manager, delegate all or some of these functions to a third party. Notwithstanding this, the Property Manager shall remain liable under the Property Management Agreement.

The initial term of the Appointment of Property Manager Agreement is five years from the date of first commencement of the provision of the services by the Property Manager (the “PM Initial Term”).

Six months prior to expiry of the PM Initial Term, the Property Manager may request to extend its appointment for a further five years from the expiry of the PM Initial Term (the “PM Extension Term”), on the same terms and conditions, save for the fees payable to the Property Manager which shall be at the market rates prevailing at the time of such extension.

The Trustee, on the recommendation of the Manager, will decide the prevailing market rates for the PM Extension Term and if the Property Manager disagrees with the Trustee’s decision on the prevailing market rates for the PM Extension Term, the matter will be referred to an independent expert whose determination of the prevailing market rates shall be final and binding on the parties.

Fees

Under the Property Management Agreement, the Property Manager is entitled to receive a Project Management Fee for each project undertaken, for the development or redevelopment (if not prohibited by the Property Funds Guidelines or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation of a property, based on the capital expenditure of the project, amounting to:

(a) 5.0% of the capital expenditure of the project where the capital expenditure of the project is less than S$1.0 million; or

(b) 3.0% of the capital expenditure of the project where the capital expenditure of the project is more than or equal to S$1.0 million.

For the purpose of calculating the fees payable to the Property Manager, “capital expenditure” means all construction costs and expenditure valued by the quantity surveyor engaged by the Trustee for the project, excluding development charges, differential premiums, statutory payments, consultants’ professional fees, and goods and services tax.

If in compliance with applicable regulatory requirements relating to Related Party Transactions relating to real estate investment trusts, the approval of Unitholders is required for payment of any of the abovementioned fees for project management services, such payment will be subject to the obtaining of such Unitholders’ approval, and if such approval is not obtained, the Trustee shall not be obliged to appoint the Property Manager and the Property Manager shall not be obliged to accept the appointment as property manager for the property and the Trustee shall be entitled to engage other consultants to be property manager.

Termination

The Trustee or the Manager may terminate the appointment of the Property Manager on the occurrence of certain specified events, which include the appointment of a liquidator of the Property Manager or if an order is made or a resolution is passed for the winding up of the Property Manager.

On the termination of the appointment of the Property Manager, the Manager shall, as soon as practicable, recommend to the Trustee the appointment of a replacement property manager in relation to the property and to arrange for the Trustee, the Manager and the replacement property manager to enter into a property management agreement on similar terms as the Property Management Agreement.
**Assignment**

The Trustee and the Manager may assign or transfer their rights, benefits and obligations under the Property Management Agreement to a new trustee of Parkway Life REIT or a new manager of Parkway Life REIT appointed in accordance with the terms of the Trust Deed.

**Exclusion of Liability**

In the absence of fraud, negligence, wilful default or breach of the Property Management Agreement by the Property Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the Property Management Agreement.

In addition, the Trustee, as trustee of Parkway Life REIT, shall indemnify the Property Manager against any actions, costs, claims, damages, expenses or demands which the Property Manager may suffer or incur as a result of the Property Manager performing its functions and duties under the Property Manager Agreement, save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Property Management Agreement by the Property Manager or its employees or agents.

**No restriction on Property Manager**

The Property Manager may provide services similar to those contemplated under the Property Management Agreement to other parties operating in the same or similar business as the Trustee, or in other businesses.
DESCRIPTION OF THE RIGHT OF FIRST REFUSAL ARRANGEMENTS

Granted by the Sponsor to Parkway Life REIT

On 17 July 2007, an agreement was entered into between the Trustee, as trustee of Parkway Life REIT, and the Sponsor pursuant to which Parkway Life REIT was granted a right of first refusal over sales of assets that is used, or primarily used, for healthcare and/or healthcare-related purposes in the Asia-Pacific region (including Singapore) and if applicable, the interests in special purpose vehicles which hold such assets directly or indirectly (together, the “Relevant Assets”).

Where:

(a) the Sponsor or any of its subsidiaries (each a “Parkway Entity”) proposes to sell or transfer a Relevant Asset (whether wholly owned or partly owned and excluding a sale of a Relevant Asset by a Parkway Entity to any related corporation of such Parkway Entity pursuant to a reconstruction, amalgamation, restructuring, merger or any analogous event) to an unrelated third party; or

(b) a proposed offer for sale or transfer of a Relevant Asset is made to a Parkway Entity,

the Sponsor shall, subject to the applicable laws, regulations and government policies (including those relating to property ownership by foreign persons), overriding contractual obligations of the relevant Parkway Entity (if any) as well as approval of shareholders of the Parkway Entity (if required), give written notice thereof to the Trustee, and will grant to the Trustee the first right of refusal to purchase the Relevant Asset for the benefit of Parkway Life REIT.

If (i) the Trustee does not, within fourteen days from the date of the written notice of the proposed offer, indicate in writing, to the Sponsor its interest in acquiring the Relevant Asset, or (ii) the Trustee expresses interest in acquiring the Relevant Asset but does not enter into a binding commitment (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) for the purchase of the Relevant Asset within 30 days (or such longer period as may be mutually agreed by the parties) from the date of the Trustee’s receipt of such written notice together with the relevant transaction documents or (iii) the Trustee delivers notice to the Sponsor in writing within the offer period that it will not be purchasing the Relevant Asset or (iv) the proposed purchase of the Relevant Asset is aborted by the Trustee, the relevant Parkway Entity is entitled to (as the case may be):

(a) sell its Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Parkway Entity to the Trustee; or

(b) purchase the Relevant Asset on such terms and conditions offered to it as it may deem fit, without any accountability, liability or obligation to the Trustee.

The right of first refusal was granted by the Sponsor to Parkway Life REIT for a period of five years from the date of admission of Parkway Life REIT to the Official List of SGX-ST, for so long as (a) Parkway Trust Management Limited remains the manager of Parkway Life REIT, and (b) the Sponsor and/or any of its related corporations, alone or in aggregate, remains a controlling shareholder in Parkway Trust Management Limited. Subject to the approval of shareholders of the Sponsor at its general meeting, if required, the Sponsor will extend the right of first refusal at the expiry of the initial five-year term for so long as (a) Parkway Trust Management Limited remains the manager of Parkway Life REIT, and (b) the Sponsor and/or any of its related corporations, alone or in aggregate, remains a controlling shareholder in Parkway Trust Management Limited.

In the event Parkway Life REIT acquires a healthcare and/or healthcare-related asset that is without an operator at the time of acquisition of such asset by Parkway Life REIT, (i) if Parkway Life REIT does not receive any formal binding offer from any reputable operator, the Trustee shall, subject to the applicable laws, regulations and government policies, overriding contractual obligations of Parkway Life REIT (if any) as well as approval of the Unitholders (if required), give written notice to the Sponsor to offer them the first right to lease and operate the asset based on terms and conditions to be agreed with the Sponsor, or (ii) if Parkway Life REIT should receive any formal binding offer(s) from reputable operator(s), the Manager shall take into consideration the terms received from such operator(s) and recommend to the Trustee which shall, subject to the applicable laws, regulations and government policies, overriding contractual obligations of Parkway Life REIT (if any) as well as approval of the Unitholders (if required), give written notice to the Sponsor to offer them the first right to lease and operate the asset based on terms which, when taken as a whole, are from Parkway Life REIT’s perspective equal to or better than the terms offered.
by the other operator(s). Such right of first refusal shall be for a period of five years from the date of admission of Parkway Life REIT to the Official List of SGX-ST.

In order to minimise potential conflicts of interest between Parkway Life REIT and the Sponsor which has interests in acquiring healthcare or healthcare-related assets properties in the Asia-Pacific region (including Singapore) and divesting the same in competition with Parkway Life REIT, the Board of Parkway Trust Management Limited has submitted an undertaking to the SGX-ST that if (a) Parkway Trust Management Limited remains the manager of Parkway Life REIT, and (b) the Sponsor and/or any of its related corporations, alone or in aggregate, remains a controlling shareholder in Parkway Trust Management Limited and, for whatever reason, the right of first refusal is not extended after five years, (i) the Audit Committee of Parkway Trust Management Limited will review this conflict of interest issue and propose measures to resolve any conflicts which must be sufficient to meet the requirements under Rule 223 of the Listing Manual regulating conflicts of interests; and (ii) announce the Audit Committee’s assessment of the issue and the measures to be adopted at that time.

**Granted by Parkway Life REIT to the Sponsor**

On 17 July 2007, an agreement was entered into between the Trustee, as trustee of Parkway Life REIT, and the Sponsor pursuant to which the Sponsor was granted a right of first refusal, which is effective from the date of admission of Parkway Life REIT to the Official List of SGX-ST, over sales of assets in the Asia-Pacific region (including Singapore) that is used, or primarily used, for healthcare and/or healthcare-related purposes and if applicable, the interests in special purpose vehicles which hold such assets directly or indirectly (together, the “REIT Relevant Assets”) held by Parkway Life REIT which were acquired by the Trustee or any subsidiary of Parkway Life REIT (together with the Trustee, the “Parkway Life Entities” and each a “Parkway Life Entity”).

In the event that the Manager recommends to the Trustee to undertake a sale of a REIT Relevant Asset (whether wholly owned or partly owned), or where the Trustee or the Manager is approached by any person to sell such REIT Relevant Asset, the Manager will undertake an independent valuation in accordance with the Property Funds Guidelines and approach potential purchasers with a view to obtaining the optimal terms for the proposed sale. Following this, the Trustee shall, subject to the applicable laws, regulations and government policies (including those relating to property ownership by foreign persons), overriding contractual obligations of Parkway Life REIT (if any) as well as approval of the Unitholders (if required), give written notice thereof to the Sponsor of the best terms offered by potential purchasers (“ROFR Notice”), and will grant to the Sponsor the first right of refusal to purchase the REIT Relevant Asset from Parkway Life REIT on similar terms.

If (i) the Sponsor does not, within fourteen (14) days from the date of the written notice of the proposed offer, indicate in writing, to the Trustee its interest in acquiring the REIT Relevant Asset, or (ii) the Sponsor expresses interest in acquiring the REIT Relevant Asset but does not enter into a binding commitment (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) for the purchase of the REIT Relevant Asset within 30 days (or such longer period as may be mutually agreed by the parties) from the date of the Sponsor's receipt of such written notice together with the relevant transaction documents, or (iii) the Sponsor delivers notice to the Trustee in writing within the offer period that it will not be purchasing the REIT Relevant Asset, or (iv) the proposed sale of the REIT Relevant Asset is aborted by the Sponsor, the relevant Parkway Life Entity is entitled to (as the case may be) sell its REIT Relevant Asset to a third party on terms and conditions which from the perspective of the Parkway Life Entity are substantially equal to, or better than, the terms set out in the ROFR Notice from the Parkway Life Entity to the Sponsor.

The right of first refusal was granted by the Trustee to the Sponsor for so long as Parkway Hospitals Singapore Pte Ltd or any of the wholly owned subsidiaries of the Sponsor, remains the master lessee of the REIT Relevant Asset. The exercise of the option by the Sponsor shall be subject to the prevailing laws and regulations (including but not limited to, the rules of the Listing Manual and the provisions in the CIS Code on interested-party transactions).
OVERVIEW OF RELEVANT SINGAPORE HEALTHCARE LAWS AND REGULATIONS

There is a dual system of healthcare delivery in Singapore. The Singapore Government manages the public sector while the private sector is provided by the private hospitals and general practitioners. The private hospitals in Singapore are regulated by the Private Hospitals and Medical Clinics Act, Cap. 248 of Singapore (the “Private Hospitals Act”) and relevant subsidiary legislations, primarily the Private Hospitals and Medical Clinics Regulations 2003 (the “Private Hospitals Regulation”). The Hospitals are private hospitals as defined under the Private Hospitals Act.

Private Hospitals Act and Private Hospitals Regulation

The Private Hospitals Act, together with the Private Hospitals Regulations, imposes conditions on the operations of private hospitals, some of which include the following:

- The owner of private hospitals (the “Licensee”) must have an operational licence issued by the Director of Medical Services (the “Director of Medical Services”) which is granted for a period of two years and is renewable at the discretion of the Director of Medical Services and subject to such restrictions and conditions as the Director of Medical Services thinks fit. On 27 June 2007, in a letter from the Director of Medical Services to the Sponsor and the Master Lessee, the Director of Medical Services confirmed that the existing licences held by the Master Lessee remains valid so long as the Master Lessee continues to operate the Hospitals. In the same letter, the Director of Medical Services also confirmed that it is not necessary for Parkway Life REIT to obtain any licence under the Private Hospitals Act to acquire and own the Hospitals;

- The licensed private hospital must, according to the tenor of the licence, be of one of the following kinds:
  (a) a maternity hospital;
  (b) a medical hospital;
  (c) a surgical hospital;
  (d) a psychiatric hospital;
  (e) a convalescent hospital;
  (f) a children’s hospital;
  (g) a hospital licensed for any two or more of the abovementioned purposes; or
  (h) such other kind of hospital as the Minister of Health may, by notification in the Gazette, specify;

- The Licensee must obtain prior written approval from the Director of Medical Services if the Licensee intends to increase the number of beds exceeding 10.0% of the maximum number of beds for which the private hospital is licensed; and

- The Licensee must comply with specific regulations relating to intensive care units, anaesthesia services, blood services, dietetic services, emergency services, medical services, radiology services and other services provided in the private hospital.
TAXATION

The following summary of certain Singapore income tax consequences of the purchase, ownership and disposition of the Units is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect). The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units and does not purport to apply to all categories of investors, some of which may be subject to special rules. Investors should consult their own tax advisers concerning the application of Singapore income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Units arising under the laws of any other tax jurisdiction.

The IRAS has issued a Tax Ruling on the taxation of Parkway Life REIT and its Unitholders.

In accordance with the Tax Ruling, the Singapore taxation consequences for Parkway Life REIT and those of the Unitholders are described below.

Taxation of Parkway Life REIT

Subject to the terms and conditions of the Tax Ruling being met, the Trustee will not be assessed to tax on the Taxable Income of Parkway Life REIT provided that at least 90.0% of its Taxable Income is distributed within the year in which income is derived. Instead, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate, currently at 20.0%1, from the distributions made to Unitholders that are made out of the Taxable Income of Parkway Life REIT. However, where the beneficial owners are individuals or Qualifying Unitholders, the Trustee and the Manager will make the distributions to such Unitholders without deducting any income tax. In addition, where the beneficial owners are Qualifying Foreign Non-individual Unitholders, the Trustee and the Manager will deduct Singapore income tax at the reduced rate of 10.0% for distributions made till 17 February 2010.

A “Qualifying Unitholder” is a Unitholder who is:

(a) a Singapore-incorporated company which is tax resident in Singapore;

(b) a body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); and

(c) a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from Parkway Life REIT.

A “Qualifying Foreign Non-individual Unitholder” is one who is not a resident of Singapore for income tax purposes and:

• who does not have a permanent establishment in Singapore; or

• who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation in Singapore.

To obtain distributions without tax deduction at source, Unitholders who are Qualifying Unitholders must disclose their respective tax status in a prescribed form provided by the Manager. Similarly, to obtain distributions where tax is deducted at the reduced rate of 10.0% for distributions made till 17 February 2010, Qualifying Foreign Non-individual Unitholders must disclose their respective tax status in a prescribed form provided by the Manager. (See Appendix E of this Prospectus for further information.)

Where the Units are held in joint names, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distributions made out of the Taxable Income of Parkway Life REIT, unless all the joint Unitholders are individuals.

Where the Units are held through a nominee, the Trustee and the Manager will deduct income tax at the prevailing corporate tax rate from the distribution made out of Parkway Life REIT’s Taxable Income except in the following situations:

• where the Units are held for beneficial owners who are individuals or Qualifying Unitholders, tax may not be deducted at source/withheld under certain circumstances. This includes a situation

1 In the recent 2007 Budget announcement, it was proposed that the corporate tax rate would be reduced to 18.0% with effect from the Year of Assessment 2008. The proposal is subject to approval of Parliament.
where a declaration is made by the nominee of the beneficial owners’ status and the provision of certain particulars of the beneficial owners in a prescribed form to the Trustee and the Manager;

- where the Units are held for beneficial owners who are Qualifying Foreign Non-individual Unitholders, tax may be deducted at source at the reduced rate of 10.0% for distributions made till 17 February 2010 under certain circumstances. This includes a situation where a declaration is made by the nominee of the beneficial owners’ status and the provision of certain particulars of the beneficial owners in a prescribed form to the Trustee and the Manager; and

- where the Units are held by the nominees as agent banks or the SRS operators acting for individuals who purchased the Units within the CPF Investment Scheme or the SRS respectively, tax will not be deducted at source for distributions made in respect of these Unitholders.

Parkway Life REIT will distribute at least 90.0% of its Taxable Income. For the remaining amount of Taxable Income not distributed, tax will be assessed on, and collected from, the Trustee on such remaining amount (referred to as Retained Taxable Income). In the event where a distribution is subsequently made out of such Retained Taxable Income, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution.

Taxable Income of Parkway Life REIT for the purposes of the tax transparency treatment refers to the income from the letting of its properties and related property maintenance services income after deduction of allowable expenses, and insignificant interest income from the placement of periodic cash surpluses.

Gains or profits arising from sale of real properties, if considered to be trading gains derived from a trade or business carried on by Parkway Life REIT, will be taxable under section 10(1)(a) of the Income Tax Act, Chapter 134. Tax on such gains or profits will be assessed on, and collected from, the Trustee. Consequently, if such after tax gains or profits are distributed, the Trustee and the Manager will not have to make a further deduction of income tax from the distribution.

Gains or profits arising from the sale of real properties, if confirmed to be capital gains by the IRAS, are not subject to tax as there is no capital gains tax in Singapore. Such capital gains may be distributed (at the discretion of the Trustee and the Manager) to Unitholders. If a distribution is made out of such confirmed capital gains, the Trustee and the Manager will not have to deduct tax from the distribution.

**Taxation of Parkway Life REIT's Unitholders**

**Parkway Life REIT distributions of Taxable Income where tax transparency treatment has been granted**

**Individuals who hold Units as Investment Assets**

All individuals who hold Units as investment assets (excluding individuals who hold such Units as trading assets or individuals who hold such Units through a partnership in Singapore) are exempt from income tax on the distributions (excluding distributions out of franked dividends) made by Parkway Life REIT, regardless of the individual's nationality or tax residence status.

**Individuals who hold the Units as trading assets or who hold the Units through a partnership in Singapore**

Individuals who hold Units as trading assets or individuals who hold Units through a partnership in Singapore are subject to income tax on the gross amount of distributions that are made out of the Taxable Income of Parkway Life REIT. Such distributions will be taxed in the individuals’ hands at their applicable income tax rates.

**Non-individuals except Qualifying Foreign Non-individuals**

Non-individual Unitholders, except Qualifying Foreign Non-individuals, are subject to Singapore income tax on the gross amount of distributions that are made out of the Taxable Income of Parkway Life REIT, regardless of whether the Trustee and the Manager had deducted tax from the distributions. Where tax had been deducted at source at the prevailing corporate tax rate, the tax deducted is not a final tax. Non-individual Unitholders can use such tax deducted at source as a set-off against their Singapore income tax liabilities.
Qualifying Foreign Non-individuals

Distributions made by Parkway Life REIT to its Qualifying Foreign Non-Individual Unitholders will be subject to tax deduction at source at the reduced rate of 10.0% for distributions made till 17 February 2010. This reduced tax rate of 10.0% will also apply to nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are Qualifying Foreign Non-Individual Unitholders. The 10.0% tax is a final tax.

Parkway Life REIT distributions of Retained Taxable Income or trading income from disposal of properties

Distributions made out of income previously taxed at the Trustee level (because the distributions were made out of Retained Taxable Income or out of gains or profits taxed as trading gains from the disposal of real properties) will be exempt from tax in the hands of all Unitholders.

Parkway Life REIT distributions of capital gains

Distributions made out of gains or profits arising from a disposal of properties that have been confirmed by the IRAS as capital gains are not taxable in the hands of all Unitholders since the gains or profits do not form part of the statutory income of the Trustee as trustee of Parkway Life REIT.

Disposal of Units

Any gains on disposal of the Units are not liable to Singapore tax provided the Units are not held as trading assets.

Terms and Conditions of the Tax Ruling

The application of the Tax Ruling is conditional upon the Trustee and the Manager fulfilling certain terms and conditions. The Trustee and the Manager have given undertakings to take all reasonable steps necessary to safeguard the IRAS against tax leakages and to comply with all administrative requirements to ensure ease of tax administration.

The IRAS has expressly reserved the rights to review, amend and revoke the Tax Ruling either in part or in whole at any time.

Stamp Duty

By virtue of the Stamp Duties (Real Estate Investment Trust) (Remission) Rules 2005, stamp duty on the instruments of transfer of Singapore properties to real estate investment trusts to be listed or already listed on the SGX-ST would be waived for a period of five years from 18 February 2005 to 17 February 2010. Following this announcement, stamp duty will be waived on the transfer of Singapore properties to Parkway Life REIT during this period.

Stamp duty will not be imposed on instruments of transfers relating to the Units. In the event of a change of trustee for Parkway Life REIT, stamp duty on any document effecting the appointment of a new trustee and the transfer of trust assets from the incumbent trustee to the new trustee will be charged at a nominal rate not exceeding S$10.00 as specified under Article 3(g)(ii) of the First Schedule to the Stamp Duties Act, Chapter 312.
PLAN OF DISTRIBUTION

The Manager is making an Offering of 288,865,000 Units, representing 48.0% of the total number of Units which will be in issue after the Offering (assuming the Over-allotment Option is not exercised) for subscription at the Offering Price. The Offering consists of (i) the Placement, of which 14,643,000 Units (the “Reserved Units”) will be reserved for subscription by the directors, management, employees and business associates of the Parkway Group and others who have contributed to the success of the Parkway Group, (ii) the Public Offer and (iii) an offering to Singapore Registered Shareholders of the Sponsor (excluding TPG). The Cornerstone Units to be subscribed by the Cornerstone Investor and the Accredited Investor Units to be offered or sold to Institutional Accredited Investors will not be underwritten. 5,857,000 Units will be offered under the Public Offer. Units may be re-allocated between the Placement and the Public Offer and between the Placement and the Shareholders Tranche at the discretion of the Joint Lead Underwriters (in consultation with the Manager), subject to any applicable law.

The Public Offer is open to members of the public in Singapore. Under the Placement Tranche (other than the Reserved Units), the Manager intends to offer the Units at the Offering Price by way of an international placement through the Joint Lead Underwriters to investors, including institutional and other investors in Singapore. Subject to the terms and conditions set forth in the Underwriting Agreement, the Manager is expected to effect, for the account of Parkway Life REIT, the issue of, and the Joint Lead Underwriters are expected to severally (and not jointly) subscribe or procure subscribers for the 288,865,000 Units in the amounts set forth opposite their respective names below.

<table>
<thead>
<tr>
<th>Joint Lead Underwriters</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citi</td>
<td>144,432,500</td>
</tr>
<tr>
<td>UBS</td>
<td>144,432,500</td>
</tr>
<tr>
<td>Total</td>
<td>288,865,000</td>
</tr>
</tbody>
</table>

The Joint Lead Underwriters may enter into sub-underwriting arrangements in respect of their obligations under the Underwriting Agreement. The Offering Price per Unit in the Placement Tranche and the Public Offer will be identical.

The Manager has agreed in the Underwriting Agreement to indemnify the Joint Lead Underwriters against certain liabilities.

The Underwriting Agreement also provides that the obligations of the Joint Lead Underwriters to subscribe for or procure the subscription of the Units in the Offering are subject to certain conditions contained in the Underwriting Agreement.

As set out in the Underwriting Agreement, the Underwriting Agreement may be terminated by the Joint Lead Underwriters at any time pursuant to the Underwriting Agreement, in their absolute discretion, prior to payment being made for the Units, upon the occurrence of certain events including certain force majure events.

Subscribers of the Units may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Offering Price) and applicable stamp duties, taxes and other similar charges (if any) in accordance with the laws and practices of the country of subscription, in addition to the Offering Price.

Other Relationships

UBS has been appointed as the Sole Financial Adviser to the Sponsor and the Manager in relation to the sale of the Properties to Parkway Life REIT.

Each of the Joint Lead Underwriters and its associates may engage in transactions with, and perform services for, the Manager, the Sponsor, the Trustee or Parkway Life REIT in the ordinary course of business and have engaged, and may in the future engage, in commercial banking and investment banking transactions with Parkway Life REIT, for which they have received customary compensation.

Over-Allotment

In connection with the Offering, the Joint Lead Underwriters have been granted an Over-allotment Option by the Unit Lender, exercisable by the Stabilising Manager, in consultation with the other Joint Lead Underwriter, in full or in part, on one or more occasions, but in any event no later than the earliest of (i) the
date falling 30 days from the Listing Date, (ii) the date when the Stabilising Manager has bought on the SGX-ST an aggregate of 43,329,000 Units, representing not more than 15.0% of the total Units in the Offering to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price, to purchase from the Unit Lender, up to an aggregate of 43,329,000 Units, representing not more than 15.0% of the number of Units in the Offering at the Offering Price, solely to cover the over-allotment of Units (if any), subject to any applicable laws and regulations. The total number of outstanding Units immediately after the completion of the Offering, including the Consideration Units, the Cornerstone Units and the Accredited Investor Units, will be 601,418,000 Units. The exercise of the Over-allotment Option will not increase this total number of outstanding Units.

Unit Lending Agreement

In connection with the Over-allotment Option, the Stabilising Manager and the Unit Lender have entered into a unit lending agreement dated 7 August 2007 (the “Unit Lending Agreement”) pursuant to which the Stabilising Manager may borrow up to an aggregate of 43,329,000 Units from the Unit Lender for the purpose of facilitating settlement of the over-allotment of Units in connection with the Offering. The Stabilising Manager will re-deliver to the Unit Lender such number of Units which have not been purchased pursuant to the exercise of the Over-allotment Option, no later than the date of expiry of the Over-allotment Option (or such earlier time as may be agreed between the parties).

However, the Unit Lending Agreement will include a right for the Unit Lender to recall such number of Units which are equivalent to the Units (if any) lent under such agreement by giving seven day’s prior written notice to the Stabilising Manager. In the event this right to recall is exercised by the Unit Lender, it is possible that the Stabilising Manager may not be able to stabilise the market price of the Units. See “Risk Factors — Certain provisions of the Singapore Code on Take-overs and Mergers could have the effect of discouraging, delaying or preventing a merger or acquisition, or restricting the Stabilising Manager’s ability to undertake stabilisation, which could adversely affect the market price of the Units”.

Price Stabilisation

In connection with the Offering, the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Lead Underwriter, over-allot Units or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the Securities and Futures Act and any regulations thereunder. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may commence on or after the Listing Date and, if commenced, may be discontinued at any time and shall not be effected after the earliest of (i) the date falling 30 days from the Listing Date, (ii) the date when the Stabilising Manager has bought on the SGX-ST an aggregate of 43,329,000 Units representing not more than 15.0% of the total Units in the Offering to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price of the Units.

None of Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Stabilising Manager or the Co-ordinator for the Singapore Public Offer make any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Units. In addition, none of Parkway Life REIT, the Manager, the Sponsor, the Sole Financial Adviser, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer or the Stabilising Manager make any representation that the Stabilising Manager will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Units purchased by the Stabilising Manager, not later than 12 noon on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement via SGXNET in relation to the cessation of the stabilising action and the number of Units in respect of which the Over-allotment Option has been exercised not later than 8.30 a.m. on the trading day of the SGX-ST immediately after the day of cessation of stabilisation action.
See “Risk Factors — Certain provisions of the Singapore Code on Take-overs and Mergers could have the effect of discouraging, delaying or preventing a merger or acquisition, or restricting the Stabilising Manager’s ability to undertake stabilisation, which could adversely affect the market price of the Units”.

Lock-up Arrangements

The Sponsor and the Unit Lender

The Unit Lender has undertaken to the Joint Lead Underwriters that it will not, without the prior written consent of each Joint Lead Underwriter, during the First Lock-Up Period, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, grant security over, encumber or otherwise dispose of, any or all of the Consideration Units (or any securities convertible into or exchangeable for Consideration Units or which carry rights to purchase Consideration Units or part thereof); enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any Consideration Units (or any securities convertible into or exchangeable for Consideration Units or which carry rights to purchase Consideration Units) in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or publicly announce any intention to do any of the above. Further the same restrictions will apply in respect of 50.0% of the Consideration Units held by the Unit Lender during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to any transfer of Units pursuant to the Unit Lending Agreement, the exercise of the Over-allotment Option, or the transfer of Units to and between wholly owned subsidiaries of the Sponsor.

The Sponsor has also agreed not to dispose of any of its interests in the Unit Lender or any of its wholly owned subsidiary which owns the Consideration Units during the First Lock-up Period and the Second Lock-up Period.

The Manager

The Manager has undertaken to the Joint Lead Underwriters that it will not, without the prior written consent of each Joint Lead Underwriter, during the First Lock-up Period, offer, issue, sell, contract to issue or sell, grant any option to purchase, grant security over, encumber or otherwise dispose of, any Units (or any securities convertible into or exchangeable for Units or which carry rights to subscribe for or purchase Units or part thereof); enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any Units (or any securities convertible into or exchangeable for Units or which carry rights to subscribe for or purchase Units) in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or publicly announce any intention to do any of the above.

The restrictions described in the preceding paragraph do not apply to the issue of Units under the Offering, the issue of the Consideration Units, the issue of the Cornerstone Units, the issue of the Accredited Investor Units or the issue of Units to the Manager from time to time in full or part payment of the Manager’s fees.

The Cornerstone Investor

The Cornerstone Investor has undertaken to the Joint Lead Underwriters that it will not, without the prior written consent of each Joint Lead Underwriter, until the date falling 180 days after the Listing Date, directly or indirectly offer, sell, contract to sell, grant any option to purchase or otherwise dispose of, any or all of the Cornerstone Units (or any securities convertible into or exchangeable for Cornerstone Units or which carry rights to subscribe for or purchase Cornerstone Units), provided that the Cornerstone Investor may at any time encumber the Cornerstone Units for bona fide financing purposes; enter into a transaction (including a derivative transaction) with a similar economic effect to the foregoing; deposit any Cornerstone Units (or any securities convertible into or exchangeable for Cornerstone Units or which carry rights to subscribe for or purchase Cornerstone Units) in any depository receipt facility; enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or publicly announce any intention to do any of the above.

The restrictions described in the preceding paragraph do not apply in certain exceptions, including the transfer of Cornerstone Units to and between entities controlled by the Cornerstone Investor so long as the Cornerstone Investor’s effective interest in the Cornerstone Units is maintained, and the sale of all the Cornerstone Units to a strategic investor, including one or more entities owned or controlled by such
investor pursuant to an off-market sale outside the SGX-ST, in each case subject to the transferee or purchaser executing a similar lock-up undertaking in respect of the unexpired period of the lock-up and certain conditions.

**SGX-ST Listing**

Parkway Life REIT has received a letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Parkway Life REIT, the Manager or the Units. The Manager expects that the Units will commence trading on the SGX-ST on a “ready” basis on or about 23 August 2007.

Prior to this Offering, there has been no trading market for the Units. There can be no assurance that an active trading market will develop for the Units, or that the Units will trade in the public market subsequent to this Offering at or above the Offering Price.

**Issue Costs**

The estimated amount of the expenses in relation to the Offering, issuance of the Consideration Units, the Cornerstone Units and the Accredited Investor Units, including the Underwriting, Selling and Management Commission, professional and other fees as well as all other incidental expenses in relation to the Offering, will be borne by Parkway Life REIT.

A breakdown of these estimated expenses is as follows:\(^{(1)}\):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and other fees(^{(2)})</td>
<td>2,249</td>
</tr>
<tr>
<td>Underwriting, Selling and Management Commission, placement fee and cornerstone fee(^{(3)})</td>
<td>17,621</td>
</tr>
<tr>
<td>Listing fees</td>
<td>86</td>
</tr>
<tr>
<td>Other issue expenses(^{(4)})</td>
<td>2,686</td>
</tr>
<tr>
<td><strong>Total estimated expenses of the Offering</strong></td>
<td><strong>22,642</strong></td>
</tr>
</tbody>
</table>

**Notes:**

\(^{(1)}\) Assuming the Over-allotment Option is fully exercised and the amounts include GST, where applicable.

\(^{(2)}\) Include financial advisory fees, solicitors’ fees, fees for the Independent Reporting Accountants, the Independent Tax Adviser, fees of the Independent Valuers and other professionals’ fees.

\(^{(3)}\) Such amount represents the Underwriting, Selling and Management Commission, placement fee relating to the subscription of the Accredited Investor Units by Institutional Accredited Investors, and also includes cornerstone fee relating to the subscription of the Cornerstone Units by the Cornerstone Investor.

\(^{(4)}\) Includes cost of prospectus production and certain other expenses incurred or to be incurred in connection with the Offering.

**Distribution and Selling Restrictions**

No action has been or will be taken in any jurisdiction that would permit a public offering of the Units or the possession, circulation or distribution of this Prospectus or any other offering or publicity material relating to Parkway Life REIT or the Units in any country or jurisdiction (other than Singapore), where action for the purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material, circular, form of application or advertisement in connection with the Units may be distributed or published, in or from any country or jurisdiction except under circumstances that will result in compliance with all applicable rules and regulations of any such country or jurisdiction.

**United States**

The Units have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except that the Units may be offered or sold to a limited number of institutional “accredited investors” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act in transactions exempt from the registration requirements of the Securities Act. However, this document does not constitute an offer, advertisement or solicitation to the institutional “accredited investors” in the United States and should not be relied upon by
these investors. This document may not be circulated or distributed, directly or indirectly, in the United States.

United Kingdom

This Prospectus is not available for general distribution in, from or into the United Kingdom because Parkway Life REIT is an unregulated collective investment scheme whose promotion is restricted by sections 238 and 240 of the Financial Services and Markets Act 2000. When distributed in, from or into the United Kingdom, this Prospectus is only intended for investment professionals, high net worth companies, partnerships, associations or trusts and investment personnel of any of the foregoing (each within the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005), persons outside the European Economic Area receiving it electronically, persons outside the United Kingdom receiving it non-electronically and any other persons to whom it may be communicated lawfully. No other person should act or rely on it. Persons distributing this Prospectus in, from or into the United Kingdom must satisfy themselves that it is lawful to do so.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), an offer of any Units to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to the Units which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer to the public in that Relevant Member State of any Units may be made at any time:

- to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year, (ii) a total balance sheet of more than €43,000,000, and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Joint Lead Underwriters; or
- in any other circumstances which do not require the publication by Parkway Life REIT of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Units to the public” in relation to any Units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Units to be offered so as to enable an investor to decide to purchase or subscribe for the Units, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Ireland

The Units described in this Prospectus are interests in a collective investment scheme which is not supervised or authorised by the Irish Financial Regulator or approved by the Irish Financial Regulator to market the Units in Ireland. Therefore, no advertising or marketing of Units may take place in Ireland without the prior approval in writing of the Irish Financial Regulator. In addition, any sales or marketing of Units in Ireland must take place in accordance with all applicable provisions of the Irish Investment Intermediaries Act, 1995 (as amended), the Irish Market Abuse (Directive 2003/6/EEC) Regulations 2006 (as amended) and all other relevant laws, regulations and rules.

The Units may not be offered or sold, directly or indirectly, in Ireland, other than to persons whose ordinary business is to buy or sell shares or debentures whether as principal or agent.
The Netherlands

The Units may not be offered or sold, directly or indirectly, in the Netherlands, as part of the initial distribution of each of the Joint Lead Underwriters or as part of any re-offering other than to individuals or legal entities who or which qualify as qualified investors as defined in the Financial Supervision Act (gekwalificeerde belegger).

Germany

The Units may only be acquired in accordance with the provisions of the German Securities Prospectus Act (Wertpapier-Prospektgesetz), as amended, and any other applicable German law. No application has been made under German law to publicly market the Units in Germany. The Units will only be available in Germany to persons who, by profession, trade or business, buy or sell shares for their own or a third party’s account. Therefore, the Units and this Prospectus and any other document relating to the Units must not be distributed in Germany by way of a public offer, public advertisement or in any similar manner.

Australia

This Prospectus has not been, and will not be, lodged with the Australian Securities and Investments Commission (“ASIC”), and is not a disclosure document or product disclosure statement for the purposes of Australian law.

The provision of this Prospectus to any person in Australia does not constitute an offer of the Units to that person or an invitation to that person to subscribe for the Units unless the recipient is a person to whom an offer of the Units may be made in Australia without the need for a product disclosure statement under Chapter 7.9 of the Corporations Act 2001 (Cth). This Prospectus is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Units in Australia. Parkway Life REIT is not a registered scheme in Australia. Neither ASIC nor any other similar authority in Australia has reviewed or in any way approved this document or the merits of investing in the Units. The Units may not be resold in Australia within a period of 12 months after the date of issue of the Units unless a product disclosure statement is not required for the sale in accordance with sections 1012D or 1012DA of the Corporations Act 2001 (Cth).

This is not a securities recommendation or investment advice. You should seek your own financial advice.

The Prospectus has been prepared without taking account of any investor’s objectives, financial situation or needs, and before acting on it, investors should consider the appropriateness of the information in this Prospectus, having regard to their own objectives, financial situation and needs.

Hong Kong

Parkway Life REIT has not been authorised by the Hong Kong Securities and Futures Commission. Accordingly, no person may issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Units which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in Securities and Futures Ordinance (Chapter 571) of Hong Kong and any rules made under that Ordinance.

Switzerland

The Units will not be distributed and offered, directly or indirectly, to the public in Switzerland and this Prospectus may not be publicly distributed or otherwise made publicly available in Switzerland. This Prospectus does not constitute a public offering prospectus as that term is understood pursuant to art. 652a or art. 1156 of the Swiss Code of Obligations. Neither the Manager nor the Trustee has applied nor will they apply for a listing of the Units on the SWX Swiss Exchange or any other exchange or regulated securities market in Switzerland, and consequently, the information presented in this Prospectus does not necessarily comply with the information standards set out in the relevant listing rules. The Units being offered pursuant to this Prospectus have not been approved by the Swiss Federal Banking Commission under the Swiss Federal Act on Collective Investment Schemes (“CISA”). Therefore, investors do not benefit from protection under the CISA or supervision by the Swiss Federal Banking Commission.
The Units will be distributed and offered in Switzerland, and this Prospectus will be distributed or otherwise made available in Switzerland only to qualified investors within the meaning of art. 10 para 3 and 4 CISA and art. 6 of the Ordinance on Collective Investment Schemes and only by means of marketing usual for such specific markets.

Denmark

This Prospectus has not been filed with or approved by the Danish Financial Supervisory Authority or any other regulatory Authority in the Kingdom of Denmark. The Units may not be offered, sold or delivered, directly or indirectly, in Denmark, except (i) to Qualified Investors as defined in the Council Directive 2003/71 EC of 4 November 2003, or (ii) otherwise in compliance with Chapter 6 of the Danish Act on Trading in Securities and the Danish Executive Order No. 306 of 28 April 2005 on the prospectus to be published before securities are admitted to listing or trading on a regulated market or if securities with a value of more than EUR 2,500,000 are being offered to the public.

Finland

This Prospectus has not been approved by or filed with the Finnish Financial Supervision Authority pursuant to the Finnish Securities Market Act or the Mutual Funds Act. The Units may not be offered or sold, directly or indirectly, to the public in Finland and any offer or sale of the Units in Finland may be made only to qualified investors under the Securities Markets Act, and/or to less than 100 pre-selected investors or otherwise in circumstances which do not constitute a public offer under the laws of Finland.

Kuwait

The Units may only be offered in Kuwait in compliance with the provisions of Law No. 31 of 1990, as amended, entitled “Regulating Securities Offerings and Sales” and its executive by-law (or implementing regulations) and other applicable laws and regulations in Kuwait. The Units have not been registered in Kuwait. This is not a public offer. Any resultant sale shall not be concluded in Kuwait.

Norway

This Prospectus has not been approved by or registered with the Oslo Stock Exchange or the Norwegian Register of Business Enterprises under Chapter 5 of the Norwegian Securities Trading Act 1997, and the Units may not be offered or sold, and will not be offered or sold to any persons in Norway in any way that would constitute an offer to the public, other than in circumstances where an exemption from the duty to publish a prospectus under the Norwegian Securities Trading Act 1997 shall be applicable.

Sweden

This Prospectus is not a prospectus within the meaning of the Swedish Financial Instruments Trading Act (1991:980) (the “Act”). Pursuant to the exemption under Chapter 2, Section 4, Item 2 of the Act, this Prospectus has not been registered or approved by the Swedish Financial Supervisory Authority or any other governmental or regulatory agency in Sweden. Accordingly, this Prospectus may not be made available, nor may the Units otherwise be marketed and offered for sale in Sweden, other than in: (i) circumstances which are deemed not to constitute an offer to the public in Sweden within the meaning of the Act; or (ii) in circumstances which are deemed to constitute an offer to the public in Sweden but fall under one or more of the exemptions to the prospectus requirements under the Act.

United Arab Emirates

For Persons located in United Arab Emirates outside the Dubai International Financial Centre

The Units have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates otherwise than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and/or sale of securities. The information contained in this Prospectus does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise, and is not intended to be an offer or an invitation to subscribe for or purchase any Units. Further, the information contained in this Prospectus is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.
For Persons located in United Arab Emirates inside the Dubai International Financial Centre

This Prospectus relates to a collective investment scheme which is not subject to any form of regulation or approval by the Dubai Financial Services Authority (“DFSA”). This Prospectus is intended for distribution only to Persons (as defined in the DFSA Rulebook) of a type specified in the DFSA’s Rules (i.e. “Qualified Investors”) and must not, therefore, be delivered to, or relied on by, any other type of Person.

The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it.

The Units to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Units offered should conduct their own due diligence on the Units.

If you do not understand the contents of this document you should consult an authorised financial adviser.
CLEARANCE AND SETTLEMENT

Introduction

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of the Units. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 1,000 Units.

Upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

It is expected that the Units will be credited into the Securities Accounts of applicants for the Units on or around 23 August 2007.

Clearance and Settlement under the Depository System

The Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP, rather than CDP itself, will be treated as Unitholders in respect of the number of Units credited to their respective Securities Accounts.

Transactions in the Units under the book-entry settlement system will be reflected by the seller’s Securities Account being debited with the number of Units sold and the buyer’s Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and a S$10.00 transfer fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

Clearing Fees

A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of S$600.00 per transaction. The clearing fee and transfer fee may be subject to GST (currently 7.0%).

Dealings in the Units will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal “ready” basis on the SGX-ST generally takes place on the third Market Day following the transaction date and payment for the securities is generally settled on the following Market Day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.
EXPERTS

KPMG, the Independent Reporting Accountants, was responsible for preparing the “Independent Accountants’ Report on Unaudited Pro Forma Balance Sheet as at the Listing Date” and the “Independent Accountants’ Report on the Profit Forecast and Profit Projection” found in Appendix A and Appendix B of this Prospectus respectively.

DTZ and JLL, the Independent Valuers, were responsible for preparing the “Independent Property Valuation Summary Reports” found in Appendix C of this Prospectus and the full Independent Property Valuation Report for the Properties as referred to in paragraph 12 of “General Information”.

Frost & Sullivan, the Independent Healthcare Consultant, was responsible for preparing the “Independent Report on Healthcare Industry in Asia” found in Appendix D of this Prospectus.

KPMG Tax Services Pte Ltd, the Independent Tax Adviser, was responsible for preparing the “Independent Taxation Report” found in Appendix E of this Prospectus.

The Independent Reporting Accountants, the Independent Valuers, the Independent Healthcare Consultant and the Independent Tax Adviser have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

None of WongPartnership, Shook Lin & Bok LLP, Venture Law LLC and White & Case LLP makes, or purports to make, any statement in this Prospectus and none of them is aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.
(1) The profit forecast and profit projection contained in “Profit Forecast and Profit Projection” have been stated by the Board after due and careful enquiry.

(2) There are no legal or arbitration proceedings pending or, so far as the Board is aware, threatened against the Manager the outcome of which, in the opinion of the Board, may have or have had, during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position of the Manager.

(3) There are no legal or arbitration proceedings pending or, so far as the Board is aware, threatened against Parkway Life REIT the outcome of which, in the opinion of the Board, may have or have had, during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position (on a pro forma basis) of Parkway Life REIT.

(4) The name, age and address of each of the Directors is set out in “The Manager and Corporate Governance — Directors of the Manager”. A list of the present and past directorships of each Director and Executive Officer of the Manager who held appointments as directors (other than as director of the Manager) over the five years preceding 1 January 2007 is set out in Appendix H, “List of Present and Past Principal Directorships of Directors and Executive Officers”.

(5) There is no family relationship among the Directors and Executive Officers.

(6) None of the Directors or Executive Officers is or was involved in any of the following events:

(a) at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

(b) at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;

(c) any unsatisfied judgment against him;

(d) a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

(e) a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

(f) at any time during the last 10 years, judgment been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(h) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;

(i) any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere;

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(k) the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

(7) The financial year-end of Parkway Life REIT is 31 December. The annual audited financial statements of Parkway Life REIT will be prepared and sent to Unitholders within three months of the financial year-end.

(8) A full valuation of each of the real estate assets held by Parkway Life REIT will be carried out at least once a year in accordance with the Property Funds Guidelines. Generally, where the Manager proposes to issue new Units or to redeem existing Units, a valuation of the real properties held by Parkway Life REIT must be carried out in accordance with the Property Funds Guidelines. The Manager or the Trustee may at any other time arrange for the valuation of any of the real properties held by Parkway Life REIT if it is of the opinion that it is in the best interest of Unitholders to do so.

(9) While Parkway Life REIT is listed on the SGX-ST, investors may check the SGX-ST website http://www.sgx.com for the prices at which Units are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers such as The Straits Times, The Business Times and Lianhe Zaobao for the price range within which Units were traded on the SGX-ST on the preceding day.

(10) The Manager does not intend to receive soft dollars (as defined in the CIS Code) in respect of Parkway Life REIT. Save as disclosed in this Prospectus, unless otherwise permitted under the Listing Manual, neither the Manager nor any of its Associates will be entitled to receive any part of any brokerage charged to Parkway Life REIT, or any part of any fees, allowances or benefits received on purchases charged to Parkway Life REIT.

(11) The dates of, parties to, and general nature of every material contract which the Trustee (in its capacity as trustee of Parkway Life REIT) has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of Parkway Life REIT) are as follows:

(a) the Trust Deed;

(b) the Depository Services Agreement; and

(c) the agreements relating to the Right of First Refusal Arrangements referred to in “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of Right of First Refusal Arrangements”.

(12) Copies of the following documents are available for inspection at the registered office of the Manager at 1 Grange Road, #11-01 Orchard Building, Singapore 239693 for a period of six months from the date of this Prospectus:

(a) the material contracts referred to in paragraph 11 above, save for the Trust Deed (which will be available for inspection for so long as Parkway Life REIT is in existence);
(b) the Cornerstone Subscription Agreement;
(c) the “Independent Accountants’ Report on Unaudited Pro Forma Balance Sheet as at the Listing Date” as set out in Appendix A of this Prospectus;
(d) the “Independent Accountants’ Report on the Profit Forecast and Profit Projection” as set out in Appendix B of this Prospectus;
(e) the “Independent Property Valuation Summary Reports” as set out in Appendix C of this Prospectus;
(f) the full Independent Property Valuation Reports for the Properties;
(g) the “Independent Report on Healthcare Industry in Asia” as set out in Appendix D of this Prospectus;
(h) the “Independent Taxation Report” as set out in Appendix E of this Prospectus;
(i) the written consents of the Independent Reporting Accountants, the Independent Valuers, the Independent Healthcare Consultant and the Independent Tax Adviser, as described in “Experts”; and
(j) the undertaking of the Manager to the MAS covenating, among other things, not to deal in the Units during certain stipulated periods as described in “The Manager — Dealings in Units”.

(13) The unit register is available for inspection at the registered office of the Unit Registrar at 3 Church Street, #08-01 Samsung Hub, Singapore 049483.

(14) UBS, named as the Sole Financial Adviser and one of the Joint Global Co-ordinators, Joint Bookrunners and Joint Lead Underwriters, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of, and all references to, its name and all references thereto in the form and context in which they appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

(15) Citi, named as one of the Joint Global Co-ordinators, Joint Bookrunners and Joint Lead Underwriters, has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion herein of, and all references to, its name and all references thereto in the form and context in which they appear in this Prospectus, and to act in such capacity in relation to this Prospectus.
GLOSSARY

% Per centum or percentage

Accredited Investor Units Not more than 4,000,000 Units to be offered or sold to Institutional Accredited Investors in transactions exempt from the registration requirements of the Securities Act

Acquisition Fee Has the meaning ascribed to it in the Trust Deed, as set out under “Summary — Certain Fees and Charges” and “The Manager and Corporate Governance — Manager’s Fees” of this Prospectus

Adjusted Hospital Revenue Shall mean the sum of:

(1) the invoiced value for the following services rendered and income earned on or from the Properties by the Master Lessee without reserve or deduction for uncollectible or uncollectible accounts (the invoiced value being considered to be received when a sale is made or on completion of the services rendered, irrespective of when payment is made) after deducting all discounts (including corporate, staff or other discounts) of whatever nature given by the Master Lessee in respect of such invoiced value:

(a) Inpatient revenue, including lodger revenue;
(b) Outpatient revenue;
(c) Rental and licence fee income from the lease/licence of the Properties or any part thereof (but excluding rental and licence fee income earned from Parkway Laboratory Services Ltd (“PLS”) and Medi-Rad Associates Ltd (“Medi-Rad”) (if applicable));
(d) Carpark revenue;
(e) Retail pharmacy revenue and amounts paid in connection therewith, if applicable;
(f) Food and beverages revenue from the staff cafeteria and doctors’ lounge; and

(2) the invoiced value for radiology services rendered on or from the Properties by Medi-Rad without reserve or deduction for uncollectible or uncollectible accounts (the invoiced value being considered to be received on completion of the services rendered, irrespective of when payment is made), but excludes such radiology revenue of Medi-Rad from radiology services rendered on or from the Properties which are billed by Medi-Rad to the Master Lessee, after deducting all discounts (including corporate, staff or other discounts) of whatever nature given by Medi-Rad in respect of such radiology revenue;

Unless otherwise specified above, all other income of the Master Lessee shall be excluded from the computation of Adjusted Hospital Revenue. In addition, the above computation of Adjusted Hospital Revenue shall exclude the following:

(i) service charges;
(ii) cess charges;
(iii) GST; and
(iv) any revenues from professional fees or charges by physicians or providers of ancillary services when and to the extent such charges are paid over to such physicians or providers of ancillary services, or are accompanied by separate charges for use of any medical facilities at the Properties.

For the avoidance of doubt, all amounts for services rendered and income earned by the Master Lessee on or from premises which are not part of the Properties shall not be included under the definition of Adjusted Hospital Revenue

**AFE**
Acceptance Form for Shareholders Units provisionally allocated to Singapore Registered Shareholders in respect of their Entitlements of Shareholders Units under the Shareholders Tranche

**Application Forms**
The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus

**Application List**
The list of applicants subscribing for the Units which are the subject of the Public Offer

**Appointment of Property Manager Agreement**
The appointment of property manager agreement to be entered into between the Trustee, the Manager and the Property Manager to appoint the Property Manager to provide project management services to Parkway Life REIT

**Appraised Values**
The values of the Properties as at 23 May 2007, appraised by each of the Independent Valuers

**ASEAN**
Association of Southeast Asian Nations

**ATMs**
Automated teller machines

**ATM Electronic Application**
An application for Offer Units by way of an ATM belonging to Participating Bank

**Authorised Investments**
Has the meaning ascribed to it in the Trust Deed and means:

(a) Real Estate, whether freehold, leasehold and/or held as joint owner, and whether in or outside Singapore and, where such Real Estate is located in Singapore, in respect of which the provisions of the Residential Property Act Chapter 274 of Singapore, if relevant, are complied with;

(b) any improvement or extension of or addition to or reconstruction, refurbishment, retrofitting or renovation or other development of any Real Estate or any building thereon;

(c) Real Estate Related Assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;

(d) listed or unlisted debt securities and listed shares or stocks of or issued by local or foreign non-property companies or corporations;

(e) Government securities (issued on behalf of the Singapore Government or the government of any
other country) and securities issued by a supra-national agency or a Singapore statutory board;

(f) Cash and Cash Equivalent Items (which includes, without limitation, deposits, short term investment accounts and money market instruments and other instruments or investments of such high liquidity and safety that they are as good as cash);

(g) financial derivatives only for the purposes of (a) hedging existing positions in Parkway Life REIT’s portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, PROVIDED THAT such derivatives are not used to gear the overall portfolio of Parkway Life REIT or intended to be borrowings of Parkway Life REIT; and

(h) any other investment not covered by paragraphs (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Guidelines and selected by the Manager for investment by Parkway Life REIT and approved by the Trustee in writing,

it being understood that the above definition of Authorised Investments shall override and prevail over the definition of “permissible investments” under the Property Funds Guidelines

Base Fee Has the meaning ascribed to it in the Trust Deed, as set out under “Summary — Certain Fees and Charges” and “The Manager and Corporate Governance — Manager’s Fees” of this Prospectus

Board The Board of Directors of the Manager

Books Closure Date 5.00 p.m. on 7 August 2007 being the time and date at and on which the Transfer Books and the Register of Members of Parkway Holdings Limited will be closed in order to determine the eligibility of Parkway Holdings Shareholders to subscribe for Shareholders Units and their Entitlements

Business Day Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading in securities

CDP The Central Depository (Pte) Limited

Chief Executive Officer The chief executive officer of the Manager

CIS Code The Code on Collective Investment Schemes issued by the MAS

Citi Citigroup Global Markets Singapore Pte. Ltd.

Companies Act Companies Act, Chapter 50 of Singapore

Consideration Units 224,354,000 Units to be issued to Parkway Investments Pte Ltd, a wholly owned subsidiary of the Sponsor, at the direction of Parkway Hospitals Singapore Pte Ltd, one of the vendors of the Properties, in part satisfaction of the purchase consideration for acquisition of interests in the Properties

Co-ordinator for the Singapore Public Offer DBS Bank Ltd

Cornerstone Investor TPG Capital through its investment holding entities TPG Parkway, L.P., TPG Parkway III, L.P., and TPG Parkway IV, L.P.
Cornerstone Subscription Agreement

The cornerstone subscription agreement entered into between the Cornerstone Investor and the Manager pursuant to which the Cornerstone Investor has agreed to subscribe for the Cornerstone Units

Cornerstone Units

84,199,000 Units to be subscribed for by the Cornerstone Investor pursuant to the Cornerstone Subscription Agreement

CPF

Central Provident Fund

CPI

The percentage increase in the Consumer Price Index announced by the Department of Statistics of Singapore for the relevant year compared to the immediately preceding year

CPFIS

CPF Investment Scheme

Deposited Property

Has the meaning ascribed to it in the Trust Deed and means all the assets of Parkway Life REIT, including all its Authorised Investments for the time being held or deemed to be held upon the trusts of the Trust Deed

Depository Services Agreement

The depository services agreement dated 1 August 2007 entered into between CDP, the Manager and the Trustee relating to the deposit of the Units in CDP

Director

Director of the Manager

Divestment Fee

Has the meaning ascribed to it in the Trust Deed, as set out under “Summary — Certain Fees and Charges” and “The Manager and Corporate Governance — Manager’s Fees” of this Prospectus

DTZ

DTZ Debenham Tie Leung (SEA) Pte Ltd

East Shore Hospital

A general acute care hospital located within the East Shore Hospital Development

East Shore Hospital Development

The development known as “East Shore Hospital” which is constructed on a parcel of land (Lot No. MK26-6912P) located at 319 Joo Chiat Place, Singapore 427989 and 321 Joo Chiat Place, Singapore 427990, comprising inter alia a hospital, a medical centre and a car park

East Shore Instrument of Lease

Instrument of lease to be entered into between the Trustee and Parkway Hospitals Singapore Pte Ltd pursuant to which Parkway Hospitals Singapore Pte Ltd grants to the Trustee the leasehold interest in The East Shore Hospital Property for a period of 75 years commencing on the Listing Date to Parkway Life REIT

Electronic Applications

ATM Electronic Applications and applications for Offer Units through the Internet Banking website of the relevant Participating Banks or Electronic Applications for acceptance of Units under the Shareholders Tranche through the ATMs of Participating Banks

Entitlements

The entitlements of Singapore Registered Shareholders to subscribe for the Shareholders Units provisionally allocated to them under the Shareholders Tranche

Executive Officer

Executive officer of the Manager

Extraordinary Resolution

A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast in respect of a resolution at a meeting of Unitholders duly convened under the provisions of the Trust Deed (whether for or against such resolution)
Facilities

Comprise a term loan facility of up to S$200.0 million and a revolving credit facility of up to S$50.0 million, which are for an initial term of 18 months and the Trustee has an option to extend the Facilities for an additional period of 18 months from the date of signing the facilities agreement, made available to Parkway Life REIT by Standard Chartered Bank.

Financial Year or FY

Has the meaning ascribed to it in the Trust Deed and means:

(a) for the first financial year of Parkway Life REIT, the period from and including the date of establishment of Parkway Life REIT to 31 December 2007;

(b) for the last financial year of Parkway Life REIT, the period from and including the most recent 1 January before the date of termination of Parkway Life REIT and including the date of termination of Parkway Life REIT; and

(c) in all other circumstances, the 12-month period ending on 31 December in each year.

Forecast Period 2007

1 July 2007 to 31 December 2007.

Gleneagles Hospital

A tertiary acute care hospital located within the Gleneagles Hospital Development.

Gleneagles Hospital Development

The development known as “Gleneagles Hospital” which is constructed on a parcel of land (Lots No. TS25-1345A) at 6 Napier Road, Singapore 258499 and 6A Napier Road, Singapore 258500, comprising *inter alia* a hospital, a medical centre and car park lots.

Gleneagles Instruments of Lease

Instruments of lease to be entered into between the Trustee and each of Parkway Hospitals Singapore Pte Ltd, Gleneagles Medical Centre Ltd and Gleneagles Pharmacy Pte Ltd, pursuant to which Parkway Hospitals Singapore Pte Ltd, Gleneagles Medical Centre Ltd and Gleneagles Pharmacy Pte Ltd grant to the Trustee leasehold interests in The Gleneagles Hospital Property for a period of 75 years commencing on the Listing Date to Parkway Life REIT.

Government


GFA

Gross Floor Area.

GST

Goods and services tax.

Hospitals

Gleneagles Hospital, Mount Elizabeth Hospital and East Shore Hospital and “Hospital” means any one of them.

Hospital Developments

Mount Elizabeth Hospital Development, Gleneagles Hospital Development and/or East Shore Hospital Development, as the case may be.

Independent Reporting Accountants

KPMG.

Independent Consultant or Frost & Sullivan

Frost & Sullivan (Singapore) Pte Ltd.

Independent Tax Adviser

KPMG Tax Services Pte Ltd.

Independent Valuers

Namely DTZ, independent valuer appointed by the Manager, and JLL, independent valuer appointed by the Trustee.

Institutional Accredited Investors

Institutional “accredited investors” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act to
<table>
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<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td>Instruments of Lease</td>
<td>Mount Elizabeth Instruments of Lease, Gleneagles Instruments of Lease and/or East Shore Instrument of Lease</td>
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<tr>
<td>interested person</td>
<td>Has the meaning ascribed to it in the Listing Manual</td>
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<td>interested person transaction</td>
<td>Has the meaning ascribed to it in the Listing Manual</td>
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<td>interested party</td>
<td>Has the meaning ascribed to it in the Property Funds Guidelines</td>
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<tr>
<td>interested party transaction</td>
<td>Has the meaning ascribed to it in the Property Funds Guidelines</td>
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<td>Investible Savings</td>
<td>The balance in a CPF Ordinary Account plus the net amounts (if any) withdrawn for education and investment</td>
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<td>IRAS</td>
<td>Inland Revenue Authority of Singapore</td>
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<tr>
<td>Issue Price</td>
<td>Has the meaning ascribed to it in the Trust Deed and means the issue price per Unit any time the Manager issues Units</td>
</tr>
<tr>
<td>JCI</td>
<td>Joint Commission International, an international healthcare accreditation body</td>
</tr>
<tr>
<td>Joint Lead Underwriters</td>
<td>Citi and UBS</td>
</tr>
<tr>
<td>JLL</td>
<td>Jones Lang LaSalle Property Consultants Pte. Ltd.</td>
</tr>
<tr>
<td>JTC</td>
<td>Jurong Town Corporation</td>
</tr>
<tr>
<td>Land Titles (Strata) Act</td>
<td>Land Titles (Strata) Act, Chapter 158 of Singapore, as amended by the Building Maintenance &amp; Strata Management Act 2004</td>
</tr>
<tr>
<td>Licensed Beds</td>
<td>Hospital beds that a hospital is licensed to operate</td>
</tr>
<tr>
<td>Listing Date</td>
<td>The date of admission of Parkway Life REIT to the Official List of the SGX-ST</td>
</tr>
<tr>
<td>Listing Manual</td>
<td>The Listing Manual issued by the SGX-ST</td>
</tr>
<tr>
<td>Managed Property</td>
<td>The Real Estate held directly or indirectly by Parkway Life REIT and managed by the Manager but excludes, in relation to each Property, for the period of 15 years commencing from the Listing Date and if the term of the relevant Master Lease Agreements is extended, the period of the extension</td>
</tr>
<tr>
<td>Management Fees</td>
<td>Management fees payable to the Manager comprising the Base Fee and the Performance Fee</td>
</tr>
<tr>
<td>Manager</td>
<td>Parkway Trust Management Limited</td>
</tr>
<tr>
<td>Market Day</td>
<td>A day on which the SGX-ST is open for trading in securities</td>
</tr>
<tr>
<td>Market Price</td>
<td>The volume weighted average traded price for a Unit for all trades done on the SGX-ST in the ordinary course of trading on the SGX-ST for the period of 10 Business Days preceding the relevant Business Day or, if the Manager believes that the foregoing calculation does not provide a fair reflection of the Market Price of a Unit, an amount as determined by the Manager (after consultation with a stock broker approved by the Trustee) as being the market price of a Unit</td>
</tr>
<tr>
<td>MAS</td>
<td>The Monetary Authority of Singapore</td>
</tr>
<tr>
<td>Master Lease Agreements</td>
<td>The agreements to be entered into between the Master Lessee and the Trustee (in its capacity as trustee of Parkway Life REIT) prior to the listing of the Units on SGX-ST in relation to the lease of the Properties</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>------</td>
<td>------------</td>
</tr>
<tr>
<td>Master Lessee or PHS</td>
<td>Parkway Hospitals Singapore Pte Ltd, a wholly owned subsidiary of the Sponsor</td>
</tr>
<tr>
<td>MCST</td>
<td>Management Corporation Strata Title</td>
</tr>
<tr>
<td>Medical Centre Units</td>
<td>Medical suites and retail units at the medical centres in the Properties</td>
</tr>
<tr>
<td>Mount Elizabeth Hospital</td>
<td>A tertiary acute care hospital located within the Mount Elizabeth Hospital Development</td>
</tr>
<tr>
<td>Mount Elizabeth Hospital Development</td>
<td>The development known as “Mount Elizabeth Hospital” which is constructed on a parcel of land (Lot No. TS27-858T) at 3 Mount Elizabeth, Singapore 228510, comprising inter alia a hospital, a medical centre and car park lots</td>
</tr>
<tr>
<td>Mount Elizabeth Instruments of Lease</td>
<td>Instruments of lease to be entered into between the Trustee and each of Parkway Hospitals Singapore Pte Ltd and Mount Elizabeth Medical Holdings Ltd, pursuant to which Parkway Hospitals Singapore Pte Ltd and Mount Elizabeth Medical Holdings Ltd grant to the Trustee the leasehold interests in The Mount Elizabeth Hospital Property for a period of 67 years commencing on the Listing Date to Parkway Life REIT</td>
</tr>
<tr>
<td>MRT</td>
<td>Mass Rapid Transit</td>
</tr>
<tr>
<td>Net Property Income</td>
<td>Has the meaning ascribed to it in the Trust Deed and means in relation to any Financial Year or part thereof, Parkway Life REIT’s revenue less Direct Expenses for such Real Estate and Real Estate Related Assets for that Financial Year or part thereof</td>
</tr>
<tr>
<td>Offering</td>
<td>The offering of 288,865,000 Units by the Manager for subscription at the Offering Price</td>
</tr>
<tr>
<td>Offering Price</td>
<td>The offering price of S$1.28 for each Unit under the Offering</td>
</tr>
<tr>
<td>Offer Units</td>
<td>Units offered in the Public Offer</td>
</tr>
<tr>
<td>Operational Beds</td>
<td>Hospital beds that a hospital operates</td>
</tr>
<tr>
<td>Ordinary Resolution</td>
<td>A resolution proposed and passed as such by a majority being more than 50.0% of the total number of votes cast for and against such resolution by the Unitholders present and voting at a meeting of unitholders duly convened and held in accordance with the provisions of the Trust Deed</td>
</tr>
<tr>
<td>Over-allotment Option</td>
<td>An option granted by the Unit Lender to the Stabilising Manager to purchase up to an aggregate 43,329,000 Units at the Offering Price, solely to cover the over-allotment of Units (if any)</td>
</tr>
<tr>
<td>Overseas Shareholders</td>
<td>Shareholders of Parkway Holdings Limited whose registered addresses appearing in the Register of Members of Parkway Holdings Limited or Depository Register (as the case may be) are outside Singapore, and who have not, at least five (5) Market Days prior to the Books Closure Date, provided Parkway Holdings Limited or CDP, as the case may be, with addresses in Singapore</td>
</tr>
<tr>
<td>PAL</td>
<td>Provisional Allocation Letter in respect of Entitlements provisionally allocated to Singapore Registered Shareholders who are not Depositors</td>
</tr>
<tr>
<td>Parkway Entity</td>
<td>The Sponsor or any of its subsidiaries</td>
</tr>
<tr>
<td>Parkway Group</td>
<td>The Sponsor and its subsidiaries</td>
</tr>
<tr>
<td>Parkway Holdings Shareholders</td>
<td>Shareholders of Parkway Holdings</td>
</tr>
</tbody>
</table>
Participating Banks
DBS Bank Ltd (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited

Performance Fee
Has the meaning ascribed to it in the Trust Deed, as set out under “Summary — Certain Fees and Charges” and “The Manager and Corporate Governance — Manager’s Fees” of this Prospectus

Projection Year 2008
1 January 2008 to 31 December 2008

Projection Year 2009
1 January 2009 to 31 December 2009

Properties
The Gleneagles Hospital Property, The Mount Elizabeth Hospital Property and The East Shore Hospital Property, and “Property” means any one of them

Property Expenses
Comprises (a) project management fee in respect of projects undertaken in development or redevelopment, refurbishment, retrofitting and renovation of the Properties (b) MCST charges in respect of strata-titled properties, The Mount Elizabeth Hospital Property and The Gleneagles Hospital Property (c) property insurance charges and (d) other direct property expenses to the extent borne by Parkway Life REIT

Property Funds Guidelines
The guidelines for real estate investment trusts issued by the MAS as Appendix 2 to the CIS Code

Property Manager
Gleneagles Technologies Services Pte Ltd, a wholly-owned subsidiary of the Sponsor

Public Offer
The offering of Units to the public in Singapore

Qualifying Foreign Non-Individual Unitholder
A unitholder who is a non-resident of Singapore for income tax purposes and who does not have a permanent establishment in Singapore or who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units in Parkway Life REIT are not obtained from that operation in Singapore

Qualifying Unitholder
A unitholder who is a Singapore-incorporated company which is a tax resident in Singapore, a body of persons, other than a company or partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association) and a Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from Parkway Life REIT

Real Estate
Has the meaning ascribed to it in the Trust Deed and means any land, and any interest, option or other right in or over any land and includes shares and stocks in an unlisted company which is constituted to hold/own such real estate, such as a special purpose vehicle

Real Estate Related Assets
Has the meaning ascribed to it in the Trust Deed and means listed or unlisted debt securities and listed shares of or issued by property companies or corporations, mortgage-backed securities, listed or unlisted units in unit trusts or other interests in other property funds and assets incidental to the ownership of Real Estate, including, without limitation, furniture, carpets, furnishings, machinery and plant and equipment
installed or used or to be installed or used in or in association with any Real Estate or any building thereon

Recognised Stock Exchange
Any stock exchange of repute in any part of the world

Regulation S
Regulation S under the Securities Act

Related party
Refers to an interested person and/or, as the case may be, an Interested party

Related Party Transactions
Refers to an interested person transaction and/or, as the case may be, an interested party transaction

Reserved Units
14,643,000 Units reserved for subscription by the directors, management, employees and business associates of the Parkway Group and others who have contributed to the success of the Parkway Group

Retained Taxable Income
Taxable Income derived in a financial period/year that is not distributed in that financial period/year

Revenue
Has the meaning ascribed to it under the Trust Deed

S$ or Singapore dollars and cents
Singapore dollars and cents, the lawful currency of the Republic of Singapore

Securities Account
Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP

Securities Act
U.S. Securities Act of 1933, as amended

SFA or Securities and Futures Act
Securities and Futures Act, Chapter 289 of Singapore

SGX-ST
Singapore Exchange Securities Trading Limited

Share Registrar
M&C Services Private Limited, share registrar of Parkway Holdings

Shareholders Tranche
The offering of 29,431,000 Units to Singapore Registered Shareholders (excluding TPG) under the Offering on the basis of one Unit for every 20 shares in Parkway Holdings held by Singapore Registered Shareholders as at the Books Closure Date, fractions of a Unit being disregarded

Shareholders Units
29,431,000 Units to be offered to Singapore Registered Shareholders under the Shareholders Tranche in the Offering

Singapore Registered Shareholders
Parkway Holdings Shareholders whose registered addresses appearing in the Register of Members of Parkway Holdings or the Depository Register (as the case may be) are in Singapore or have, at least five Market Days prior to the Books Closure Date, provided the Share Registrar or CDP (as the case may be) with addresses in Singapore

Sponsor or Parkway Holdings
Parkway Holdings Limited

SPRING Singapore
The Standards, Productivity and Innovation Board, a statutory board of the Singapore Government and is the national standards authority

sq m
square metres

SQC
Singapore Quality Class. It is awarded by SPRING Singapore to organisations that have achieved overall business excellence standard

SRS
Supplementary Retirement Scheme

Stabilising Manager
UBS
Substantial Unitholder: Any Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units in issue.

Taxable Income: Income chargeable to tax after deduction of the allowable expenses incurred and the tax depreciation claimed on assets used in the generation of income, if any.

Tax Ruling: The tax ruling dated 8 February 2007 issued by the IRAS on the taxation of Parkway Life REIT and its Unitholders.

The East Shore Hospital Property: East Shore Hospital Development which includes East Shore Hospital, 28 Medical Centre Units and 75 car park lots.

The Gleneagles Hospital Property: 11 strata lots in Gleneagles Hospital Development representing approximately 69.05% of the total share value of the strata lots in Gleneagles Hospital Development. The Gleneagles Hospital Property includes Gleneagles Hospital, 10 Medical Centre Units and 121 car park lots.

The Mount Elizabeth Hospital Property: 32 strata lots in Mount Elizabeth Hospital Development representing approximately 56.71% of the total share value of the strata lots in Mount Elizabeth Hospital Development. The Mount Elizabeth Hospital Property includes Mount Elizabeth Hospital, 30 Medical Centre Units and 363 car park lots.

TPG: TPG Capital and its affiliates (including TPG Parkway, L.P., TPG Parkway III, L.P. and TPG Parkway IV, L.P.)

Trust Deed: The trust deed dated 12 July 2007 entered into between the Trustee and the Manager constituting Parkway Life REIT.

Trustee: HSBC Institutional Trust Services (Singapore) Limited.

UBS or Sole Financial Adviser: UBS AG, acting through its business group, UBS Investment Bank.

Underwriting Agreement: The underwriting agreement dated 7 August 2007 entered into between the Manager, the Sponsor and the Joint Lead Underwriters.

Underwriting, Selling and Management Commission: The underwriting, selling, incentive and management commission pegged to the aggregate proceeds of the Offering Price, to be paid by the Manager (on behalf of Parkway Life REIT) to the Joint Lead Underwriters for their services in connection with the offering of Units under the Offering.

Unit: An undivided interest in Parkway Life REIT as provided for in the Trust Deed.

Unit Lender: Parkway Investments Pte Ltd, a wholly-owned subsidiary of the Sponsor.

Unit Lending Agreement: The unit lending agreement dated 7 August 2007 entered into between the Unit Lender and the Stabilising Manager.

Unitholder(s): The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units.

URA: Urban Redevelopment Authority of Singapore.
INDEPENDENT ACCOUNTANTS’ REPORT ON
UNAUDITED PRO FORMA BALANCE SHEET AS AT THE LISTING DATE

The Board of Directors
Parkway Trust Management Limited
(as manager of Parkway Life Real Estate Investment Trust)
1 Grange Road
#11-01 Orchard Building
Singapore 239693

HSBC Institutional Trust Services (Singapore) Limited
(as trustee of Parkway Life Real Estate Investment Trust)
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

7 August 2007

Dear Sirs

Unaudited Pro Forma Balance Sheet as at the Listing Date

We have issued a letter dated 17 July 2007 in respect of the unaudited pro forma balance sheet as at the listing date based on the minimum and maximum offering prices of S$1.00 per unit and S$1.34 per unit respectively, which was included in the preliminary prospectus dated 17 July 2007. Subsequent to that date, the offering price was determined to be S$1.28 per unit. Accordingly, we set out below our revised letter on the revised unaudited pro forma balance sheet as at the listing date based on the offering price of S$1.28 per unit, as set out on pages A-3 to A-17 of the Prospectus. This letter supersedes our earlier letter dated 17 July 2007 in respect of the unaudited pro forma balance sheet as at the listing date included in the preliminary prospectus.

We report on the unaudited pro forma balance sheet of Parkway Life Real Estate Investment Trust ("Parkway Life REIT") as at the Listing Date (the "Unaudited Pro Forma Balance Sheet") set out on pages A-3 to A-17 of the Prospectus (the "Prospectus") to be issued in connection with the offering of 288,865,000 units in Parkway Life REIT, which has been prepared for illustrative purposes only and based on certain assumptions after making certain adjustments.

The Unaudited Pro Forma Balance Sheet as at the Listing Date has been prepared on the basis of the assumptions set out on pages A-4 and A-5 to provide information on the financial position of Parkway Life REIT, had the purchase of the properties, comprising the hospital lands and buildings and certain medical suites, retail units and carpark located at East Shore Hospital, Gleneagles Hospital and Medical Centre, and Mount Elizabeth Hospital and Medical Centre, been undertaken by Parkway Life REIT under the same terms set out in the Prospectus on the day Parkway Life REIT is admitted to the Official List of the Singapore Exchange Securities Trading Limited ("Listing Date").

The Unaudited Pro Forma Balance Sheet has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of Parkway Life REIT’s actual financial position.

The Unaudited Pro Forma Balance Sheet is the responsibility of the directors of Parkway Trust Management Limited (the “Directors”). Our responsibility is to express an opinion on the Unaudited Pro Forma Balance Sheet based on our work.

We carried out procedures in accordance with Singapore Statement of Auditing Practice 24 Auditors and Public Offering Documents. Our work, which involved no independent examination of the underlying financial information, consisted primarily of:

(i) comparing the Unaudited Pro Forma Balance Sheet to the unaudited balance sheet as at 12 July 2007 (date of constitution); and

(ii) considering the evidence supporting the pro forma adjustments and discussing the Unaudited Pro Forma Balance Sheet with the Directors.
In our opinion:

(A) the Unaudited Pro Forma Balance Sheet has been properly prepared from the unaudited balance sheet of Parkway Life REIT as at 12 July 2007 (date of constitution) (which was prepared in accordance with Recommended Accounting Practice (“RAP”) 7 Reporting Framework for Unit Trusts issued by the Institute of Certified Public Accountants of Singapore (“ICPAS”)) and is presented in accordance with the relevant presentation principles of RAP 7 issued by the ICPAS;

(B) the Unaudited Pro Forma Balance Sheet has been properly prepared in a manner consistent with both the format of the balance sheet and the relevant accounting policies of Parkway Life REIT;

(C) each material adjustment to the information used in the preparation of the Unaudited Pro Forma Balance Sheet is appropriate for the purpose of preparing such a balance sheet; and

(D) the Unaudited Pro Forma Balance Sheet has been properly prepared on the basis of the assumptions set out on pages A-4 and A-5, after making the adjustments described on pages A-6 to A-8.

Yours faithfully

KPMG
Certified Public Accountants
(Partner-in-charge: Tay Puay Cheng)
Singapore
A-3

APPENDIX A

(A) INTRODUCTION

Parkway Life Real Estate Investment Trust ("Parkway Life REIT") was constituted as a private trust in Singapore pursuant to a trust deed ("Trust Deed") dated 12 July 2007 ("Establishment Date"). The trust was established to acquire certain properties and with the intention that the units in Parkway Life REIT will ultimately be listed on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Prior to the date Parkway Life REIT is admitted to the Official List of SGX-ST (the "Listing Date"), Parkway Life REIT appointed Parkway Trust Management Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") as the Manager and the Trustee, respectively. The Manager is a wholly owned subsidiary of Parkway Holdings Limited ("Parkway Holdings"). In addition, Parkway Life REIT will appoint Gleneagles Technologies Services Pte Ltd (the "Property Manager") as the Property Manager. Gleneagles Technologies Services Pte Ltd is a wholly owned subsidiary of Parkway Holdings.

Parkway Life REIT's principal investment strategy is to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and healthcare-related purposes (including but 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), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate. On the Listing Date, Parkway Life REIT’s property portfolio will comprise 3 healthcare properties — The Mount Elizabeth Hospital Property, The Gleneagles Hospital Property and The East Shore Hospital Property (collectively, the "Properties").

The Manager is making an offering of 288,865,000 units (the "Offering") in Parkway Life REIT at an offering price of S$1.28 per Unit (the "Offering Price"). The Offering consists of (i) an international placement to investors, including institutional and other investors in Singapore, of which 14,643,000 units are reserved for subscription by the directors, management, employees and business associates of Parkway Holdings and its subsidiaries (the "Parkway Group") and others who have contributed to the success of the Parkway Group, (ii) an offering to the public in Singapore, and (iii) an offering to Singapore Registered Shareholders of Parkway Holdings (excluding TPG Capital, L.P. and its affiliates (including TPG Parkway, L.P., TPG Parkway III, L.P., TPG Parkway IV, L.P. and investment vehicles managed by TPG Capital, L.P.). In conjunction with but separate from the Offering, Parkway Investments Pte Ltd (the "Unit Lender"), a wholly owned subsidiary of Parkway Holdings, will receive 224,354,000 units (the "Consideration Units") on the Listing Date at the direction of Parkway Hospitals Singapore Pte Ltd ("PHS"), one of the vendors of the Properties, in part satisfaction of the purchase consideration for acquisition of interests in the Properties. Also separate from the Offering, the Manager has entered into a subscription agreement with TPG Capital through its investment holding entities TPG Parkway, L.P., TPG Parkway III, L.P., and TPG Parkway IV, L.P. (the "Cornerstone Investor") pursuant to which the Cornerstone Investor will subscribe for 84,199,000 units at the Offering Price ("Cornerstone Units"). In addition, the Manager may offer or sell not more than 4,000,000 units (the "Accredited Investor Units") to a limited number of institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the United States Securities Act of 1933 as amended (the "Securities Act"). In transactions exempt from the registration requirements of the Securities Act to invest in units of Parkway Life REIT. The units under the Offering, together with the Consideration Units, Accredited Investor Units and Cornerstone Units will be listed on the Main Board of SGX-ST.

Details on the Property Manager's fee, Manager's Management Fees and Trustee's fee are set out in Section G.
PRO FORMA HISTORICAL FINANCIAL INFORMATION

No pro forma statements of total return, cash flow statements and balance sheets have been prepared to show the pro forma historical financial performance of Parkway Life REIT as:

- The Properties were owned by PHS, a wholly owned subsidiary of Parkway Holdings, and used for its hospital operations and the provision of healthcare and healthcare-related services. As there would not be rental income from the Properties that is received or receivable by PHS in its capacity as owner of the Properties, historical financial information relating to the Properties is not available to Parkway Life REIT;

- In addition to the ownership of the Properties, PHS holds various other businesses comprising the provision of healthcare services which will continue to be held by PHS. As such, Parkway Life REIT will not be able to identify (i) the historical financial information relating to Properties given that the financial statements of PHS would also include the results of, assets used in and liabilities arising out of the other businesses of PHS; and (ii) the property-related expenses relating to the Properties from the expenses incurred by PHS in connection with its overall business operations;

- It will not be meaningful to include pro forma historical financial statements because the Properties will be acquired by Parkway Life REIT by way of sale and leaseback transactions with PHS. Such pro forma financial information may not be reflective of the historical financial results and position of Parkway Life REIT as (i) the terms of the Master Lease Agreements provide for a fixed rental component and a percentage of the turnover of the hospital operations of PHS, subject to a minimum amount which will be dependent on the prevailing market conditions, and (ii) the rental to be paid to Parkway Life REIT under the Master Lease Agreements is at market rate; and

- If pro forma financial statements are to be provided, they will be calculated based on the same rentals and other terms used to calculate the profit forecast and profit projection of Parkway Life REIT as set out in “Profit Forecast and Profit Projection”. The result will be a set of pro forma financial statements which appears to be similar to the profit forecast and profit projection, and which will not provide to a potential investor any additional information which is not already in the “Profit Forecast and Profit Projection”.

For the reasons stated above, SGX-ST has granted Parkway Life REIT a waiver from the requirement to prepare pro forma historical statements of total return, cash flow statements and balance sheets. In lieu of such pro forma historical financial information, a pro forma balance sheet of Parkway Life REIT, setting out its assets and liabilities as at the Listing Date, upon completion of the Offering, subscription of units by Cornerstone Investor, Institutional Accredited Investors and the acquisition of the Properties, has been compiled by the Manager as set out below.

BASIS OF PREPARATION OF UNAUDITED PRO FORMA BALANCE SHEET AS AT THE LISTING DATE

An unaudited pro forma balance sheet of Parkway Life REIT as at the Listing Date (“Unaudited Pro Forma Balance Sheet”) is set out in this report. The Unaudited Pro Forma Balance Sheet is prepared for illustrative purposes only and based on certain assumptions after making certain adjustments.

The Unaudited Pro Forma Balance Sheet is prepared based on the unaudited balance sheet of Parkway Life REIT as at the date of its establishment, and incorporating adjustments necessary to reflect the financial position of Parkway Life REIT as if it had acquired all the Properties on the Listing Date, pursuant to the terms set out in the prospectus to be issued in connection with the Offering (the “Prospectus”). As at the Listing Date, the Trustee had acquired the Properties from the wholly owned subsidiaries of Parkway Holdings.
APPENDIX A

The Unaudited Pro Forma Balance Sheet has been prepared on the basis of the accounting policies set out in Section F and is to be read in conjunction with Section G. In addition, the Unaudited Pro Forma Balance Sheet has been prepared based on the assumption that the issue price of the units under the Offering, the Consideration Units, Institutional Accredited Investors and the Cornerstone Units is S$1.28.

The objective of the Unaudited Pro Forma Balance Sheet of Parkway Life REIT is to show what the financial position might have been at the Listing Date, on the basis as described above. However, the Unaudited Pro Forma Balance Sheet is not necessarily indicative of the financial position that would have been attained by Parkway Life REIT on the Listing Date. The Unaudited Pro Forma Balance Sheet, because of its nature, may not give a true picture of Parkway Life REIT’s financial position.

The Unaudited Pro Forma Balance Sheet has been prepared after incorporating the following key adjustments:

- Adjustments to reflect the acquisition of the Properties and the related assets and liabilities (namely cash, retention sums payable, goods and services tax recoverable and rental received in advance) attributable to such Properties, on the Listing Date;
- Adjustments to reflect Parkway Life REIT’s issuance of 224,354,000 units at S$1.28 per unit to the Unit Lender as part settlement for the purchase of the Properties amounting to S$287,173,000;
- Adjustments to reflect Parkway Life REIT’s issuance of the aggregate of 377,064,000 units under the Offering, private placement to the Institutional Accredited Investors, and to the Cornerstone Investor at S$1.28 per unit for cash amounting to approximately S$482,642,000, and drawdown of bank facility of S$34,000,000, to fund the acquisition of the Properties and related costs, all on the Listing Date;
- Adjustments to reflect transaction costs of S$710,000 relating to bank facilities which is assumed to be accepted by Parkway Life REIT by the Listing Date;
- Adjustment to reflect the transaction cost of S$460,000 relating to an interest rate swap agreement (the “Swap”) purchased by Parkway Life REIT, which is recognised in the Statement of Total Return; and
- Adjustments to incorporate the issue costs relating to the Offering, private placement to the Institutional Accredited Investors, and subscription of units by the Cornerstone Investor, which are estimated to be S$19,040,000.

In addition, the following assumptions were made:

- The valuations of the Properties adopted as at the Listing Date remain unchanged from the latest independent valuations as at 23 May 2007 based on the independent valuation reports issued by DTZ Debenham Tie Leung (SEA) Pte Ltd and Jones Lang LaSalle Property Consultants Pte. Ltd.;
- Parkway Life REIT complies with the conditions stipulated by the Comptroller of Goods and Services Tax (“GST”) in connection with the GST claims for all acquisition related costs, issue costs and transaction costs in relation to bank borrowings;
- Security deposits for the leases are received in the form of bankers’ guarantees; and
- The Over-allotment Option* is not exercised as at the Listing Date.

* Over-allotment Option refers to an option granted by the Unit Lender to UBS AG, acting through its business group, UBS Investment Bank (the “Stabilising Manager”), exercisable in full or in part, on one or more occasions, but in any event no later than the earliest of (i) the date falling 30 days from the Listing Date, (ii) the date when the Stabilising Manager has bought on the SGX-ST an aggregate of 43,329,000 Units, representing not more than 15.0% of the total Units in the Offering to undertake stabilising actions, or (iii) the date falling 30 days after the date of adequate public disclosure of the Offering Price, to purchase from the Unit Lender an aggregate of 43,329,000 Units, representing not more than 15.0% of the number of Units in the Offering at the Offering Price, solely to cover the over-allotment of Units (if any), subject to any applicable laws and regulations.
The Unaudited Pro Forma Balance Sheet of Parkway Life REIT as at the Listing Date below has been prepared for inclusion in this Prospectus and is presented below. The assumptions used to prepare the Unaudited Pro Forma Balance Sheet are consistent with those described in Basis of Preparation of Unaudited Pro Forma Balance Sheet as at the Listing Date.

### Current assets

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited Balance Sheet S$’000</th>
<th>Pro Forma Adjustments S$’000</th>
<th>Unaudited Pro Forma Balance Sheet as at Listing Date S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other receivables</td>
<td>—</td>
<td>1,249</td>
<td>1,249</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>—</td>
<td>10,271</td>
<td>10,271</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11,520</td>
<td>11,520</td>
</tr>
</tbody>
</table>

### Non-current assets

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited Balance Sheet S$’000</th>
<th>Pro Forma Adjustments S$’000</th>
<th>Unaudited Pro Forma Balance Sheet as at Listing Date S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment properties</td>
<td>775,215</td>
<td></td>
<td>775,215</td>
</tr>
<tr>
<td>Total assets</td>
<td></td>
<td>786,735</td>
<td>786,735</td>
</tr>
</tbody>
</table>

### Current liabilities

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited Balance Sheet S$’000</th>
<th>Pro Forma Adjustments S$’000</th>
<th>Unaudited Pro Forma Balance Sheet as at Listing Date S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>3,130</td>
<td></td>
<td>3,130</td>
</tr>
</tbody>
</table>

### Non-current liabilities

<table>
<thead>
<tr>
<th>Note</th>
<th>Unaudited Balance Sheet S$’000</th>
<th>Pro Forma Adjustments S$’000</th>
<th>Unaudited Pro Forma Balance Sheet as at Listing Date S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing borrowings</td>
<td>33,290</td>
<td></td>
<td>33,290</td>
</tr>
<tr>
<td>Net assets attributable to Unitholders</td>
<td>750,315</td>
<td></td>
<td>750,315</td>
</tr>
<tr>
<td>Total liabilities</td>
<td></td>
<td>786,735</td>
<td>786,735</td>
</tr>
</tbody>
</table>

**Note:**
(1) As at Establishment Date of Parkway Life REIT.

### PRO FORMA ADJUSTMENTS

In arriving at the Unaudited Pro Forma Balance Sheet as at the Listing Date, the following pro forma adjustments were made:

<table>
<thead>
<tr>
<th>(i) Trade and other receivables</th>
<th>S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>Incorporate input goods and services taxes on acquisition related costs relating to Properties acquired, issue costs and transaction costs relating to bank borrowings</td>
<td>1,424</td>
</tr>
<tr>
<td>Incorporate output goods and services tax on rental received in advance</td>
<td>(175)</td>
</tr>
<tr>
<td>Trade and other receivables per Unaudited Pro Forma Balance Sheet</td>
<td>1,249</td>
</tr>
</tbody>
</table>
### Cash and cash equivalents

**Adjustments:**
- Incorporate net proceeds from units issued under the Offering, the Accredited Investor Units and the Cornerstone Units, net of issue costs: $463,602
- Incorporate drawdown of bank borrowings, net of related transaction costs: $33,290
- Incorporate cash payment as part settlement for Properties acquired\(^{(a)}\): $(487,412)
- Incorporate rental received in advance relating to Properties acquired: $2,500
- Incorporate transaction cost relating to the Swap: $(460)
- Incorporate net goods and services tax paid on Listing Date: $(1,249)

**Cash and cash equivalents per Unaudited Pro Forma Balance Sheet:** $10,271

**Note:**
- \(^{(a)}\) Includes acquisition related costs relating to Properties acquired and retention sums of $630,000.

### Investment properties

**Adjustments:**
- Incorporate properties\(^{(b)}\) acquired (including acquisition related costs): $775,215

**Investment properties per Unaudited Pro Forma Balance Sheet:** $775,215

**Note:**
- \(^{(b)}\) Comprising The Mount Elizabeth Hospital Property, The Gleneagles Hospital Property and The East Shore Hospital Property.

### Trade and other payables

**Adjustments:**
- Incorporate rental received in advance relating to Properties acquired: $2,500
- Incorporate retention sums payable relating to Properties acquired: $630

**Trade and other payables per Unaudited Pro Forma Balance Sheet:** $3,130

### Interest-bearing borrowings

**Adjustments:**
- Incorporate bank borrowings to partially fund the acquisition of Properties: $34,000
- Incorporate transaction costs relating to bank borrowings: $(710)

**Interest-bearing borrowings per Unaudited Pro Forma Balance Sheet:** $33,290
Net assets attributable to Unitholders

Adjustments:
- Incorporate units issued as part settlement for the acquisition of the Properties
- Incorporate units issued under the Offering, the Accredited Investor Units, and the Cornerstone Units
- Incorporate issue costs\(^{(c)}\)
- Incorporate transaction cost relating to the Swap

<table>
<thead>
<tr>
<th>Description</th>
<th>S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporate units issued as part settlement for the acquisition of the Properties</td>
<td>287,173</td>
</tr>
<tr>
<td>Incorporate units issued under the Offering, the Accredited Investor Units, and the Cornerstone Units</td>
<td>482,642</td>
</tr>
<tr>
<td>Incorporate issue costs(^{(c)})</td>
<td>(19,040)</td>
</tr>
<tr>
<td>Incorporate transaction cost relating to the Swap</td>
<td>(460)</td>
</tr>
<tr>
<td><strong>Net assets attributable to Unitholders per Unaudited Pro Forma Balance Sheet</strong></td>
<td>750,315</td>
</tr>
</tbody>
</table>

Note:
(c) Issue costs (excluding goods and services tax) comprise the following:

\[
\begin{align*}
\text{Professional and other fees}^{(1)} & = 1,963 \\
\text{Underwriting, selling and management commission, placement fee and cornerstone fee}^{(2)} & = 14,487 \\
\text{Miscellaneous issue costs}^{(3)} & = 2,590 \\
\text{Total issue costs} & = 19,040
\end{align*}
\]

Issue costs have been deducted directly against the proceeds from the issuance of units.

1. Include financial advisory fees, solicitors’ fees, fees for the Independent Reporting Accountants, the Independent Tax Adviser and other professionals’ fees.
2. Such amount represents the underwriting, selling and management commission payable by Parkway Life REIT pursuant to the Offering, placement fee relating to the subscription of the Accredited Investor Units by Institutional Accredited Investors, and also includes cornerstone fee relating to the subscription of the Cornerstone Units by Cornerstone Investor.
3. Include cost of prospectus production and certain other expenses incurred or to be incurred in connection with the Offering.

(F) NOTES TO THE UNAUDITED PRO FORMA BALANCE SHEET

1. Significant Accounting Policies of Parkway Life REIT

The significant accounting policies of Parkway Life REIT, which have been consistently applied in preparing the Unaudited Pro Forma Balance Sheet set out in this report, are as follows:

(a) Basis of Preparation of Unaudited Pro Forma Balance Sheet

The Unaudited Pro Forma Balance Sheet is prepared in accordance with the bases set out in Section C and applied to financial information prepared in accordance with the Statement of Recommended Accounting Practice (“RAP”) 7 “Reporting Framework for Unit Trusts” issued by the Institute of Certified Public Accountants of Singapore and the applicable requirements of the Code on Collective Investment Schemes (“CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed.

The Unaudited Pro Forma Balance Sheet which are expressed in Singapore dollars and rounded to the nearest thousand, have been prepared on the historical cost basis, except for investment properties which are stated at fair value and certain financial assets and liabilities which are stated at amortised cost. The functional currency of Parkway Life REIT is Singapore dollars.
The preparation of Unaudited Pro Forma Balance Sheet requires the Manager to make
dJudgements, estimates and assumptions that affect the application of accounting policies
and the reported amounts of assets and liabilities.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to
accounting estimates are recognised in the period in which the estimate is revised and in
any future periods affected.

(b) Investment Properties

Investment properties are accounted for as non-current assets and are stated at initial
cost on acquisition, and at valuation thereafter. Valuations are determined in accordance
with the Trust Deed, which requires the investment properties to be valued by
independent registered valuers in the following manner:

(i) in such manner and frequency required under the CIS code issued by MAS; and
(ii) at least once a year.

Any increase or decrease on revaluation is credited or charged directly to the Statement of
Total Return as a net appreciation or depreciation on revaluation of investment properties.

When an investment property is disposed of, the resulting gain or loss recognised in the
Statement of Total Return is the difference between net disposal proceeds and the
carrying amount of the property.

Investment properties are not depreciated. The properties are subject to continued
maintenance and regularly revalued on the basis set out above.

(c) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently
measured at amortised cost using the effective interest rate method, less allowance
for impairment.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(e) Impairments

The carrying amounts of Parkway Life REIT's assets are reviewed at each balance sheet
date to determine whether there is any indication of impairment. If any such indication
exists, the asset's recoverable amounts are estimated at each balance sheet date.

An impairment loss is recognised in the Statement of Total Return whenever the carrying
amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount of Parkway Life REIT's receivables carried at amortised cost is
calculated as the present value of estimated future cash flows, discounted at the original
effective interest rate (i.e. the effective interest rate computed at initial recognition of these
financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in
use. In assessing value in use, the estimated future cash flows are discounted to their
present value using a pre-tax discount rate that reflects current market assessments of
the time value of money and the risks specific to the asset. For an asset that does not
generate largely independent cash inflows, the recoverable amount is determined for the
cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment losses recognised in prior periods are re-assessed at each reporting date for
any indications that the loss has decreased or no longer exists. An impairment loss is
reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised.

(f) Trade and Other Payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Total Return over the period of the obligations on an effective interest basis.

(g) Interest-bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Total Return over the period of the borrowings on an effective interest basis.

(h) Net Assets attributable to Unitholders

Net assets attributable to Unitholders represents the Unitholders’ residual interest in Parkway Life REIT’s net assets upon termination.

Expenses incurred in connection with the initial public offering of Parkway Life REIT and listing on the SGX-ST are deducted directly against net assets attributable to Unitholders.

(i) Derivative Financial Instruments

Derivative financial instruments are used to manage exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the Statement of Total Return.

(j) Issue Costs

Issue costs represent expenses incurred in connection with the initial public offering of Parkway Life REIT on SGX-ST. The expenses are deducted directly against Net Assets attributable to Unitholders.

(k) Revenue Recognition

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease.

(ii) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(l) Expenses

(i) Manager’s management fees

Manager’s management fees are recognised on an accrual basis based on the applicable formula stipulated in Section G note (b).
(ii) Trust expenses

Trust expenses are recognised on an accrual basis. Included in trust expenses is the trustee’s fee which is based on the applicable formula stipulated in Section G note (c).

(iii) Borrowing costs

Interest expense and similar charges are recognised in the period in which they are incurred using the effective interest method. Expenses incurred in connection with borrowings are recognised in the Statement of Total Return on an effective basis over the period of the borrowings.

(m) Taxation

Taxation on the return for the year comprises current and deferred tax. Income tax is recognised in the Statement of Total Return except to the extent that it relates to items directly related to net assets attributable to Unitholders, in which case it is recognised in Net Assets attributable to Unitholders.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Comptroller of Income Tax has exercised its discretion in granting Parkway Life REIT tax transparency under section 43(2) of the Singapore Income Tax Act (“SITA”) such that the rental income of Parkway Life REIT (including insignificant interest income earned in Singapore) will not be assessed on the Trustee of Parkway Life REIT but on the beneficiaries who are Unitholders. Any amount not distributed by the Trustee, which does not exceed 10% of the Taxable Income would, however, be taxable in the hands of the Trustee.

The above tax transparency ruling does not apply to gains from sale of real estate properties, if considered to be trading gains derived from a trade or business carried on by Parkway Life REIT. Tax on such gains or profits will be assessed, in accordance with section 10(1)(a) of the Income Tax Act, Chapter 134 and collected from the Trustee. Where the gains are capital gains, it will not be assessed to tax. The Trustee and the Manager may distribute the capital gains without tax being deducted at source.

(n) Segment Reporting

A segment is a distinguishable component of the Trust that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

No business segment information has been prepared as Parkway Life REIT is only involved in the leasing of investment properties. No geographical segment information has been prepared as Parkway Life REIT assets and operations are all located in Singapore.
2. **Investment Properties**

<table>
<thead>
<tr>
<th>Description of Property</th>
<th>Address</th>
<th>Title</th>
<th>Term of Lease (years)</th>
<th>Remaining Term (years)</th>
<th>Existing Use</th>
<th>Valuation per DTZ $'000</th>
<th>Valuation per JLL $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Mount Elizabeth Hospital Property</td>
<td>3 Mount Elizabeth, Singapore 228510</td>
<td>Leasehold</td>
<td>67</td>
<td>67</td>
<td>Hospital</td>
<td>524,430</td>
<td>524,430</td>
</tr>
<tr>
<td>The Gleneagles Hospital Property</td>
<td>6A/6 Napier Road, Singapore 258500/258499</td>
<td>Leasehold</td>
<td>75</td>
<td>75</td>
<td>Hospital</td>
<td>216,000</td>
<td>216,000</td>
</tr>
<tr>
<td>The East Shore Hospital Property</td>
<td>319/321 Joo Chiat Place, Singapore 427989/427990</td>
<td>Leasehold</td>
<td>75</td>
<td>75</td>
<td>Hospital</td>
<td>34,190</td>
<td>34,190</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>774,620</strong></td>
<td><strong>774,620</strong></td>
</tr>
</tbody>
</table>

Acquisition related costs

<table>
<thead>
<tr>
<th>Description of Property</th>
<th>Address</th>
<th>Title</th>
<th>Term of Lease (years)</th>
<th>Remaining Term (years)</th>
<th>Existing Use</th>
<th>Valuation per DTZ $'000</th>
<th>Valuation per JLL $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Independent valuations of the Properties were undertaken by DTZ Debenham Tie Leung (SEA) Pte Ltd (“DTZ”) and Jones Lang LaSalle Property Consultants Pte. Ltd. (“JLL”) as of 23 May 2007. These firms are independent valuers having appropriate professional qualifications and recent experience in the location and category of the Properties being valued.

The valuation undertaken by DTZ was based on Capitalisation Approach, Discounted Cashflow Analysis and Direct Comparison Approach. JLL has valued the individual properties using the Capitalization Approach and Discounted Cashflow Approach.

3. **Trade and Other Payables**

| Pro forma as at Listing Date $'000 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Rental received in advance | 2,500 | Retention sums payable | 630 | **3,130** |

4. **Interest-bearing Borrowings**

| Pro forma as at Listing Date $'000 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Term loan | 34,000 | Transaction costs on term loan | (710) | **33,290** |
The Trustee has entered into a term loan and revolving credit facilities (the “Facilities”) with Standard Chartered Bank setting out the terms and conditions of the Facilities made available thereunder.

The Facilities comprise a term loan facility of up to S$200.0 million and a revolving credit facility of up to S$50.0 million. The term loan facility will be drawn down on the Listing Date in an amount of S$34.0 million as part payment of the acquisition value of the Properties.

Interest on the Facilities will be based on the Singapore dollar swap offer rate plus a margin.

The Facilities will be unsecured for an initial term of 18 months. The Trustee has an option to extend the Facilities for an additional period of 18 months, which will be secured on all the assets of Parkway Life REIT including the Properties, and the rights, titles and interests in leases, insurances and rental proceeds relating to the Properties, and the rights and interests under the Property Management Agreement, as the case may be.

Under the terms and conditions of the Facilities, Parkway Life REIT is subject to the following covenants:

- A loan to value ratio which shall not exceed 60%;
- A minimum consolidated interest coverage ratio of at least 1.75 times; and
- A minimum net assets attributable to Unitholders of S$400.0 million.

The Trustee has entered into the Swap to fix the floating interest rate for the amount drawn down against the Facilities for a period of three years with effect from the Listing Date.

The assumed effective interest rate on the Facilities as at the Listing Date (inclusive of interest margin and commitment fee on undrawn portion of the revolving credit facility but excluding amortisation of transaction costs relating to the Facilities) is 4.3% per annum.

5. Net assets attributable to Unitholders

<table>
<thead>
<tr>
<th>Operations</th>
<th>Pro forma as at Listing Date</th>
<th>Pro forma as at Listing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction cost relating to the Swap</td>
<td></td>
<td>(460)</td>
</tr>
<tr>
<td><strong>Unitholders’ transactions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creation of new units arising from:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— as part settlement for the purchase of the Properties, at S$1.28 per unit</td>
<td>224,354,000</td>
<td>287,173</td>
</tr>
<tr>
<td>— the Offering, private placement to the Institutional Accredited Investors, and subscription by Cornerstone Investor, at issue price of S$1.28 per unit</td>
<td>377,064,000</td>
<td>482,642</td>
</tr>
<tr>
<td></td>
<td>601,418,000</td>
<td>769,815</td>
</tr>
<tr>
<td>Less: Issue costs</td>
<td></td>
<td>19,040</td>
</tr>
<tr>
<td></td>
<td></td>
<td>750,775</td>
</tr>
<tr>
<td><strong>Net assets attributable to Unitholders</strong></td>
<td></td>
<td>750,315</td>
</tr>
<tr>
<td><strong>Net assets attributable to Unitholders per Unit (S$)</strong></td>
<td></td>
<td>1.25</td>
</tr>
</tbody>
</table>

601,418,000 Units in issue as at the Listing Date relates to the number of Units in issue immediately after the completion of the Offering.
Each unit in Parkway Life REIT represents an undivided interest in Parkway Life REIT. The rights and interests of Unitholders are contained in the Trust Deed and include the rights to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of Parkway Life REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Parkway Life REIT less any liabilities, in accordance with their proportionate interests in Parkway Life REIT. However, a Unitholder does not have the right to require that any assets (or part thereof) of Parkway Life REIT be transferred to him;
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed; and
- vote at Unitholder's meetings. On a show of hands, every Unitholder has one vote. On a poll, every Unitholder has one vote for each Unit of which he is the Unitholder.

The restrictions of a Unitholder include the following:

- A Unitholder's right is limited to the right to require due administration of Parkway Life REIT in accordance with the provisions of the Trust Deed; and
- A Unitholder has no right to request to redeem his Units while the Units are listed on SGX-ST.

A Unitholder's liability is limited to the amount paid or payable for any Units in Parkway Life REIT. The provisions of the Trust Deed provide that no Unitholders will be personally liable to indemnify the Trustee or any creditor of Parkway Life REIT in the event that the liabilities of Parkway Life REIT exceed its assets.

6. **Financial Instruments**

**Financial risk management objectives and policies**

Exposure to credit, currency, interest rate and liquidity risks arises in the normal course of Parkway Life REIT's business. Parkway Life REIT has written policies and guidelines, which set out its overall business strategies and its general risk management philosophy.

**Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to Parkway Life REIT, as and when they fall due.

The Manager has established credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed by the Manager before lease agreements are entered into with the lessee. In addition, Parkway Life REIT requires the lessee to provide tenancy security deposits or bankers’ guarantees. Cash and fixed deposits are placed with financial institutions which are regulated.

At the pro forma balance sheet date, there are no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset on the balance sheet.

**Interest rate risk**

Parkway Life REIT’s exposure to changes in interest rates relate primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. The Manager adopts a policy of fixing the interest rates for at least 50.0% (and up to 100.0%) of its borrowings.
Currency risk

The Manager's investment strategy includes investing in Asia-Pacific region. In order to manage the currency risk involved in investing in assets outside of Singapore, the Manager may, as appropriate, adopt currency risk management strategies including:

- the use of foreign currency denominated borrowings to match the currency of the asset investment as a natural currency hedge;
- the use of derivative or other hedging instruments to hedge against fluctuations in the exchange rates of foreign currency income received from offshore assets against Singapore dollars; and
- the use of cross currency swaps to hedge against the fluctuations in the exchange rates of any foreign currency denominated net assets of Parkway Life REIT against Singapore dollars.

Liquidity risk

The Manager monitors the liquidity risk of Parkway Life REIT and maintains a level of cash and cash equivalents deemed adequate by management to finance Parkway Life REIT's operations. In addition, the Manager monitors and observes the Code on Collective Investment Schemes issued by the MAS concerning limits on total borrowings.

Fair values

Financial instruments have been measured at fair value using valuation techniques that are supported by observable market price or rates at the Listing Date.

The Manager believes that the carrying amounts of the financial assets and liabilities approximate their fair values at the Listing Date.

7. Commitments

(a) Lease commitments

Parkway Life REIT leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

<table>
<thead>
<tr>
<th>Pro forma as at Listing Date</th>
<th>S$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable</td>
<td></td>
</tr>
<tr>
<td>— Within 1 year</td>
<td>45,000</td>
</tr>
<tr>
<td>— After 1 year but within 5 years</td>
<td>180,000</td>
</tr>
<tr>
<td>— After 5 years</td>
<td>450,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>675,000</strong></td>
</tr>
</tbody>
</table>

Parkway Life REIT leases out its investment properties to PHS, a related corporation of the Manager, under separate Master Lease Agreement(s) for a period of fifteen years. PHS has the option to extend the lease(s) for another fifteen years on terms to be mutually agreed between Parkway Life REIT and PHS provided that the revised rent for the first year of the extended term shall not exceed the amount equivalent to 15.0% of the Adjusted Hospital Revenue for Financial Year 2021.

(b) As at the date of listing, Parkway Life REIT has obtained bankers’ guarantee in its favour amounting to S$7.5 million. These are provided to Parkway Life REIT by PHS, in lieu of security deposits.
8. Significant Related Party Transactions

For the purposes of these financial statements, parties are considered to be related to Parkway Life REIT if Parkway Life REIT has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where Parkway Life REIT and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

As at the Listing Date, there are the following transactions carried out on terms agreed between the related parties (see “The Manager and Corporate Governance: Related Party Transactions In Connection with the Setting Up of Parkway Life REIT”):

<table>
<thead>
<tr>
<th>Related Corporations of the Manager</th>
<th>Pro forma as at Listing Date S$’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investment properties*</td>
<td>774,620</td>
</tr>
</tbody>
</table>

* On completion of these acquisitions by Parkway Life REIT, the investment properties are leased back to PHS for an initial lease term of fifteen years at rates agreed between the parties (see “Certain Agreements Relating to Parkway Life REIT and the Properties — Description of the Master Lease Agreements”).

(G) PROPERTY MANAGER’S FEE, MANAGER’S MANAGEMENT FEES, AND TRUSTEE’S FEES

(a) Property Manager’s Fee

Under the Property Management Agreement, the Property Manager is entitled to receive a Property Manager’s Fee for each project undertaken, for the development or redevelopment (if not prohibited by the Property Funds Guidelines or if otherwise permitted by the MAS), the refurbishment, retrofitting and renovation of a property, based on the capital expenditure of the project, amounting to:

(i) 5.0% of the capital expenditure of the project where the capital expenditure of the project is less than S$1.0 million; or

(ii) 3.0% of the capital expenditure of the project where the capital expenditure of the project is more than or equal to S$1.0 million.

For the purpose of calculating the fees payable to the Property Manager, “capital expenditure” means all construction costs and expenditure valued by the quantity surveyor engaged by the Trustee for the project, excluding development charges, differential premiums, statutory payments, consultants’ professional fees and goods and services tax.

(b) Manager’s Management Fees

Under the Trust Deed, the Manager is entitled to receive the Management Fees as follows:

(i) a Base Fee which is calculated at 0.3% per annum of the value of the Deposited Property; and

(ii) a Performance Fee which is calculated at 4.5% per annum of the Net Property Income for the relevant financial year.

The Base Fee and Performance Fee shall be paid to the Manager in the form of cash and/or Units (as the Manager may elect prior to each payment) out of the Deposited Property and in such proportion as may be determined by the Manager. The Base Fee and the Performance Fee will be paid monthly and quarterly in arrears, respectively.
Any increase in the maximum permitted amount or any change in the structure of the Manager’s Management Fees must be approved by an Extraordinary Resolution of Unitholders passed at a Unitholders’ meeting duly convened under the provisions of the Trust Deed.

In addition to the Management Fees, the Manager is also entitled to the following fees, in relation to the Properties:

(i) a fee of 2.0% per annum of the Revenue of the Managed Property (excluding the Properties for the duration of the Master Lease Agreements) for property management services provided by the Manager;

(ii) a fee of 1.0% per annum of the Revenue of the Managed Property (excluding the Properties for the duration of the Master Lease Agreements) for lease management services provided by the Manager;

(iii) commissions as set out below for securing new leases or renewal of leases for those Real Estate which are not leased to a master lessee under a master lease agreement, pursuant to marketing services provided by the Manager:

(a) One month’s gross rent inclusive of service charge, for securing a lease of three years or less;

(b) Two months’ gross rent inclusive of service charge, for securing a lease of more than three years;

(c) Half month’s gross rent inclusive of service charge, for securing a renewal of lease of three years or less; and

(d) One month’s gross rent inclusive of service charge, for securing a renewal of lease of more than three years.

If a third party agent secures a tenancy, the Manager will be responsible for all marketing services commissions payable to such third party agent, and the Manager will be entitled to a marketing services commission of:

(a) 1.2 months’ gross rent inclusive of service charge for securing or renewal of a lease of three years or less; and

(b) 2.4 months’ gross rent inclusive of service charge for securing or renewal of a lease of more than three years.

The marketing services commission may be adjusted accordingly at the time of securing or renewal of a lease by the Manager or a third party agent, to be consistent with and no higher than the prevailing market rates of such marketing services commission in the country where the Real Estate is located.

For the avoidance of doubt, no property management fee and lease management fee shall be payable to the Manager in respect of the Properties for the duration of the Master Lease Agreements.

Other fees payable to the Manager include acquisition fees and divestment fees (see “The Manager and Corporate Governance — Manager’s Fees”). In respect of the Properties, no acquisition fee is payable.

(c) Trustee’s Fee

Under the Trust Deed, the maximum fee payable to the Trustee is 0.03% per annum of the value of the Deposited Property, subject to a minimum of S$10,000 a month, excluding out-of-pocket expenses and GST. The Trustee’s fee is accrued daily and will be paid monthly in arrears out of the Deposited Property of Parkway Life REIT.

Parkway Life REIT will also pay the Trustee a one-time inception fee of S$25,000.

The Trustee’s fee will be subject to review annually.

Any increase in the maximum permitted amount or any change in the structure of the Trustee’s fee must be approved by an Extraordinary Resolution of Unitholders at a Unitholders’ meeting convened and held in accordance with the provisions of the Trust Deed.
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APPENDIX B

INDEPENDENT ACCOUNTANTS’ REPORT ON
THE PROFIT FORECAST AND PROFIT PROJECTION

The Board of Directors
Parkway Trust Management Limited
(as manager of Parkway Life Real Estate Investment Trust)
1 Grange Road
#11-01 Orchard Building
Singapore 239693

HSBC Institutional Trust Services (Singapore) Limited
(as trustee of Parkway Life Real Estate Investment Trust)
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

7 August 2007

Dear Sirs

Letter from the Reporting Accountants on the Profit Forecast for the Period from 1 July 2007 to 31 December 2007 and the Profit Projection for the Years Ending 31 December 2008 and 31 December 2009

We have issued a letter dated 17 July 2007 in respect of the profit forecast for the period from 1 July 2007 to 31 December 2007 and the profit projection for the years ending 31 December 2008 and 31 December 2009 based on the minimum and maximum offering prices of S$1.00 per unit and S$1.34 per unit respectively, which was included in the preliminary prospectus dated 17 July 2007. Subsequent to that date, the offering price was determined to be S$1.28 per unit. Accordingly, we set out below our revised letter on the revised profit forecast for the period from 1 July 2007 to 31 December 2007 and the profit projection for the years ending 31 December 2008 and 31 December 2009 based on the offering price of S$1.28 per unit, as set out on pages 61 and 62 of the Prospectus. This letter supersedes our earlier letter dated 17 July 2007 in respect of the profit forecast and profit projection included in the preliminary prospectus.

This letter has been prepared for inclusion in the prospectus (the “Prospectus”) to be issued in connection with the offering of 288,865,000 units in Parkway Life Real Estate Investment Trust (“Parkway Life REIT”) at the offering price of S$1.28.

The directors of Parkway Trust Management Limited (the “Directors”) are responsible for the preparation and presentation of the forecast and projected Statements of Total Return for the period from 1 July 2007 to 31 December 2007 (the “Profit Forecast”) and the years ending 31 December 2008 and 31 December 2009 (the “Profit Projection”) as set out on pages 61 and 62 of the Prospectus, which have been prepared on the basis of the assumptions set out on pages 63 to 66 of the Prospectus.

We have examined the Profit Forecast of Parkway Life REIT for the period from 1 July 2007 to 31 December 2007 and the Profit Projection for the years ending 31 December 2008 and 31 December 2009 as set out on pages 61 and 62 of the Prospectus in accordance with Singapore Standard on Assurance Engagements (“SSAE”) 3400 The Examination of Prospective Financial Information. The Directors are solely responsible for the Profit Forecast and Profit Projection including the assumptions set out on pages 63 to 66 of the Prospectus on which they are based.

Profit Forecast

Based on our examination of the evidence supporting the relevant assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with
the accounting policies set out on pages A-8 to A-11 of the Prospectus, and is presented in accordance with the applicable presentation principles of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts (but not all the required disclosures for the purposes of this letter) issued by the Institute of Certified Public Accountants of Singapore (“ICPAS”), which is the framework to be adopted by Parkway Life REIT in the preparation of its financial statements.

**Profit Projection**

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As Parkway Life REIT is newly established without any history of activities and because the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which include hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for a profit forecast. The Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the relevant assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion the Profit Projection, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages A-8 to A-11 of the Prospectus, and is presented in accordance with the applicable presentation principles of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts (but not all the required disclosures for the purposes of this letter), which is the framework to be adopted by Parkway Life REIT in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn, in particular, to the risk factors set out on pages 37 to 52 of the Prospectus which describe the principal risks associated with the Offering, to which the Profit Forecast and Profit Projection relate and the sensitivity analysis of the Profit Forecast and Profit Projection set out on pages 66 and 67 of the Prospectus.

Yours faithfully

KPMG
Certified Public Accountants
(Partner-in-charge: Tay Puay Cheng)
Singapore
Independent Property Valuation
Summary Report

Our Ref: PKE:NC:CT:ao:3.436:0701081-01R

17 July 2007

The Board of Directors
Parkway Trust Management Limited
1 Grange Road #11-01
Orchard Building
Singapore 239693

Dear Sir

MOUNT ELIZABETH HOSPITAL AND CARPARK IN MOUNT ELIZABETH
HOSPITAL AND RETAINED UNITS IN MOUNT ELIZABETH MEDICAL CENTRE AT
3 MOUNT ELIZABETH, SINGAPORE 228510

We have been instructed to assess the open market value of the above mentioned property as at
23 May 2007, based on the terms of the proposed sale arrangement between the owner of the
property and Parkway Life REIT. We confirmed that we have inspected the property, made
relevant local searches and enquiries and obtained such further information as we consider
necessary for the purpose of providing you with our opinion of the open market value as at 23

The term “Open Market Value” as used herein is intended to mean “an opinion of the best price
at which the sale of an interest in property would have been completed unconditionally for cash
consideration on the date of valuation, assuming:-

(a) a willing seller;

(b) that, prior to the date of valuation, there had been a reasonable period (having regard to
the nature of the property and the state of the market) for the proper marketing of the
interest, for the agreement of the price and terms and for the completion of the sale;

(c) that the state of the market, level of values and other circumstances were, on any earlier
assumed date of exchange of contracts, the same as on the date of valuation;

(d) that no account is taken of any additional bid by a prospective purchaser with a special
interest; and

(e) that both parties to the transactions had acted knowledgeably, prudently and without
compulsion.”

.../Page 2
Our valuations have been made on the assumption that the owner sells the property on the open market in its existing state taking into account the terms of sale but without the benefit of other joint venture, management agreement or any similar arrangement which would affect the value of the property.

A summary of our valuation together with a brief description of the property is appended to this Valuation Certificate.

We have valued the subject property mainly by the Capitalisation Approach and Discounted Cash Flow (DCF) Analysis. As for strata units located within the Mount Elizabeth Medical Centre, we have valued them by Direct Comparison Method.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property. We have assumed that the property is free of encumbrances, restrictions or other outgoings of an onerous nature which would affect its value, other than those which have been indicated to us.

Information as to tenure, floor areas and ownership is obtained from our searches carried out at the Singapore Land Authority. We have also relied to a considerable extent on information provided by Parkway Holdings Limited particularly in relation to matters such as capital expenditure, tenancy details and the sale & leaseback arrangement.

We were not instructed to carry out any structural survey of the buildings, nor to test any of the services, but we have reflected in our valuation, where necessary, any items of disrepair which we noticed during the course of our inspection. We are not, however, able to report that the buildings are free of rot, infestation or any other defect.

A summary of the key details and valuation of the property is as follows:

**Mount Elizabeth Hospital and Carpark in Mount Elizabeth Hospital and Retained Units in Mount Elizabeth Medical Centre at 3 Mount Elizabeth, Singapore 228510**

<table>
<thead>
<tr>
<th>Strata Floor Area</th>
<th>: 58,139 sq.m. (Hospital/Carpark/Shops/Medical Suites/Accessory Lots)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure</td>
<td>: 99 years commencing from 1 October 1976 (valuation is based on 67 years leasehold)</td>
</tr>
<tr>
<td>Capitalisation Rate</td>
<td>: 6.25%</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>: 8%</td>
</tr>
<tr>
<td>Terminal Yield</td>
<td>: 6.5%</td>
</tr>
</tbody>
</table>

Valuation:
- Hospital Medical Centre: S$394,030,000/-
- Total: S$524,430,000/-
This valuation certificate summarises our Valuation Report and is for the use of Parkway Trust Management Limited in connection with the proposed acquisition of the property and for the purpose of its inclusion in the prospectus to be issued in connection with the Initial Public Offering of units in Parkway Life REIT.

DTZ Debenham Tie Leung (SEA) Pte Ltd had relied upon property data supplied by Parkway Holdings Limited which we have assumed to be true and accurate. DTZ Debenham Tie Leung (SEA) Pte Ltd takes no responsibility for any inaccurate client-supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. Our compensation is not contingent upon the reporting of a predetermined value or direction in value; that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuer undertaking the valuation is authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully
for and on behalf of

DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD

Poh Kwec Eng (M8)
Executive Director, Valuation
BSc (Est Man) FSISV
(Appraiser’s Licence No: AD041-2003168D)
## VALUATION SUMMARY

**Address of Property**: Mount Elizabeth Hospital and Carpark
in Mount Elizabeth Hospital and
Retained Units in Mount Elizabeth Medical Centre
at 3 Mount Elizabeth
Singapore 228510

<table>
<thead>
<tr>
<th>Legal Description &amp; Strata Floor Area</th>
<th>Legal Description (TS 27)</th>
<th>Strata Floor Area (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Car Park</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U4390P</td>
<td>13,759.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td>A8T</td>
<td>2,346.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td>A9A</td>
<td>69.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td>A10P</td>
<td>23.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td>A11T</td>
<td>46.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td>A12A</td>
<td>12.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td>A13K</td>
<td>69.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16,324.0</strong></td>
<td>sq.m.</td>
</tr>
<tr>
<td><strong>Hospital</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U4451K</td>
<td>38,588.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td>A14N</td>
<td>16.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td>A15X</td>
<td>22.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>38,626.0</strong></td>
<td>sq.m.</td>
</tr>
<tr>
<td><strong>Shops/Medical Suites</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>#01-01</td>
<td>U4462P</td>
<td>404.0 sq.m.</td>
</tr>
<tr>
<td>#01-02</td>
<td>U4391T &amp; U4528M</td>
<td>98.0 sq.m.</td>
</tr>
<tr>
<td>#01-03</td>
<td>U4473M &amp; U4484X</td>
<td>69.0 sq.m.</td>
</tr>
<tr>
<td>#01-04</td>
<td>U4495A</td>
<td>89.0 sq.m.</td>
</tr>
<tr>
<td>#01-05</td>
<td>U4506K</td>
<td>89.0 sq.m.</td>
</tr>
<tr>
<td>#01-06</td>
<td>U4517P</td>
<td>79.0 sq.m.</td>
</tr>
<tr>
<td>#02-01</td>
<td>U4446T</td>
<td>408.0 sq.m.</td>
</tr>
<tr>
<td>#02-02</td>
<td>U4447A</td>
<td>40.0 sq.m.</td>
</tr>
<tr>
<td>#02-03</td>
<td>U4448K</td>
<td>104.0 sq.m.</td>
</tr>
<tr>
<td>#02-04</td>
<td>U4435N</td>
<td>145.0 sq.m.</td>
</tr>
<tr>
<td>#02-05/06</td>
<td>U4424C</td>
<td>89.0 sq.m.</td>
</tr>
<tr>
<td>#02-07</td>
<td>U4413V</td>
<td>88.0 sq.m.</td>
</tr>
<tr>
<td>#02-08</td>
<td>U4402A</td>
<td>84.0 sq.m.</td>
</tr>
<tr>
<td>#02-09</td>
<td>U4449N</td>
<td>37.0 sq.m.</td>
</tr>
<tr>
<td>#02-10</td>
<td>U4450A</td>
<td>102.0 sq.m.</td>
</tr>
<tr>
<td>#02-11</td>
<td>U4452N</td>
<td>102.0 sq.m.</td>
</tr>
<tr>
<td>#02-12</td>
<td>U4454L</td>
<td>106.0 sq.m.</td>
</tr>
</tbody>
</table>
## VALUATION SUMMARY (cont’d)

<table>
<thead>
<tr>
<th>Legal Description &amp; Strata Floor Area (cont’d)</th>
<th>Legal Description</th>
<th>Strata Floor Area (sq.m.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>#04-02</td>
<td>U4932M</td>
<td>78.0 sq.m.</td>
</tr>
<tr>
<td>#08-06</td>
<td>U4505A</td>
<td>74.0 sq.m.</td>
</tr>
<tr>
<td>#10-09</td>
<td>U4403K</td>
<td>77.0 sq.m.</td>
</tr>
<tr>
<td>#11-09</td>
<td>U4534P</td>
<td>77.0 sq.m.</td>
</tr>
<tr>
<td>#11-10</td>
<td>U4535T</td>
<td>78.0 sq.m.</td>
</tr>
<tr>
<td>#11-13</td>
<td>U4409W</td>
<td>101.0 sq.m.</td>
</tr>
<tr>
<td>#11-14</td>
<td>U4410C</td>
<td>100.0 sq.m.</td>
</tr>
<tr>
<td>#11-15</td>
<td>U4411M</td>
<td>112.0 sq.m.</td>
</tr>
<tr>
<td>#12-10</td>
<td>U4431P</td>
<td>78.0 sq.m.</td>
</tr>
<tr>
<td>#14-04</td>
<td>U4592C</td>
<td>74.0 sq.m.</td>
</tr>
<tr>
<td>#14-10</td>
<td>U4604W</td>
<td>78.0 sq.m.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>3189.0 sq.m.</strong></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>58,139.0 sq.m.</strong></td>
</tr>
</tbody>
</table>

**Tenure**: 99 years commencing from 1 October 1976 (valuation is based on 67 years leasehold).

**Registered Proprietors**: Hospital & carpark: Parkway Hospitals Singapore Pte Ltd, Shops/medical suites: Mount Elizabeth Medical Holdings Ltd

**Brief Description of Property**: The subject property comprises Mount Elizabeth Hospital - a 10-storey block and a 5-storey hospital block, as well as the carpark in Mount Elizabeth Hospital. The medical centre comprises a 17-storey medical and retail block. All the blocks are linked by a common podium with basement carpark. The buildings were completed sometime in late 1979 with extensions added progressively from 1989 to 1990. The medical centre is about 15 - 16 years old.

The 10-storey block accommodates car park lots and plant rooms (basement level); car park lots, lift lobbies, biomedical department/security/environmental services/material management offices, staff lounge, loading bay, stores, bin centre (1st Storey); urology department, rehabilitation department, pharmacy, landscaped courtyard, lift lobbies (2nd Storey); and wards, nurses’ stations, patients’ lounges, utility rooms, lift lobbies (3rd to 10th Storey).
Appendix C

VALUATION SUMMARY (cont'd)

Brief Description of Property (cont’d) : The 5-storey hospital block accommodates car park lots and plant rooms (basement level); food & beverage/plants operation/linen offices, locker rooms, kitchen, staff cafeteria, stores, mortuary, lift lobbies, plant rooms (1st Storey); laboratory, hospital lobby, admissions, cashier, concierge, A&E department, lift lobbies, finance/radiology departments, oncology centre, driveway, carpark lots, plant rooms (2nd Storey); operating theatre suite, intensive/critical care unit, delivery suite, neonatal unit, roof garden, lift lobbies (3rd Storey); wards, nurses’ stations, patients’ lounges, utility rooms, lift lobbies, (4th and 5th Storey); and courtyard (4th Storey).

The 17-storey medical centre comprises shops on the 1st and 2nd storeys and medical suites from the 3rd to 17th storey. There is also a carpark on the 4th to 8th storey which is serviced by 2 car lifts.

Condition : Good.

Major points of Lease Structure & Terms :

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Parkway Hospitals Singapore Pte. Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessor</td>
<td>Trustee of Parkway Life REIT.</td>
</tr>
<tr>
<td>Term</td>
<td>15 years with an option to renew for a further term of 15 years.</td>
</tr>
</tbody>
</table>
## VALUATION SUMMARY (cont'd)

<table>
<thead>
<tr>
<th>Major points of Lease Structure &amp; Terms (cont’d)</th>
<th>Rent</th>
<th>Year</th>
<th>Rent payable per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Aggregate of:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(a) S$19.8 million (Base Rent) and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(b) the higher of (i) 3.8% of Adjusted Hospital Revenue for the current financial year (variable rent) or (ii) S$9.9 million.</td>
</tr>
<tr>
<td>1st year of the Term</td>
<td></td>
<td></td>
<td><strong>Aggregate of:</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(a) Base Rent and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(b) 3.8% of Adjusted Hospital Revenue for the current financial year (variable rent)</td>
</tr>
<tr>
<td>provided always that the Rent payable shall be no less than the equivalent of: [ 1 + (CPI + 1%) ] x Rent payable for the immediately preceding year. CPI is defined as the percentage increase in the Consumer Price Index announced by the Department of Statistics of Singapore for the relevant year compared to the immediately preceding year. Where CPI is negative for any year, the CPI shall be deemed zero for the purposes of the said clause.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd year till final year of the Term</td>
<td></td>
<td></td>
<td><strong>67 years</strong></td>
</tr>
<tr>
<td>Land Divestment Period</td>
<td></td>
<td></td>
<td><strong>The revised rent based on the then prevailing market rent which includes both the Base Rent and Variation Rent (Provided always that the revised rent for the 1st year of the further term shall not exceed the amount equivalent to 15% of the Adjusted Hospital Revenue for the Financial year 2021).</strong></td>
</tr>
</tbody>
</table>
# Valuation Summary (cont'd)

<table>
<thead>
<tr>
<th>Major Points of Lease (cont'd)</th>
<th>Lessee</th>
<th>Lessor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure &amp; Terms</td>
<td>• To pay all taxes (including Property Tax); all charges and outgoings; to keep and maintain the properties including, without limitation, all plant, mechanical and electrical equipment, all fittings, fixtures and installations on the properties but excluding all maintenance charges and sinking fund charged from time to time by the Management Corporation (if any). The Lessee will also be responsible for all capital expenditure from lease commencement until 31 December 2009.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• To pay Land Rent (if any); to pay all maintenance charges and sinking fund to the relevant Management Corporation (if any); and commencing from 1 January 2010, the Lessor will be responsible for servicing, maintenance of mechanical and electrical equipment and the properties, including roof, structure, pipes and wirings of the properties.</td>
<td></td>
</tr>
</tbody>
</table>

**2003 Master Plan Zoning**: Health & Medical Care

**Open Market Value as at 23 May 2007**
- Hospital: S$394,030,000/-
- Medical Centre: S$130,400,000/-
- Total: S$524,430,000/- (Singapore Dollars Five Hundred Twenty-Four Million Four Hundred And Thirty Thousand)

For and on behalf of

**DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD**

[Signature]

Poh Kwee Eng (Ms)
Executive Director, Valuation
BSc (Est Man) FSISV
(Appraiser’s Licence No: AD041-2003168D)

Date: 1
Our Ref: PKE:NC:CT:ao:0701081-01R

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PKE:NC:CT:ao:3.436:0701081-01R
Independent Property Valuation
Summary Report

Our Ref: PKE:CT:ao:3.436:0701080-01R

17 July 2007

The Board of Directors
Parkway Trust Management Limited
1 Grange Road #11-01
Orchard Building
Singapore 239693

Dear Sirs

GLEN EAGLES HOSPITAL AT 6A NAPIER ROAD AND 10 MEDICAL SUITES
LOCATED WITHIN GLEN EAGLES MEDICAL CENTRE, 6 NAPIER ROAD,
SINGAPORE 258500/258499

We have been instructed to assess the open market value of the above mentioned property as at
23 May 2007, based on the terms of the proposed sale arrangement between the owner of the
property and Parkway Life REIT. We confirmed that we have inspected the property, made
relevant local searches and enquiries and obtained such further information as we consider
necessary for the purpose of providing you with our opinion of the open market value as at 23

The term “Open Market Value” as used herein is intended to mean “an opinion of the best price
at which the sale of an interest in property would have been completed unconditionally for cash
consideration on the date of valuation, assuming:-

(a) a willing seller;

(b) that, prior to the date of valuation, there had been a reasonable period (having regard to
the nature of the property and the state of the market) for the proper marketing of the
interest, for the agreement of the price and terms and for the completion of the sale;

(c) that the state of the market, level of values and other circumstances were, on any earlier
assumed date of exchange of contracts, the same as on the date of valuation;

(d) that no account is taken of any additional bid by a prospective purchaser with a special
interest; and

(e) that both parties to the transactions had acted knowledgeably, prudently and without
compulsion.”

.../Page 2
Our valuations have been made on the assumption that the owner sells the property on the open market in its existing state taking into account the terms of sale but without the benefit of other joint venture, management agreement or any similar arrangement which would affect the value of the property.

A summary of our valuation together with a brief description of the property is appended to this Valuation Certificate.

We have valued the hospital mainly by the Capitalisation Approach and Discounted Cash Flow (DCF) Analysis. As for strata units located within Gleneagles Medical Centre, we have valued them by Direct Comparison Method.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property. We have assumed that the property is free of encumbrances, restrictions or other outgoings of an onerous nature which would affect its value, other than those which have been indicated to us.

Information as to tenure, site area and ownership is obtained from our searches carried out at the Singapore Land Authority. We have also relied to a considerable extent on information provided by Parkway Holdings Limited particularly in relation to matters such as capital expenditure, tenancy details and sale & leaseback arrangement.

We were not instructed to carry out structural survey of the buildings, nor to test any of the services, but we have reflected in our valuation, where necessary, any items of disrepair which we noticed during the course of our inspection. We are not, however, able to report that the buildings are free of rot, infestation or any other defect.

A summary of the key details and valuation of the property is as follows:

**Gleneagles Hospital at 6A Napier Road and 10 Medical Suites located within Gleneagles Medical Centre, 6 Napier Road, Singapore 258500/258499**

<table>
<thead>
<tr>
<th>Strata Floor Area (SFA)</th>
<th>Hospital</th>
<th>48,502.0 sq.m.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Medical Centre</td>
<td>501.0 sq.m.</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>49,003.0 sq.m.</td>
</tr>
<tr>
<td>Tenure</td>
<td>Freehold (valuation is based on 75 years leasehold).</td>
<td></td>
</tr>
<tr>
<td>Capitalisation Rate</td>
<td>6.25%</td>
<td></td>
</tr>
<tr>
<td>Discount Rate</td>
<td>8%</td>
<td></td>
</tr>
<tr>
<td>Terminal Yield</td>
<td>6.5%</td>
<td></td>
</tr>
</tbody>
</table>
Appendix C

Parkway Trust Management Limited 17 July 2007

Valuation : Hospital : S$197,200,000/-

Medical Centre
Gleneagles Pharmacy Pte Ltd : S$6,900,000/-
Gleneagles Medical Centre : S$11,900,000/-
Total : S$216,000,000/-

This valuation certificate summarises our Valuation Report and is for the use of Parkway Trust Management Limited in connection with the proposed acquisition of the property and for the purpose of its inclusion in the prospectus to be issued in connection with the Initial Public Offering of units in Parkway Life REIT.

DTZ Debenham Tie Leung (SEA) Pte Ltd had relied upon property data supplied by Parkway Holdings Limited which we have assumed to be true and accurate. DTZ Debenham Tie Leung (SEA) Pte Ltd takes no responsibility for any inaccurate client-supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuer undertaking the valuation is authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully
for and on behalf of
DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD

[Signature]
Poh Kwee Eng (Mk)
Executive Director, Valuation
BSc (Est Man) FSISV
(Appraiser’s Licence No: AD041-2003168D)
VALUATION SUMMARY

Address of Property: Gleneagles Hospital and Medical Centre
At 6A/6 Napier Road
Singapore 258500/258499

Legal Description: Lot U2769C and Accessory Lots A41P, A42T & A43A Town subdivision (TS) 25 and various Strata Titles for the 10 medical units.

Tenure: Freehold (valuation is based on 75 years leasehold).

Registered Proprietor: Hospital: Parkway Hospitals Singapore Pte Ltd
Medical Centre: Gleneagles Pharmacy Pte Ltd (3 units)
Gleneagles Medical Centre Ltd (7 units)

2003 Master Plan Zoning: Health & Medical Care

Brief Description of Property: Gleneagles Hospital comprises a 10-storey block with 2 basements and a 5-storey annexe block. The hospital was completed in 1993 and the annexe block was originally built in 1979 and subsequently refurbished in 1994.

The 10-storey hospital block accommodates entrance lobby, cashier, admission, reception, shops, F&B outlets and offices on the 2nd storey; the 1st storey accommodates specialist clinics and carpark; 3rd storey accommodates lecture theatre, international lounge, doctors lounge, offices, stores, main kitchen, staff dining and back of house services; operating theatres, ICU, offices are located on the 4th storey; the 5th to 10th storey mainly accommodate patient’s rooms with VIP, 1 bedded, 2 bedded or 4 bedded rooms.

The annexe block houses the A&E Department, treatment rooms, x-ray department and specialist clinics on the 1st storey; specialist clinics on the 2nd storey; laboratory, rehabilitation room and specialist clinics on the 3rd storey; endoscopy centre and specialist clinics on the 4th storey; neonatal intensive care unit and specialist clinics on the 5th storey.
## VALUATION SUMMARY (cont’d)

<table>
<thead>
<tr>
<th>Strata Area</th>
<th>Hospital</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lot U2769C TS 25</td>
<td>48,437.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td></td>
<td>Lot A41P TS 25</td>
<td>18.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td></td>
<td>Lot A42T TS 25</td>
<td>32.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td></td>
<td>Lot A43A TS 25</td>
<td>15.0</td>
<td>sq.m.</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>48,502.0</strong></td>
<td>sq.m.</td>
</tr>
</tbody>
</table>

**Medical Centre**

(Gleneagles Pharmacy Pte Ltd)

| #02-01       | Lot U1956N TS 25       | 83.0     | sq.m.    |
| #02-02       | Lot U1955K TS 25       | 53.0     | sq.m.    |
| #02-03       | Lot U1954A TS 25       | 48.0     | sq.m.    |
|              | **Total**              | **184.0** | sq.m.    |

(Gleneagles Medical Centre Ltd)

| #02-06       | Lot U1951V TS 25       | 50.0     | sq.m.    |
| #02-07       | Lot U1950W TS 25       | 50.0     | sq.m.    |
| #02-08       | Lot U1949P TS 25       | 50.0     | sq.m.    |
| #02-09       | Lot U1945C TS 25       | 37.0     | sq.m.    |
| #02-12       | Lot U1948V TS 25       | 36.0     | sq.m.    |
| #02-20       | Lot U2686V TS 25       | 42.0     | sq.m.    |
| #10-03       | LotU2016T TS 25        | 52.0     | sq.m.    |
|              | **Total**              | **317.0** | sq.m.    |

**Condition**

Good.

**Major points of Lease Structure & Terms**

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Parkway Hospitals Singapore Pte. Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lessor</td>
<td>Trustee of Parkway Life REIT.</td>
</tr>
<tr>
<td>Term</td>
<td>15 years with an option to renew for a further term of 15 years.</td>
</tr>
</tbody>
</table>
###重大租赁条款

<table>
<thead>
<tr>
<th>年度</th>
<th>租金支付额年度</th>
</tr>
</thead>
</table>
| 第一年      | 集合计（a）：$8.7百万（基本租金）和（b）：
   高于（i）：3.8%的调整医院收入
   或（ii）：$4.3百万。 |
| 第二年      | 集合计（a）：基本租金
   （b）：3.8%的调整医院收入
   具体年份的
   变动租金
   （需满足
   CPI上涨） |

- **土地出售
  期限**：75年

- **租金
  评审（续签）**：基于市场上
  出现的最新租金，包括基本
  租金和调整租金。须满足
  第一年的租金
  评审，其他年份
  的租金评审不能
  超过15%的调整
  医院收入。
## VALUATION SUMMARY (cont’d)

<table>
<thead>
<tr>
<th>Major points of Lease Structure &amp; Terms (cont’d)</th>
<th>Lessee</th>
<th>Lessor</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To pay all taxes (including Property Tax); all charges and outgoings; to keep and maintain the properties including, without limitation, all plant, mechanical and electrical equipment, all fittings, fixtures and installations on the properties but excluding all maintenance charges and sinking fund charged from time to time by the Management Corporation (if any). The Lessee will also be responsible for all capital expenditure from lease commencement until 31 December 2009.</td>
<td></td>
<td>• To pay Land Rent (if any); to pay all maintenance charges and sinking fund to the relevant Management Corporation (if any); and commencing from 1 January 2010, the Lessor will be responsible for servicing, maintenance of mechanical and electrical equipment and the properties, including roof, structure, pipes and wirings of the properties.</td>
</tr>
</tbody>
</table>

### Open Market Value as at 23 May 2007

<table>
<thead>
<tr>
<th></th>
<th>Hospital</th>
<th>$197,200,000/-</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Medical Centre</td>
<td></td>
</tr>
<tr>
<td>Gleneagles Pharmacy Pte Ltd</td>
<td>$6,900,000/-</td>
<td></td>
</tr>
<tr>
<td>Gleneagles Medical Centre Ltd</td>
<td>$11,900,000/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$216,000,000/-</strong></td>
</tr>
</tbody>
</table>

For and on behalf of

DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD

[Signature]

Poh Kwee Eng (Ms)
Executive Director, Valuation
BSc (Est Man) FSISV
(Appraiser’s Licence No: AD041-2003168D)

Date: ...........................
Our Ref: PKE:CT:ao:0701080-01R
Independent Property Valuation
Summary Report

Our Ref: PKE:CT:ao:3.436:0701082-01R

17 July 2007

The Board of Directors
Parkway Trust Management Limited
1 Grange Road #11-01
Orchard Building
Singapore 239693

Dear Sir

EAST SHORE HOSPITAL AND MEDICAL CENTRE AT 321/319 JOO CHIAT PLACE
SINGAPORE 427990/427989

We have been instructed to assess the open market value of the above mentioned property as at
23 May 2007, based on the terms of the proposed sale arrangement between the owner of the
property and Parkway Life REIT. We confirmed that we have inspected the property, made
relevant local searches and enquiries and obtained such further information as we consider
necessary for the purpose of providing you with our opinion of the open market value as at 23

The term “Open Market Value” as used herein is intended to mean “an opinion of the best price
at which the sale of an interest in property would have been completed unconditionally for cash
consideration on the date of valuation, assuming:–

(a) a willing seller;

(b) that, prior to the date of valuation, there had been a reasonable period (having regard to
the nature of the property and the state of the market) for the proper marketing of the
interest, for the agreement of the price and terms and for the completion of the sale;

(c) that the state of the market, level of values and other circumstances were, on any earlier
assumed date of exchange of contracts, the same as on the date of valuation;

(d) that no account is taken of any additional bid by a prospective purchaser with a special
interest; and

(e) that both parties to the transactions had acted knowledgeably, prudently and without
compulsion.”
Our valuations have been made on the assumption that the owner sells the property on the open market in its existing state taking into account the terms of sale but without the benefit of other joint venture, management agreement or any similar arrangement which would affect the value of the property.

A summary of our valuation together with a brief description of the property is appended to this Valuation Certificate.

We have valued the subject property mainly by the Capitalisation Approach and Discounted Cash Flow (DCF) Analysis.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property. We have assumed that the property is free of encumbrances, restrictions or other outgoings of an onerous nature which would affect its value, other than those which have been indicated to us.

Information as to tenure, site area and ownership is obtained from our searches carried out at the Singapore Land Authority. We have also relied to a considerable extent on information provided by Parkway Holdings Limited particularly in relation to matters such as capital expenditure, tenancy details and the sale & leaseback arrangement.

We were not instructed to carry out structural survey of the buildings, nor to test any of the services, but we have reflected in our valuation, where necessary, any items of disrepair which we noticed during the course of our inspection. We are not, however, able to report that the buildings are free of rot, infestation or any other defect.

A summary of the key details and valuation of the property is as follows:

**East Shore Hospital & Medical Centre at 321/319 Joo Chiat Place, Singapore 427990/427989**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Floor Area</td>
<td>10,993.58 sq.m.</td>
</tr>
<tr>
<td>Tenure</td>
<td>Freehold (valuation is based on 75 years leasehold).</td>
</tr>
<tr>
<td>Capitalisation Rate</td>
<td>5.75%</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>8%</td>
</tr>
<tr>
<td>Terminal Yield</td>
<td>6%</td>
</tr>
<tr>
<td>Valuation</td>
<td>S$34,190,000/-</td>
</tr>
</tbody>
</table>
Parkway Trust Management Limited

17 July 2007

This valuation certificate summarises our Valuation Report and is for the use of Parkway Trust Management Limited in connection with the proposed acquisition of the property and for the purpose of its inclusion in the prospectus to be issued in connection with the Initial Public Offering of units in Parkway Life REIT.

DTZ Debenham Tie Leung (SEA) Pte Ltd had relied upon property data supplied by Parkway Holdings Limited which we have assumed them to be true and accurate. DTZ Debenham Tie Leung (SEA) Pte Ltd takes no responsibility for any inaccurate client-supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. Our compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuer undertaking the valuation is authorised to practice as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully
for and on behalf of

DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD

[Signature]

Poh Kwee Eng (M$)
Executive Director, Valuation
BSc (Est Man) FSISV
(Appraiser’s Licence No: AD041-2003168D)
VALUATION SUMMARY

Address of Property: East Shore Hospital & Medical Centre
At 321/319 Joo Chiat Place
Singapore 427990/427989

Legal Description: Lot 6912 Mukim (MK) 26.

Tenure: Frehold (valuation is based on 75 years leasehold).

Registered Proprietor: Parkway Hospitals Singapore Pte Ltd.

Brief Description of Property: The subject property to be valued comprises a 4-storey hospital block together with a 5-storey medical centre. The 1st & 5th storey of the medical centre are linked to the 1st & 4th storey of the hospital block. The hospital block and medical centre were completed in 1982 and 1987 respectively.

The Hospital generally accommodates A&E department, waiting area, emergency room, treatment room, laboratory, radiology, pharmacy, drug store/gift shop, administration office, cafeteria/kitchen/private dining area, male/female toilets, changing room, bulk store, M&E services on the 1st storey; offices, operating theatres, intensive care units, neonatal intensive care units, physiotherapy, labour/delivery wards on the 2nd storey; activities room, nursery, patient rooms (1, 2 or 6 beds) on the 3rd & 4th storey. Each patient room is equipped with a shower, wash basin and W.C., piped oxygen and vacuum, clothing wardrobe, nurse call, telephone and television.

The Medical Centre block generally accommodates reception with waiting area and covered carpark lots on 1st storey; Medical Suites with toilets on the 2nd to the 4th storey; male/female toilets are provided on every floor. The 5th storey has been newly renovated and is occupied as Haematology and Cancer Centre.

Covered and open carpark lots are provided on the 1st storey void deck and within the compound.

Total Floor Area: 10,993.58 sq.m.

Condition: Good.

Major points of Lease Structure & Terms:

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Trustee of Parkway Life REIT.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term</td>
<td>15 years with an option to renew for a further term of 15 years.</td>
</tr>
</tbody>
</table>
### VALUATION SUMMARY (cont'd)

<table>
<thead>
<tr>
<th>Major points of Lease Structure &amp; Terms (cont’d)</th>
<th>Rent</th>
<th>Year</th>
<th>Rent payable per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1st year of the Term</td>
<td>Aggregate of:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(a) S$1.5 million (Base Rent) and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(b) The higher of (i) 3.8% of Adjusted Hospital Revenue for the current financial year (variable rent) or (ii) S$0.8 million.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2nd year till final year of the Term</td>
<td>Aggregate of:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(a) Base Rent and</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(b) 3.8% of Adjusted Hospital Revenue for the current financial year (variable rent) provided always that the Rent payable shall be no less than the equivalent of: $[1+(CPI+1%)] x Rent payable for the immediately preceding year. CPI is defined as the percentage increase in the Consumer Price Index announced by the Department of Statistics of Singapore for the relevant year compared to the immediately preceding year. Where CPI is negative for any year, the CPI shall be deemed zero for the purposes of the said clause.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Land Divestment Period</td>
<td>75 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rent Review (on renewal)</td>
<td>The revised rent based on the then prevailing market rent which includes both the Base Rent and Variation Rent. (Provided always that the revised rent for the 1st year of the further term shall not exceed the amount equivalent to 15% of the Adjusted Hospital Revenue for the Financial year 2021).</td>
</tr>
</tbody>
</table>
### VALUATION SUMMARY (cont’d)

<table>
<thead>
<tr>
<th>Major points of Lease Structure &amp; Terms (cont’d)</th>
<th>Lessors</th>
<th>Lessees</th>
</tr>
</thead>
<tbody>
<tr>
<td>• To pay all taxes (including Property Tax); all charges and outgoings; to keep and maintain the properties including, without limitation, all plant, mechanical and electrical equipment, all fittings, fixtures and installations on the properties but excluding all maintenance charges and sinking fund charged from time to time by the Management Corporation (if any). The Lessee will also be responsible for all capital expenditure from lease commencement until 31 December 2009.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• To pay Land Rent (if any); to pay all maintenance charges and sinking fund to the relevant Management Corporation (if any); and commencing from 1 January 2010, the Lessor will be responsible for servicing, maintenance of mechanical and electrical equipment and the properties, including roof, structure, pipes and wirings of the properties.</td>
</tr>
</tbody>
</table>

**2003 Master Plan Zoning** : Health & Medical Care

**Open Market Value as at 23 May 2007** : $34,190,000/- (Singapore Dollars Thirty-Four Million One Hundred and Ninety Thousand).

---

for and on behalf of

**DTZ DEBENHAM TIE LEUNG (SEA) PTE LTD**

[Signature]

Poh Kwee Eng (M's)
Executive Director, Valuation
BSc (Est Man) FSISV
(Appraiser’s Licence No: AD041-2003168D)

**Date** : 12-06-2007
**Our Ref** : PKE:CT:ao:0701082-01R

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Page 6 of 6
PKE:CT:ao:3-436-0701082-01R

C-21
HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Parkway Life Real Estate Investment Trust)
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320
17 July 2007

Dear Sirs,

OPEN MARKET VALUATION OF THE FOLLOWING PROPERTIES :-

1) MOUNT ELIZABETH HOSPITAL & MOUNT ELIZABETH MEDICAL CENTRE (30 UNITS) LOCATED AT 3 MOUNT ELIZABETH
SINGAPORE 228510

2) GLENEAGLES HOSPITAL & GLENEAGLES MEDICAL CENTRE (10 UNITS) LOCATED AT 6A/6 NAPIER ROAD SINGAPORE 258500/258499

3) EAST SHORE HOSPITAL LOCATED AT 321/319 JOO CHIAT PLACE
SINGAPORE 427990/427989

We have been instructed by HSBC Institutional Trust Services (Singapore) Limited, as Trustee of Parkway Life Real Estate Investment Trust (“Parkway Life REIT”) (the “Trustee”) to determine the Open Market Values as at May 23, 2007, of the Mount Elizabeth Hospital & Mount Elizabeth Medical Centre (30 strata units), Gleneagles Hospital and Gleneagles Medical Centre (10 strata units) and the East Shore Hospital in its existing use (collectively, the “Properties”) subject to 3 master leases and occupancy arrangements.

We have prepared a comprehensive formal valuation report in accordance with the instructions of the Trustee for the specific purpose of its inclusion in the prospectus to be issued in connection with the Initial Public Offering of units in Parkway Life REIT.

Our basis of value is Open Market Value, which is defined as follows:

“An opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

• a willing seller;

• that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;

• that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;

• that no account is taken of any additional bid by a prospective purchaser with a special interest; and

• that both parties to the transaction had acted prudently and without compulsion.”

Included within this valuation are building fixtures and fittings but exclude all movable equipment, furniture, furnishings and plant and machinery.
HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Parkway Life Real Estate Investment Trust)
- Open Market Valuation Of The Following Properties:
  1) Mount Elizabeth Hospital & Mount Elizabeth Medical Centre (30 Units)
     Located At 3 Mount Elizabeth Singapore 228510
  2) Gleneagles Hospital & Gleneagles Medical Centre (10 Units) Located at
     6A/6 Napier Road Singapore 258500/258499
  3) East Shore Hospital Located at 321/319 Joo Chiat Place Singapore
     427990/427989

17 July 2007

RELIANCE ON THIS LETTER

This letter is a summary of the comprehensive valuation reports that we, Jones Lang LaSalle
Property Consultants Pte Ltd, have carried out and it does not contain all the necessary
information and assumptions which are included in the valuation reports. Further reference
may be made to these valuation reports which are available during normal office hours at the
registered office of the Parkway Trust Management Limited, the Manager of Parkway Life
REIT (the “Manager”) at 1 Grange Road #11-01 Orchard Building Singapore 239693 for a
period of six months from the date of the Prospectus.

The opinion of value contained in the valuation reports are not guarantees or predictions but
are based on the information obtained from reliable and reputable agencies and sources,
Parkway Holdings Limited, the Manager and other related parties. Whilst Jones Lang
LaSalle has endeavoured to obtain accurate information, it has not independently verified all
the information provided by the Parkway Holdings Limited, the Manager or other reliable
and reputable agencies.

The methodologies used in valuing the Properties taking into consideration the master leases
namely the Capitalization Approach and Discounted Cashflow Approach, are based on our
professional opinion and estimates of the future results and are not guarantees or predictions.
The valuation methodologies are summarized in this letter. Each methodology is based on a
set of assumptions as to the income and expenses taking into considerations the changes in
economic conditions and other relevant factors affecting the Properties.

The resultant market value is, in our opinion, the best estimate but it is not to be construed as
a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions
made. Every investor who intends to make an investment in Parkway Life REIT should
review the valuation reports to understand the assumptions and methodologies made in the
valuation reports to appreciate the context in which the values are arrived at and also carry
out their assessment with regard to the risk of the investment on their own.

We have not carried out investigations on site in order to determine the suitability of ground
conditions, nor have we undertaken archaeological, ecological or environmental surveys.
Our valuation is on the basis that these aspects are satisfactory.

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HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Parkway Life Real Estate Investment Trust)

- Open Market Valuation Of The Following Properties:
  1) Mount Elizabeth Hospital & Mount Elizabeth Medical Centre (30 Units)
     Located At 3 Mount Elizabeth Singapore 228510
  2) Gleneagles Hospital & Gleneagles Medical Centre (10 Units) Located at
     6A/6 Napier Road Singapore 258500/258499
  3) East Shore Hospital Located at 321/319 Joo Chiat Place Singapore
     427990/427989

17 July 2007

SUMMARY OF THE PROPERTIES

Mount Elizabeth Hospital

Brief Description

Mount Elizabeth hospital comprises a 10-storey block (Tower B) and a 5-storey hospital
block (Tower C) with 363 carparking lots. The registered proprietor for the hospital is
registered in favour of Parkway Hospitals Singapore Pte Limited.

The hospital was completed in end 1979. The extensions were subsequently built in 1989.
Mount Elizabeth hospital has a total of 505 licensed beds.

The accommodation of Tower B together with part of the podium block generally comprises
car park lots on the basement level; the 1st storey generally accommodate nuclear medicine
and P.E.T. Centre, car park lots, lift lobbies, security; rehabilitation department, landscaped
garden, lift lobbies and hospital pharmacy on the 2nd storey; the 3rd storey houses the day
surgery ward with operating room; the 4th storey accommodates the endoscopy centre; the
5th and 6th storeys generally accommodate wards; 7th storey accommodates haematology
center and haematology ward; and the 8th to 10th storeys accommodate wards.

Vertical transportation within Tower B is facilitated by 5 passenger lifts, serving the 1st to
10th storeys only.

The 1st and 2nd storey common areas and lift lobbies are finished with vinyl floor tiles and
marble floor and walls slabs respectively, whilst the upper floor common areas and lift
lobbies are finished with wall to wall carpeting and marble floor and wall slabs respectively.

The accommodation of Tower C together with part of the podium block generally comprises
car park lots and plant rooms on the basement level; food and beverage, plant operation,
linen offices, kitchen, staff cafeteria, lift lobbies and plant rooms on the 1st storey; on the
2nd storey houses the hospital lobby, admissions, cashier, A & E department, concierge, lift
lobbies, finance/radiology departments, oncology centre and plant rooms; the 3rd storey
generally accommodates operating theatres, delivery suites, intensive care unit; high
dependency unit, neo-natal intensive care unit and lift lobbies; and the 4th to 5th storeys
generally accommodate wards, lift lobbies and courtyard (4th storey only).

Vertical transportation within Tower C is facilitated by 4 passenger’s lifts which serve the
1st to 5th storeys.

The common areas and lift lobbies are finished with either vinyl, carpet or marble flooring
with marble wall slabs for the lift lobbies.

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Mount Elizabeth Medical Centre

Brief Description

Mount Elizabeth Medical Centre comprises a 17-storey medical suite block (Tower A)
linked to the hospital by a podium block with basement carpark. It was completed in 1979
with extensions completed in 1992. There are a total of 30 strata units, located on the 1st to
14th storey of Mount Elizabeth Medical Centre to be valued. The 30 strata units are
registered in favour of Mount Elizabeth Medical Holdings Limited.

Construction of the building is of reinforced concrete frames with brick infill walls,
Fenestration generally comprises aluminium framed tinted glass windows.

The accommodation of Tower A together with part of the podium block generally comprises
car park lots, plant rooms and lift lobbies on the basement level; radiology clinic, bank, lift
lobbies on the 1st storey; doctors’ lounge, clinics, banks, shops and lift lobbies on the 2nd
storey; consulting suites and lift lobbies on the 3rd storey; the 4th to 8th storeys house
carpark lots, consulting suites and lift lobbies; and consulting suites and lift lobbies from the
9th to 17th storeys.

Vertical transportation within Tower A is facilitated by 11 passenger’s lifts and one fire lift
of which 4 (including the fire lift) serve only the basement, 2nd storey and 12th to 17th
storey, 4 lifts serving the 1st to 11th storeys and the other 4 lifts serving 1st and 2nd storey
and 10th to 17th storey.

The 1st and 2nd storey lift lobbies are finished with marble floor and wall slabs, whilst the
upper floor lobbies, common areas and toilets are finished with ceramic floor and wall tiles.

Fire fighting equipment provided include fire sprinklers, hosereels, break-glass alarm and
wet risers. Car parking lots are provided on the basement, 1st storey and 4th to 8th storeys.
The car parks on the upper floors are served by 2 car lifts.

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Summary of the Properties

Mount Elizabeth Hospital & Carpark

and A13K (Carpark) and Lot U4451K & Accessory Lot Nos. A14N  
and A15X (Hospital) Town Subdivision 27

Strata Floor Areas: 16,324 sqm (Carpark) & 38,626 sqm (Hospital)

Mount Elizabeth Medical Centre

The 30 strata units to be valued are as follows:

<table>
<thead>
<tr>
<th>Unit No.</th>
<th>Legal Description (TS 27) Lot Nos.</th>
<th>Strata Floor Areas (sq.m.)</th>
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<tr>
<td>01-01</td>
<td>U4462P</td>
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<td>U4391T</td>
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<td>U4413V</td>
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<td>10-09</td>
<td>U4403K</td>
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<td>12-10</td>
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<td>14-04</td>
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<td>14-10</td>
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<tr>
<td>Total</td>
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</tbody>
</table>
HSBC Institutional Trust Services (Singapore) Limited
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- Open Market Valuation Of The Following Properties:
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Summary of The Properties

Gleneagles Hospital

Brief Description of Property

Gleneagles Hospital comprises a 10-storey block with 2 basement levels and a 5-storey
annexe block. The hospital was completed in 1993 and the annexe block was completed in
1979 but was subsequently refurbished in 1994. Gleneagles Medical Centre is a 10-storey
building with 3 basement carparks and is linked to Gleneagles Hospital and its Annexe
Block.

The 10-storey hospital block accommodates clinics and carparks on the 1st storey; a
reception area, admission office, shops, restaurants and offices on the 2nd storey; lecture
theatres, projection rooms, stores, doctor’s lounge, international lounge, conference room,
fire command centre/maintenance centre and mortuary on the 3rd storey; operating theatres,
recovery areas, intensive care unit and cardio-vascular laboratory on the 4th storey; plant
rooms on the 4th mezzanine; lobbies, delivery suites, nursery, nurses’ stations and wards on
the 5th storey; the 6th to 10th storey generally accommodates the wards and VIP suites.

The 5-storey Annexe block houses the A&E department, x-ray department and specialist
clinics on the 1st storey; the 2nd storey generally accommodates specialist clinics;
laboratory, rehabilitation department and specialist clinics on the 3rd storey; the 4th storey
houses the endoscopy centre and specialist clinics; and the 5th storey generally
accommodates neonatal intensive care unit and specialist clinics.

Gleneagles Medical Centre

Brief Description of Property

Gleneagles Medical Centre is a 10-storey building with 3 basement carparks and is linked to
Gleneagles Hospital and its Annexe Block. It comprises shops on the second storey and
medical suites from the 3rd to 10th storeys. There is a total of 10 strata units, located on the
2nd and 10th storey of Gleneagles Medical Centre, to be valued.

Construction of the building is of reinforced concrete frames with infill brickwalls, external
curtain walling, reinforced concrete floors, reinforced concrete staircases and flat roof.
Fenestration generally comprises anodised aluminium framed top hung glass windows.

Vertical movement within the building is facilitated by 6 passenger lifts and a fire lift. The
lift lobbies are finished with granite/carpet flooring whilst male/female toilets are provided
on every floor.
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Summary of the Properties

<table>
<thead>
<tr>
<th>Property</th>
<th>Site Area (sq m)</th>
<th>Total Strata Floor Area (sq m)</th>
<th>Registered Proprietor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gleneagles Hospital Building</td>
<td>14,947.3</td>
<td>48,502</td>
<td>Parkway Hospitals Singapore Pte Ltd</td>
</tr>
<tr>
<td>Gleneagles Medical Centre</td>
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</tr>
<tr>
<td>#02-06/07/08/09/12/20 &amp; #10-03</td>
<td>NA</td>
<td>317</td>
<td>Gleneagles Medical Centre Ltd</td>
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<td></td>
</tr>
<tr>
<td>#02-01/02/03</td>
<td>NA</td>
<td>184</td>
<td>Gleneagles Pharmacy Pte Ltd</td>
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</tbody>
</table>

East Shore Hospital

Brief Description of Property

Eastshore Hospital comprises a 4-storey hospital block and a 5-storey medical centre with 75 carparking lots. The hospital was built in 1982 whilst the medical centre was completed in early 1987. There is a total of 154 licensed beds.

The registered proprietor is Parkway Hospitals Singapore Pte Ltd. The Property is located within Lot 6912P Mukim 26 with a site area of 6203.0 sq.m and a gross floor area of about 10,993.58 sq.m.

The buildings are constructed of reinforced concrete frames with brick infill walls, concrete floors and concrete flat roofs. Both the external and internal walls are plastered and emulsion painted.

The accommodation of the hospital block generally comprises examination/consultation rooms, pharmacy dispensary, nurse station, waiting area, emergency room, treatment room, laboratory, radiology, cafeteria with kitchen and private dining area, mortuary, changing rooms and bulk store on the 1st storey; operating theatres, intensive care units, delivery suites, neo-natal intensive care unit, physiotherapy, nurses station, locker rooms and toilets on the 2nd storey; wards and nursery on the 3rd storey and nursing home and wards on the 4th storey.

The accommodation of the medical centre generally comprises the entrance lobby, reception with waiting room, toilets and covered car parking lots on the 1st storey; medical suites, waiting area and toilet on the 2nd storey to the 4th storeys; the 5th storey is currently undergoing renovation.

Only the 1st and 5th storeys of the medical centre are connected on the 1st and 4th storeys respectively of the hospital block.
Appendix C

HSBC Institutional Trust Services (Singapore) Limited
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Leaseback Arrangement

The leaseback terms and arrangement as provided is as follows:-

Master Lessee : Operator (ie. Parkway Hospitals Singapore Pte Ltd)
Lessor : HSBC Institutional Trust Services (Singapore) Limited, the trustee of Parkway
         Life REIT.
Annual Rent : Rental payable per annum
1st year of the Term : Aggregate of -:
(a) $30 million ("Base Rent") plus GST and
(b) the higher of (i) 3.8% of Adjusted Hospital Revenue for the current financial
    year (Variable Rent) plus GST or (ii) $15 million plus GST

Minimum Guaranteed Total Rent in Year 1 is $45,000,000. plus GST The
breakdown of the minimum guaranteed Total Rent is as follows:-

Gleneagles Hospital & Medical Centre : $13,000,000/- plus GST
Mount Elizabeth Hospital & Medical Centre : $29,700,000/- plus GST
East Shore Hospital : $2,300,000/- plus GST
Total : $45,000,000/- plus GST

2nd year till final year of the term : Aggregate of -:
(a) Base Rent plus GST
and
(b) 3.8% of Gross Revenue for the current financial year (Variable Rent) plus GST
or
Minimum Total Rental Increase on previous year’s total rent of CPI + 1% plus
GST per annum whichever is higher
CPI is defined as the percentage increase in the Consumer Price Index announced
by the Department of Statistics of Singapore for the relevant year compared to the
immediately preceding year. Where CPI is negative for any year, the CPI shall be
deemed zero for the purposes of the said clause.

Land Divestment Period : 75 years for Gleneagles Hospital Property and East Shore Hospital Property
                          67 years for Mount Elizabeth Hospital Property
Leaseback Terms * : The subject properties will be leased back to the Operator (Parkway Hospitals
                    Singapore Pte Ltd) for an initial period of 15 years with a 15-year option to renew
                    subject to a revised rent based on the then prevailing market rent (which shall be
                    inclusive of the Base Rent and the Variable Rent) and on the same terms and
                    conditions set out in the Agreement. Provided Always that the revised rent for the
                    first year of the further term shall not exceed the amount equivalent to fifteen per
                    cent (15%) of the Adjusted Hospital Revenue for the period from 1st January 2021
                    to 31st December 2021.
                    The Lessee will be responsible for all outgoings, repairs and maintenance of an
                    operational expenditure nature from the lease commencement date. The Lessee
                    will also be responsible for all capital expenditure from the lease commencement
date to end of Financial Year ended 2009.
                    The Lessor (REIT) will be responsible for payment of all MCST payments. (where
                    applicable)

*please refer to the leases for further details.

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Commentary to the Leaseback Agreement

Master lease rent

The 1st year Annual Rent as specified in the master lease is in our opinion on the lower range of the market rental that we have established using the profits method and/or direct comparison method cross checked with the ratios of rental with the gross turnover revenue and the percentage of apportionment for the EBITDA.

Master lease rent formula

The master lease rent formula of base rent plus percentage of total Adjusted Hospital Revenue is an acceptable market practice to determine the rental of a real estate.

Lease Term

The long lease term of 15 years plus 15 years is an acceptable lease term for capital intensive businesses such as hospitals, hotels, etc.

Rent Review Mechanism

The rent review mechanism of CPI+X% is an acceptable mode of determining the increase in rent over time CPI, as the indicator of inflation, is one of the factors that is used to ascertain the increase in rent. The revised rent for the first year of the further term which is subject to a cap of 15% of the Adjusted Hospital Revenue for the period from 1st January 2021 to 31st December 2021 is reasonable.

Disclaimer
We have made the commentary on items mentioned above in the master lease in the context of the practices in the real estate industry but it does not represent that we have reviewed or conducted a due diligence of the terms and conditions of the leases. The master leases are determined between the lessor and lessee, and their respective advisors and we have not and are not involved in the determination of the master leases.
Appendix C

HSBC Institutional Trust Services (Singapore) Limited
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17 July 2007

VALUATION RATIONALE

Overview

In arriving at our opinion of market value, we have adopted the discounted cash flow (DCF) and capitalization of net income approaches by making the necessary research on the respective property market, the economic condition and all information necessary to enable us to arrive at our values of the Properties.

Discounted Cash Flow Approach

We have adopted the discounted cash flow approach to value the properties taking into consideration the leaseback conditions and arrangement in respective master leases.

For the discounted cash flow approach, the net operating income is discounted at an appropriate discount rate to arrive at the Open Market Value. The net income is derived by deducting from the gross income the operating expenses incurred such as the maintenance and service charges, capital expenditure and other related expenses.

The discounted cash flow analysis is carried out over a 10-year period taking into consideration the leaseback condition and arrangement. The projected net income is discounted at an appropriate market derived rate to arrive at the present value of the net income for the term. The terminal value of the property is derived by capitalizing the 10th year net income after providing for disposal cost and related expenses and it is discounted to give the present value. The 10 years discounted cash flow and present value of the terminal value together will give rise to the capital value of the subject properties. The discount rate adopted in for this class of asset is 8%. And the terminal yield used is 0.25% higher than that of the capitalization rate use to reflect the uncertainty of the longer time horizon. The terminal value takes into account the remaining lease tenure of the respective properties up to 75 years.
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Capitalization Approach

The capitalization approach involves the addition of gross income and a deduction of all outgoings such as maintenance and services charges, and other related expenses to determine the net income of the properties. The net income is assumed to be a level of annuity based on the term of the lease and is capitalized using an appropriate capitalization rate derived from the analysis of relevant sales evidence.

In arriving at our opinion of rental value, we have adopted the profit methods. This method inquires into the actual receipts and profits of a business in order to arrive at the rental value of the properties at which the business is being operated. The gross receipts and profits are analysed to deduce the rental value of the properties.

We have analysed the Profit and Loss Statement for the business taking into consideration the cost structure of the business whereby several ratios are considered to ensure that the rental derived is able to support the business. The ratios such as rent over gross revenue and the divisible balance between the landlord and tenant shall be used to ascertain the market rent for that purpose. Appropriate adjustments shall be made where necessary to reflect the market rent.

The capitalization rate used for the valuation of the hospital and medical centre is determined by positioning the risk profile of this asset class against the other types of properties in Singapore.

We are of the opinion that hospital is a class less risky than that of industrial sector with capitalization rate of between 6.5% to 7.5% and it is rather similar to that of the retail sector but more risky. Apart from serving the population in Singapore, the medical industry is also featured in the Singapore Tourist Board as a key driver in drawing foreign tourist to the island. Retail space capitalization falls between 5% to 5.75%. In this instance, as the operators are highly skilled professional, only a limited pool of professionals can occupy the premises to operate, the landlord is highly dependent on the professional hence it carry slightly more occupancy risk than that of retail space. However, this is mitigated by the longer lease term of 15 years with an option to renew for a further term of 15 years. Therefore, we are adopting a capitalization rate of 6.5% for the hospitals. We are further of the opinion that the capitalization rate for medical centre is similar to office sector with capitalization rate of 4% to 5%. The net rent is obtained from deducting the vacancy, operating expenses and capital expenditure is then capitalized at about 4%, further adjustments for rental shortfalls and overages are made to arrive at the capital value.
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Based on the above, the following table outlines the salient valuation assumptions adopted in
undertaking our assessment:

<table>
<thead>
<tr>
<th>Property</th>
<th>Capitalization Rate</th>
<th>Target Discount Rate (10 years)</th>
<th>Terminal Yield</th>
<th>Assessed Market Value</th>
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DISCLAIMER

We have prepared this valuation summary which appears in the Shareholders’ Circular and the
Prospectus and specifically disclaim liability to any person in the event of any omission from or false
or misleading statement included in the Prospectus, other than in respect of the information provided
within the valuation reports and summary. We do not make any warranty or representation as to the
accuracy of the information in any part of the Prospectus other than as expressly made or given in this
valuation summary.

Jones Lang LaSalle has relied upon the property data supplied by the Manager which we assume to be
ture and accurate. Jones Lang LaSalle takes no responsibility for inaccurate data supplied by the
ent and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and
limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.
We have no present or prospective interest in the subject properties and are not a related corporation
of nor do we have a relationship with the Manager, adviser or other party/parties whom the property
trust is contracting with. The valuers’ compensation is not contingent upon the reporting of a
predetermined value or direction in value that favours the cause of the client, the amount of the value
estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that our valuers undertaking these valuations are authorized to practise as valuers
and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully,

JONES LANG LASALLE PROPERTY CONSULTANTS PTE LTD

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B. Sc. (Est. Mgt.) MSISV
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Independent Report on Healthcare Industry in Asia

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17 July 2007

Prepared for

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In Respect of PARKWAY LIFE REAL ESTATE INVESTMENT TRUST

FOR AND ON BEHALF OF FROST & SULLIVAN (SINGAPORE) PTE LTD

Nitin Naik, Director – Healthcare Practice
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1

Executive Summary

1.1 The Healthcare Industry in Singapore

Singapore’s healthcare industry landscape has evolved over the years with healthcare financing reforms in 1980s helping individuals to take responsibility for their own well-being. Structural reforms in 1990s opened the healthcare industry to competition from the private sector thereby elevating healthcare quality in general. Since then, the private sector’s role in the healthcare industry has grown significantly.

Singapore healthcare industry has experienced significant growth between 2000 and 2005, with total healthcare expenditure increasing from US$3.76 billion in 2000 to US$4.69 billion in 2005. With increasing participation by the private sector, private healthcare expenditure increased from 64.6% in 2000 to 65.3% in 2005. The total number of beds in private hospitals also increased by 40% from 2,300 beds in 2000 to 3,231 beds in 2005.

In the next five years, the Singapore healthcare industry is expected to grow at a healthy rate with key drivers such as the large influx of international patients, an ageing population, and wider national health insurance coverage.

1.2 The Healthcare Industry in Asia

Gross Domestic Product (GDP) in Asia was growing at 6.8%\textsuperscript{1} from 2000 to 2006. In contrast, Asian’s healthcare expenditure has grown at a faster CAGR of 12.0%, from US$144.28 billion in 2000 to US$285.0 billion in 2006. This can be attributed to fast growing economies, rising population and increasing income levels.

\textsuperscript{1} Figure computed from GDP of 11 countries which include China, Hong Kong, India, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan, Thailand and Vietnam.
Table 1.2A: Total Healthcare Expenditure in Asia Pacific (US$ billion)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian Pacific Total Health Expenditure (US$ billion)</td>
<td>144.28</td>
<td>163.76</td>
<td>182.95</td>
<td>205.68</td>
<td>230.25</td>
<td>254.06</td>
<td>285.00</td>
<td>12.01%</td>
</tr>
</tbody>
</table>

* Frost & Sullivan estimates
Source: WHO, Frost & Sullivan

For the last ten years, healthcare reform was a common theme among the Asian countries. Key trends observed in these Asian countries include increasing participation by the private healthcare providers, higher expectations on healthcare quality led by rapid economic growth, ageing population, rising incidence of lifestyle and infectious diseases as well as the rapidly growing medical travel industry. Table 1.2B and 1.2C show major healthcare indicators of selected countries in Asia.

Table 1.2B: Major Healthcare Indicators for the Asian Countries (2006)

<table>
<thead>
<tr>
<th>Healthcare Indicators</th>
<th>Singapore</th>
<th>Thailand</th>
<th>Malaysia</th>
<th>Indonesia</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>4.48</td>
<td>65.60</td>
<td>24.40</td>
<td>245.40</td>
<td>1,313.90</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>3.30</td>
<td>0.68</td>
<td>1.78</td>
<td>1.41</td>
<td>0.59</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>9.49</td>
<td>13.87</td>
<td>22.86</td>
<td>20.34</td>
<td>13.25</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>4.30</td>
<td>7.04</td>
<td>5.05</td>
<td>6.25</td>
<td>6.97</td>
</tr>
<tr>
<td>Life Expectancy (Female)</td>
<td>81.80</td>
<td>74.68</td>
<td>75.38</td>
<td>72.45</td>
<td>74.46</td>
</tr>
<tr>
<td>Life Expectancy (Male)</td>
<td>78.00</td>
<td>69.95</td>
<td>69.80</td>
<td>67.42</td>
<td>70.89</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>4.90</td>
<td>8.29</td>
<td>5.48</td>
<td>9.57</td>
<td>125.69</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>3.60</td>
<td>3.50</td>
<td>3.50</td>
<td>2.70</td>
<td>4.70</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>1,019.73</td>
<td>102.94</td>
<td>191.56</td>
<td>38.68</td>
<td>89.69</td>
</tr>
</tbody>
</table>

2 This report focuses on selected eleven countries in Asia namely Singapore, Malaysia, Thailand, India, China, South Korea, Taiwan, Hong Kong SAR, Philippines, Indonesia and Vietnam.
3 Frost & Sullivan estimates for 2006 figures.
4 Frost & Sullivan estimates for 2006 figures.
### Table 1.2C: Major Healthcare Indicators for Asian Countries (2006)

<table>
<thead>
<tr>
<th>Healthcare Indicators</th>
<th>India</th>
<th>Vietnam</th>
<th>S.Korea</th>
<th>Taiwan</th>
<th>Philippines</th>
<th>Hong Kong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>1,095.30</td>
<td>84.40</td>
<td>48.84</td>
<td>23.03</td>
<td>89.46</td>
<td>6.94</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>1.38</td>
<td>1.02</td>
<td>0.42</td>
<td>0.61</td>
<td>1.80</td>
<td>0.59</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>22.01</td>
<td>16.86</td>
<td>10.00</td>
<td>12.56</td>
<td>24.89</td>
<td>7.29</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>8.18</td>
<td>6.22</td>
<td>5.85</td>
<td>6.48</td>
<td>5.41</td>
<td>6.29</td>
</tr>
<tr>
<td>Life Expectancy (Female)</td>
<td>67.57</td>
<td>73.85</td>
<td>80.75</td>
<td>80.47</td>
<td>73.24</td>
<td>84.50</td>
</tr>
<tr>
<td>Life Expectancy (Male)</td>
<td>63.90</td>
<td>68.05</td>
<td>73.61</td>
<td>69.67</td>
<td>67.32</td>
<td>78.90</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>48.24</td>
<td>2.92</td>
<td>54.15</td>
<td>9.88</td>
<td>4.18</td>
<td>11.71</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)*</td>
<td>5.00</td>
<td>5.10</td>
<td>5.60</td>
<td>N.A.</td>
<td>3.40</td>
<td>N.A.</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)*</td>
<td>40.81</td>
<td>34.56</td>
<td>1,028.64</td>
<td>N.A.</td>
<td>40.99</td>
<td>N.A.</td>
</tr>
<tr>
<td>No. of Hospitals*</td>
<td>18,256</td>
<td>1,040</td>
<td>1,081</td>
<td>639</td>
<td>1,790</td>
<td>54</td>
</tr>
<tr>
<td>No. of Specialists*</td>
<td>193,555</td>
<td>51,466</td>
<td>87,818</td>
<td>34,500</td>
<td>21,219</td>
<td>11,242</td>
</tr>
<tr>
<td>No. of Nurses*</td>
<td>705,026</td>
<td>51,573</td>
<td>143,416</td>
<td>107,700</td>
<td>371,930</td>
<td>45,300</td>
</tr>
</tbody>
</table>

* 2005 figures  
Source: WHO, CIA Factbook, Frost & Sullivan

### 1.3 Leading Private Hospitals / Hospital Groups in Asia

The role of private hospitals in the provision of quality healthcare services in Asia has grown significantly in last one decade. There are many large hospital groups in Indonesia, Malaysia, India, Singapore and Thailand. Table 1.3A, shows the performance indicators of eight leading private hospitals/hospital groups in Asia⁷.

---

⁵ Frost & Sullivan estimates for 2006 figures  
⁶ Frost & Sullivan estimates for 2006 figures  
⁷ This does not include hospitals in Japan.
Table 1.3A Leading Private Hospitals / Hospital Groups in Asia (2006)

<table>
<thead>
<tr>
<th>Hospital Group</th>
<th>Country of Incorporation</th>
<th>Number of Hospitals</th>
<th>Number of Beds</th>
<th>Bed Occupancy (%)</th>
<th>Revenue (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apollo Hospitals Enterprise Limited</td>
<td>India</td>
<td>41</td>
<td>7,000</td>
<td>N.A.</td>
<td>160.50</td>
</tr>
<tr>
<td>Bangkok Dusit Medical Services Public Company Limited*</td>
<td>Thailand</td>
<td>17</td>
<td>3,389(^6)</td>
<td>N.A.</td>
<td>313.10</td>
</tr>
<tr>
<td>Bumrungrad Hospital Public Company Ltd*</td>
<td>Thailand</td>
<td>1</td>
<td>554</td>
<td>75</td>
<td>198.70</td>
</tr>
<tr>
<td>KPJ Healthcare Berhad*</td>
<td>Malaysia</td>
<td>13</td>
<td>1,537</td>
<td>68</td>
<td>177.60</td>
</tr>
<tr>
<td>Pantai Hospitals Sdn Berhad*</td>
<td>Malaysia</td>
<td>7</td>
<td>1,158</td>
<td>78</td>
<td>185.90</td>
</tr>
<tr>
<td>Parkway Holdings Limited</td>
<td>Singapore</td>
<td>15(^9)</td>
<td>2,800</td>
<td>N.A.</td>
<td>569.81**</td>
</tr>
<tr>
<td>Raffles Hospital</td>
<td>Singapore</td>
<td>1</td>
<td>380</td>
<td>72*</td>
<td>134.24</td>
</tr>
<tr>
<td>Fortis Healthcare</td>
<td>India</td>
<td>12</td>
<td>1,803</td>
<td>N.A.</td>
<td>67.53</td>
</tr>
</tbody>
</table>

*2005 figures

Source: Company Annual Reports; Company Websites; Trade Interviews; Frost & Sullivan

** Figures based on an exchange rate 1 USD = 1.5233 SGD

\(^6\) Figures obtained through hospital websites and interviews with hospitals.

\(^9\) As per 2006 Parkway Annual Report
2

Overview of the Healthcare Industry in Singapore

2.1 Major Healthcare Indicators

Healthcare indicators in Singapore have improved significantly in last 40 years, attributed to good primary healthcare and sanitation.

Table 2.1A Health Indicators

<table>
<thead>
<tr>
<th>Health Indicators</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population (Million)</td>
<td>4.02</td>
<td>4.13</td>
<td>4.18</td>
<td>4.19</td>
<td>4.24</td>
<td>4.35</td>
<td>4.48</td>
</tr>
<tr>
<td>Total Population Growth Rate (%)</td>
<td>1.70</td>
<td>2.70</td>
<td>0.90</td>
<td>0.20</td>
<td>1.20</td>
<td>2.40</td>
<td>3.30</td>
</tr>
<tr>
<td>Infant Mortality Rate (Per 1,000 Live Births)*</td>
<td>2.50</td>
<td>2.20</td>
<td>2.90</td>
<td>2.50</td>
<td>2.00</td>
<td>2.10</td>
<td>2.50</td>
</tr>
<tr>
<td>Crude Death Rate (Per 1,000)*</td>
<td>4.50</td>
<td>4.30</td>
<td>4.40</td>
<td>4.40</td>
<td>4.30</td>
<td>4.30</td>
<td>4.30</td>
</tr>
<tr>
<td>Life Expectancy (Female)*</td>
<td>80.00</td>
<td>80.30</td>
<td>80.60</td>
<td>80.90</td>
<td>81.30</td>
<td>81.60</td>
<td>81.80</td>
</tr>
<tr>
<td>Life Expectancy (Male)*</td>
<td>76.00</td>
<td>76.30</td>
<td>76.60</td>
<td>76.90</td>
<td>77.30</td>
<td>77.70</td>
<td>78.00</td>
</tr>
<tr>
<td>Total Fertility Rate*</td>
<td>1.60</td>
<td>1.41</td>
<td>1.37</td>
<td>1.26</td>
<td>1.25</td>
<td>1.25</td>
<td>N.A.</td>
</tr>
</tbody>
</table>

*Figures for Singapore resident population (not for total Singapore population\(^{10}\))
Source: MOH, Frost & Sullivan

Reduction in major infectious diseases but concerns posed from chronic diseases
Lifestyle diseases are increasingly alarming in Singapore. The rise in such diseases as a nation becomes wealthier is a trend observed in most industrialised countries today.

\(^{10}\) Singapore resident population includes only Singapore citizens and permanent residents and does not include foreign workers and employment pass holders.
As shown in tables 2.1B and 2.1C, cancer and ischaemic heart disease have been the leading causes of death. Currently, the major types of cancer in Singapore are lung, colorectal, breast and liver cancer. Besides cancer, the rising trend of lifestyle diseases such as ischaemic heart disease can be attributed to a sedentary lifestyle, unhealthy diet and high levels of work and social stress.

Table 2.1B Top Five Diseases by Hospitalisation

<table>
<thead>
<tr>
<th>Top Five Disease by Hospitalisation</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006*</th>
<th>CAGR (2003 to 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>18,815</td>
<td>21,540</td>
<td>21,853</td>
<td>23,551</td>
<td>7.77%</td>
</tr>
<tr>
<td>Ischaemic Heart Disease</td>
<td>13,135</td>
<td>15,158</td>
<td>14,973</td>
<td>15,986</td>
<td>6.77%</td>
</tr>
<tr>
<td>Dengue</td>
<td>4,970</td>
<td>7,978</td>
<td>12,950</td>
<td>20,904</td>
<td>61.42%</td>
</tr>
<tr>
<td>Obstetric Complications affecting Foetus or Newborn</td>
<td>4,615</td>
<td>7,180</td>
<td>10,926</td>
<td>16,811</td>
<td>53.87%</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>9,230</td>
<td>9,174</td>
<td>10,522</td>
<td>11,234</td>
<td>6.77%</td>
</tr>
</tbody>
</table>

*Frost & Sullivan estimates

Source: MOH, Frost & Sullivan

Table 2.1C Top Five Diseases by Causes of Death

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>4,153</td>
<td>4,298</td>
<td>4,281</td>
<td>4,346</td>
<td>1.53%</td>
</tr>
<tr>
<td>Ischaemic Heart Disease</td>
<td>3,094</td>
<td>2,981</td>
<td>2,935</td>
<td>2,859</td>
<td>-2.60%</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>2,341</td>
<td>2,236</td>
<td>2,416</td>
<td>2,454</td>
<td>1.59%</td>
</tr>
<tr>
<td>Cerebrovascular Disease (including stroke)</td>
<td>1,555</td>
<td>1,554</td>
<td>1,605</td>
<td>1,631</td>
<td>1.59%</td>
</tr>
<tr>
<td>Other Heart Diseases</td>
<td>914</td>
<td>666</td>
<td>648</td>
<td>546</td>
<td>-15.80%</td>
</tr>
</tbody>
</table>

*Frost & Sullivan estimates

Source: MOH, Frost & Sullivan

2.2 Healthcare Expenditure

In recent years, the total healthcare expenditure\(^\text{11}\) in Singapore has been fluctuating around 4% of the GDP, within close proximity of WHO standards which is 5% of a country's GDP.

---

\(^{11}\) The total healthcare expenditure is defined as sum of public, private and non-profit sectors' healthcare expenses in the process of providing healthcare services. It also includes the expenses incurred for health promotion and disease prevention campaigns.


2.2.1 Per Capita Healthcare Expenditure

In the period from 2000 to 2006, per capita healthcare expenditure has increased by 3.71% per annum (i.e. US$819.50 in 2000; US$1,019.73 in 2006). A few underlying reasons include rising income level, health awareness as well as increasing expectations of healthcare quality.

Table 2.2.1A Per Capita Healthcare Expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Healthcare Expenditure (% of GDP)</td>
<td>3.60</td>
<td>4.30</td>
<td>4.30</td>
<td>4.50</td>
<td>4.10</td>
<td>3.80</td>
<td>4.00</td>
<td>1.09%</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>3.75</td>
<td>4.31</td>
<td>4.40</td>
<td>4.48</td>
<td>4.50</td>
<td>4.68</td>
<td>4.89</td>
<td>4.52%</td>
</tr>
<tr>
<td>Per Capita Total Healthcare Expenditure (US$)</td>
<td>819.50</td>
<td>888.27</td>
<td>893.47</td>
<td>921.29</td>
<td>942.95</td>
<td>983.25</td>
<td>1,019.73</td>
<td>3.71%</td>
</tr>
</tbody>
</table>


2.2.2 Government Healthcare Expenditure

Decline in the share of Government healthcare expenditure - 2000 to 2006

Government healthcare expenditure as a percentage of total healthcare expenditure has decreased slightly from 35.40% in 2000, to 34.56% in 2006. This can be attributed to the increase in coverage of private health insurance and the use of Medisave by individuals to finance healthcare expenses. Government had also introduced various practices like co-payment and case-mix to contain the cost of healthcare services in public hospitals. However, the Government healthcare expenditure as percentage of total healthcare expenditure in year 2001 and 2003 was higher than previous years. This is mainly attributed

---

12 Figures from WHO and based on an exchange rate of 1 USD to 1.51 SGD (As at 7 May 2007).
13 Government healthcare expenditure is the sum of outlays by Government entities to provide health care goods and services. It comprises the outlays on health by all levels of Government agencies; offering consolidated direct outlays and indirect outlays such as subsidies to households, individuals and institutions.
14 Co-payment is a fixed fee that a medicare/health insurance plan subscribers need to pay for his/her use of specific medical services covered by the plan.
15 Case-mix is a method of classifying types of patients, their treatment and associated costs to describe the level of service needed for the purpose of setting a medical care rate.
to the restructuring of the public healthcare system with the incorporation of two public healthcare clusters - National Healthcare Group (NHG) and Singapore Health Services (SingHealth) in 2001 and the outbreak of Severe Acute Respiratory Syndrome (SARS) in 2003.

Table 2.2.2A Government Healthcare Expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Capita Govt. Healthcare Expenditure (US$)*</td>
<td>290.50</td>
<td>321.24</td>
<td>289.90</td>
<td>347.81</td>
<td>320.99</td>
<td>340.77</td>
<td>351.82</td>
<td>3.24%</td>
</tr>
<tr>
<td>Govt. Healthcare Expenditure (% of Total Healthcare Expenditure)</td>
<td>35.40</td>
<td>36.20</td>
<td>32.40</td>
<td>37.80</td>
<td>34.00</td>
<td>34.70</td>
<td>34.56</td>
<td>-0.40%</td>
</tr>
<tr>
<td>Govt. Healthcare Expenditure (US$ Billion)*</td>
<td>1.33</td>
<td>1.56</td>
<td>1.43</td>
<td>1.69</td>
<td>1.53</td>
<td>1.62</td>
<td>1.69</td>
<td>4.10%</td>
</tr>
</tbody>
</table>

*Frost & Sullivan estimates

By 2012, the Government plans to increase the Government’s healthcare budget by 50% as announced in the recent 2007 Budget Speech. A large share of the incremental budget is expected to be utilised for elderly care and chronic disease management.

2.2.3 Private Healthcare Expenditure

The increase in private healthcare expenditure as mentioned previously can be attributed to individuals with higher income demanding higher quality of healthcare services, wider health insurance coverage and increase in the number of non-Singaporeans who are not entitled to subsidised services from public hospitals. Rising private healthcare expenditure indicates opportunities for private sector hospitals. Increasing number of people paying through health insurance, medisave and out-of-pocket is likely to expand the size of healthcare services market that can be tapped by private hospitals.

Table 2.2.3A Private Healthcare Expenditure

Table 2.2.3A Private Healthcare Expenditure

*Figures from WHO and based on an exchange rate of 1 USD to 1.51 SGD (As at 7 May 2007).
### Appendix D

#### Health Expenditure

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Per Capita Private</strong></td>
<td>529.40</td>
<td>566.72</td>
<td>603.98</td>
<td>573.04</td>
<td>622.34</td>
<td>642.06</td>
<td>667.32</td>
<td>3.93%</td>
</tr>
<tr>
<td>Healthcare Expenditure (US$)**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private Healthcare</strong></td>
<td>64.60</td>
<td>63.80</td>
<td>67.60</td>
<td>62.20</td>
<td>66.00</td>
<td>65.30</td>
<td>65.44</td>
<td>0.22%</td>
</tr>
<tr>
<td>Expenditure (% of Total Healthcare Expenditure)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private Healthcare</strong></td>
<td>2.42</td>
<td>2.75</td>
<td>2.98</td>
<td>2.79</td>
<td>2.97</td>
<td>3.06</td>
<td>3.20</td>
<td>4.74%</td>
</tr>
<tr>
<td>Expenditure (US$ Billion)**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Frost & Sullivan estimates

Source: WHO, Frost & Sullivan

### 2.2.4 Comparison of Private and Government Healthcare Expenditure

The increase in private healthcare expenditure implies that the Singaporeans are becoming increasingly independent in terms of bearing their own healthcare expenses, either through savings or healthcare insurance.

#### Table 2.2.4A Comparison of Private and Government Expenditure on Healthcare

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Govt. Healthcare</strong></td>
<td>1.33</td>
<td>1.56</td>
<td>1.43</td>
<td>1.69</td>
<td>1.53</td>
<td>1.62</td>
<td>1.69</td>
<td>4.10%</td>
</tr>
<tr>
<td>Expenditure (US$ Billion)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Govt. Expenditure on Healthcare</strong></td>
<td>35.40</td>
<td>36.20</td>
<td>32.40</td>
<td>37.80</td>
<td>34.00</td>
<td>34.70</td>
<td>34.56</td>
<td>-0.40%</td>
</tr>
<tr>
<td>(% of Total Healthcare Expenditure)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private Healthcare</strong></td>
<td>2.42</td>
<td>2.75</td>
<td>2.98</td>
<td>2.79</td>
<td>2.97</td>
<td>3.06</td>
<td>3.20</td>
<td>4.74%</td>
</tr>
<tr>
<td>Expenditure (US$ Billion)**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Private Expenditure on Healthcare</strong></td>
<td>64.60</td>
<td>63.80</td>
<td>67.60</td>
<td>62.20</td>
<td>66.00</td>
<td>65.30</td>
<td>65.44</td>
<td>0.22%</td>
</tr>
<tr>
<td>(% of Total Healthcare Expenditure)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Frost & Sullivan estimates

Source: WHO, Frost & Sullivan

### 2.3 Healthcare System and Infrastructure

17 Figures from WHO and based on an exchange rate of 1 USD to 1.51 SGD (As at 7 May 2007).
2.3.1 Healthcare Delivery System

Singapore’s healthcare system comprises of public, private and non-profit healthcare providers. The public sector hospitals, specialist centres and polyclinics are grouped into two integrated “clusters” or “delivery networks”, NHG and SingHealth. With 100% ownership by the Government and autonomy in terms of hospital management, each cluster offers the full continuum of primary, secondary and tertiary healthcare services. As at 2006, there is a total of 23 polyclinics and 13 hospitals/specialty centres under NHG and SingHealth.

As at 2006, there were 3,157 western and non-western private clinics providing primary as well as specialist healthcare services. There were also 16 private hospitals providing secondary and tertiary healthcare services. Leading private hospitals include Gleneagles Hospital, Mount Elizabeth Hospital, East Shore Hospital, Raffles Hospital, Mount Alvernia Hospital and Thomson Medical Centre. In addition to these hospitals, there are 23 Voluntary Welfare Organisations (VWOs) providing extended and long-term care to elderly in the non-profit healthcare sector.

Currently, the private healthcare providers take up 78% of the primary care market, including specialist care and 24% of tertiary care services. This shows that private healthcare providers are market leaders in the provision of primary care services.

Increase in the number of healthcare establishments\textsuperscript{18}

As shown in Table 2.3.1A, total number of healthcare establishments in Singapore has increased from 3,082 in 2002 to 3,930 in 2006. This can be attributed to the rise in demand for healthcare services, driven by an increasing number of elderly as well as increasing numbers of international patients.

Table 2.3.1A Healthcare Infrastructure

\textsuperscript{18} Healthcare establishments include public/private hospitals, specialty centers, private clinics, polyclinics, and Chinese and other traditional clinics.
Appendix D

| Health Infrastructure                      | 2002  | 2003  | 2004  | 2005  | 2006* | CAGR  
|--------------------------------------------|-------|-------|-------|-------|-------|------  
| Total Health Establishments**              | 3,082 | 3,345 | 3,418 | 3,698*| 3,930*| 6.26%  
| Public Hospitals / specialty centers       | 13    | 13    | 13    | 13    | 13    | 0.00%  
| Private Hospitals                          | 16    | 16    | 16    | 16    | 16    | 0.00%  
| Polyclinics (Public)                       | 17    | 17    | 18    | 21    | 23    | 7.30%  
| Clinics (also include Chinese and other traditional clinics) | 2,437 | 2,613 | 2,630 | 2,959*| 3,157*| 6.68%  

* Frost & Sullivan estimates  
** Total health establishments shown also include dental clinics which are not displayed in this table. Hence the summation of the respective categories of hospitals and clinics in Table 2.3.1A will not match the number of total health establishments shown.

Decrease in the number of beds in public hospitals
As shown in Table 2.3.1B, the number of hospital beds in public hospitals for extended care has decreased significantly by 28% from 3,292 beds in 2000, to 2,369 beds in 2005. Number of hospital beds for acute care has also decreased during the same duration. This is in line with the MOH’s vision to improve clinical outcomes and reduce the average length of stay in hospitals. Other medical alternatives such as day surgeries have also resulted in the decrease in the average length of stay in hospitals.

Increase in number of beds in private hospitals
In contrast, the total number of beds in private hospitals has increased by 40%, from 2,300 beds in 2000 to 3,231 beds in 2005. Acute care beds in private hospitals have also increased by 22% from 2001 to 2005. With the rise in patient volume, both local and international, this necessitates the rise in hospital beds especially for complex medical cases. Growing income levels and patients’ expectations of healthcare services have triggered the demand for individualised care in private hospitals.

Table 2.3.1B Number of Licensed Hospital Beds
### 2.3.2 Number of Hospitals by Bed Size

There are 3.7 beds per 1,000 persons in Singapore. As shown in the Table 2.3.2A, 60% of the public hospitals have 800 beds or more. Private hospitals are relatively smaller in scale as compared to public hospitals.

**Table 2.3.2A Number of Hospitals by Bed Size***

*Frost & Sullivan estimates

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>No. of Hospitals/Specialty Centres</strong></td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>29</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Public Sector Hospitals</strong></td>
<td>14</td>
<td>14</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>13</td>
<td>-1.47%</td>
</tr>
<tr>
<td><strong>Private Sector Hospitals</strong></td>
<td>15</td>
<td>15</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>1.30%</td>
</tr>
<tr>
<td><strong>Total No. of Hospital Beds</strong></td>
<td>11,856</td>
<td>11,942</td>
<td>11,761</td>
<td>11,855</td>
<td>11,840</td>
<td>11,830</td>
<td>11,825</td>
<td>-0.04%</td>
</tr>
<tr>
<td><strong>- Acute Care</strong></td>
<td>7,849</td>
<td>8,153</td>
<td>8,069</td>
<td>8,291</td>
<td>8,279</td>
<td>8,159</td>
<td>8,222</td>
<td>0.78%</td>
</tr>
<tr>
<td><strong>- Extended Care</strong></td>
<td>4,007</td>
<td>3,789</td>
<td>3,692</td>
<td>3,564</td>
<td>3,561</td>
<td>3,671</td>
<td>3,607</td>
<td>-1.74%</td>
</tr>
<tr>
<td><strong>Public Sector Hospital Beds</strong></td>
<td>9,556</td>
<td>9,274</td>
<td>8,748</td>
<td>8,831</td>
<td>8,813</td>
<td>8,599</td>
<td>8,419</td>
<td>-2.09%</td>
</tr>
<tr>
<td><strong>- Acute Care</strong></td>
<td>6,264</td>
<td>6,228</td>
<td>6,206</td>
<td>6,406</td>
<td>6,388</td>
<td>6,230</td>
<td>6,223</td>
<td>-0.11%</td>
</tr>
<tr>
<td><strong>- Extended Care</strong></td>
<td>3,292</td>
<td>3,046</td>
<td>2,542</td>
<td>2,425</td>
<td>2,425</td>
<td>2,369</td>
<td>2,218</td>
<td>-6.37%</td>
</tr>
<tr>
<td><strong>Private Sector Hospital Beds</strong></td>
<td>2,300</td>
<td>2,668</td>
<td>3,013</td>
<td>3,024</td>
<td>3,027</td>
<td>3,231</td>
<td>3,458</td>
<td>7.03%</td>
</tr>
<tr>
<td><strong>- Acute Care</strong></td>
<td>1,585</td>
<td>1,925</td>
<td>1,863</td>
<td>1,885</td>
<td>1,891</td>
<td>1,929</td>
<td>2,006</td>
<td>4.01%</td>
</tr>
<tr>
<td><strong>- Extended Care</strong></td>
<td>715</td>
<td>742</td>
<td>1,150</td>
<td>1,139</td>
<td>1,136</td>
<td>1,302</td>
<td>1,468</td>
<td>12.74%</td>
</tr>
</tbody>
</table>

---

*Frost & Sullivan estimates

**Source:** MOH, Frost & Sullivan
### 2.3.3 Manpower in Healthcare Sector

As shown in Table 2.3.3A, there has been a gradual increase in the number of Singapore’s medical personnel during the period 2000 to 2005. The number of doctors has been growing at a CAGR of 3.9% from 2000 to 2005. Similarly the number of nurses and dentists, were growing at 4.6% and 4.4% respectively. Despite an overall increase in the number of healthcare personnel, Singapore is currently facing a shortage of nurses in hospice care and palliative care. In addition there is a shortage of radiologists. To meet the rising demand for doctors, the Government has recently set up a new medical college, Graduate Medical School (GMS) in association with the Duke University. In 2006 the Government has also increased the number of overseas medical school listed in the Schedule of the Medical Registration Act (MRA) such that graduates from these medical schools can work in Singapore.

### Table 2.3.3A Manpower in Healthcare Sector

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Doctors</td>
<td>5,577</td>
<td>5,922</td>
<td>6,029</td>
<td>6,292</td>
<td>6,492</td>
<td>6,748</td>
<td>7,010</td>
<td>3.89%</td>
</tr>
<tr>
<td>No. of Dentists</td>
<td>1,028</td>
<td>1,087</td>
<td>1,130</td>
<td>1,183</td>
<td>1,227</td>
<td>1,277</td>
<td>1,334</td>
<td>4.43%</td>
</tr>
<tr>
<td>No. of Nurses/Midwives</td>
<td>16,074</td>
<td>16,983</td>
<td>17,641</td>
<td>18,763</td>
<td>19,329</td>
<td>20,167</td>
<td>21,103</td>
<td>4.64%</td>
</tr>
<tr>
<td>No. of Pharmacists</td>
<td>1,098</td>
<td>1,141</td>
<td>1,191</td>
<td>1,236</td>
<td>1,288</td>
<td>1,330</td>
<td>1,382</td>
<td>3.91%</td>
</tr>
</tbody>
</table>

*Frost & Sullivan estimates

Source: MOH, Frost & Sullivan

### 2.3.4 Utilisation of Healthcare Services
Admissions to public hospitals have increased marginally at a CAGR of 0.62% from 2000 to 2006. In contrast, admissions to private hospitals have increased at a higher CAGR of 3.16% over the same period. This shows the increasing involvement and rising market share of private healthcare providers in secondary and tertiary healthcare services.

Table 2.3.4A. Utilisation of Healthcare Services

<table>
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<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital Admissions</td>
<td>390,447</td>
<td>384,054</td>
<td>392,489</td>
<td>356,535</td>
<td>405,354</td>
<td>414,367</td>
<td>419,324</td>
<td>1.20%</td>
</tr>
<tr>
<td>Public Sector Hospitals</td>
<td>305,532</td>
<td>304,595</td>
<td>310,597</td>
<td>270,691</td>
<td>311,129</td>
<td>315,149</td>
<td>317,108</td>
<td>0.62%</td>
</tr>
<tr>
<td>Private Sector Hospitals</td>
<td>84,915</td>
<td>79,459</td>
<td>81,892</td>
<td>85,844</td>
<td>94,225</td>
<td>99,218</td>
<td>102,356</td>
<td>3.16%</td>
</tr>
<tr>
<td>Public Hospitals A&amp;E Attendances</td>
<td>537,342</td>
<td>565,375</td>
<td>596,986</td>
<td>552,233</td>
<td>618,490</td>
<td>658,311</td>
<td>685,594</td>
<td>4.14%</td>
</tr>
<tr>
<td>Public Hospitals Specialist Outpatient Clinics Attendances ('000)</td>
<td>2,730</td>
<td>2,848</td>
<td>3,079</td>
<td>2,806</td>
<td>3,334</td>
<td>3,453</td>
<td>3,619</td>
<td>4.81%</td>
</tr>
<tr>
<td>Attendances at Polyclinics ('000)</td>
<td>2,728</td>
<td>3,024</td>
<td>3,344</td>
<td>3,337</td>
<td>3,792</td>
<td>3,913</td>
<td>4,206</td>
<td>7.48%</td>
</tr>
</tbody>
</table>

*Frost & Sullivan estimates

Source: MOH, Frost & Sullivan

2.3.5 Competition between Private and Public Hospitals

Currently, public and private hospitals in Singapore are addressing different patient segments. Private hospitals are serving mainly middle to high income residents, expatriates and international patients. Till date, public hospitals are mainly providing subsidised medical services to middle or low income residents. With the utilisation of private hospital services often correlating to economic growth and rising income levels, private hospitals can expect increasing patient volumes in future especially when GDP growth is forecasted to be 4.5% in 2007.
2.4 Primary and Secondary Care Market

2.4.1 Primary Care
Primary care\(^{19}\) in Singapore is affordable and accessible through a network of 23 polyclinics and over 3,157 private clinics.

In 2005, 22% of primary care was provided by the polyclinics, whereas the rest was provided by private General Practitioners (GP). In recent years, clustering of GP clinics or corporate chain of clinics has surfaced in the market. Large clusters include Parkway Shenton, Raffles Medical Clinics, Healthway Medical Group and Point Medical Group. Apart from those, there are large specialist outpatient clinics housed in Camden Medical Centre, Novena Medical Centre and Mount Alvernia Medical Centre.

2.4.2 Secondary and Tertiary Care

In 2005, there were a total of 29 hospitals/specialty centres with 11,830 hospital beds to provide secondary and tertiary care\(^{20}\) in Singapore. 13 public hospitals provided 76% of secondary and tertiary care with the remaining provided by the 16 private hospitals. The public hospitals included acute general hospitals such as Singapore General Hospital, National University Hospital, Changi General Hospital, Tan Tock Seng Hospital, K.K. Women’s and Children Hospital and Alexandra Hospital. In addition, there are six national specialty centres for cardiology, oncology, dermatology, ophthalmology, neurology and dental.

Leading private hospitals include Gleneagles Hospital, Mount Elizabeth Hospital, East Shore Hospital, Raffles Hospital, Mount Alvernia Hospital and Thomson Medical Centre.

\(^{19}\) Primary care is the medical care a patient receives upon his/her first contact with the healthcare system, before being referred to elsewhere in the system for further consultation. It is basic healthcare provided by the GPs trained in family medicine, pediatrics, internal medicine and gynecology.

\(^{20}\) Secondary care is consultative, short term and disease-oriented care for the purpose of assisting GP. Medical specialists provide such care to the patients referred by the GPs, whereas tertiary care is the specialised consultative care usually provided on referral from the primary or secondary medical care providers. Some of the examples of tertiary care services are specialist cancer care, neurosurgery and cardiac surgery.
2.4.3 Intermediate and Long-Term Care (ILTC)

There are residential and non-residential facilities to provide ILTC. Residential care providers include long-term care hospitals, community hospitals, nursing homes, studio apartments, hospices and homes for dementia patients. Non-residential care providers include day-care centres, day rehabilitation centres and home-based medical care. Nursing homes form the largest percentage of ILTC providers.

2.4.3A Intermediate and long-term care providers (2006)

<table>
<thead>
<tr>
<th>Intermediate and long-term care providers</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute hospitals with geriatric units/ departments</td>
<td>4</td>
</tr>
<tr>
<td>Community hospitals</td>
<td>5</td>
</tr>
<tr>
<td>Chronic sick hospitals</td>
<td>4</td>
</tr>
<tr>
<td>Nursing homes</td>
<td>53</td>
</tr>
<tr>
<td>Day rehabilitation centres</td>
<td>27</td>
</tr>
<tr>
<td>Voluntary Welfare Organisations (VWOs) with home medical</td>
<td>10</td>
</tr>
<tr>
<td>VWOs with home nursing services</td>
<td>13</td>
</tr>
</tbody>
</table>

Majority of these facilities are either managed privately or by non-profit organisations. Since April 2003, MOH decided to extend subsidies to elderly patients who meet the “Means Testing” criteria in accredited private nursing homes.

Table 2.4.3B Nursing Homes in Singapore (2005)

<table>
<thead>
<tr>
<th></th>
<th>VWO Nursing Homes – Subsidised</th>
<th>VWO Nursing Homes - not Subsidised</th>
<th>Private Nursing Homes - Subsidised</th>
<th>Private Nursing Homes - not Subsidised</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of nursing homes</td>
<td>23</td>
<td>5</td>
<td>8</td>
<td>23</td>
<td>59</td>
</tr>
<tr>
<td>No. of beds</td>
<td>3,676</td>
<td>867</td>
<td>1,276</td>
<td>1,493</td>
<td>7,312</td>
</tr>
</tbody>
</table>

Source: MOH, Frost & Sullivan
Future Outlook of ILTC - expected rise in future demand

As shown in Table 2.4.3C, the Inter-Ministerial Committee (IMC) report on healthcare services for the elderly concluded that demand for nursing homes has outstripped supply since 1997.

Table 2.4.3C Singapore - Needs for Elderly Health Services in 1997 and 2000

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Availability in 1997</th>
<th>Demand in 1997</th>
<th>Availability in 2000</th>
<th>Demand in 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute care geriatric beds</td>
<td>188</td>
<td>217</td>
<td>5,226</td>
<td>235</td>
</tr>
<tr>
<td>Geriatric specialist</td>
<td>15</td>
<td>22</td>
<td>21</td>
<td>25</td>
</tr>
<tr>
<td>Community hospital beds</td>
<td>426</td>
<td>761</td>
<td>426</td>
<td>820</td>
</tr>
<tr>
<td>Sick hospital beds for the chronically ill</td>
<td>218</td>
<td>326</td>
<td>218</td>
<td>352</td>
</tr>
<tr>
<td>Nursing home beds</td>
<td>4,703</td>
<td>6,087</td>
<td>5,635</td>
<td>6,566</td>
</tr>
</tbody>
</table>

Source: IMC Report, 1999, Frost & Sullivan

Table 2.4.3D Singapore - Projected Needs for Elderly Health Services (2010 to 2030)

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Projected Demand (2010)</th>
<th>Projected Demand (2020)</th>
<th>Projected Demand (2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute care geriatric beds</td>
<td>310</td>
<td>530</td>
<td>800</td>
</tr>
<tr>
<td>Geriatric specialist</td>
<td>30</td>
<td>55</td>
<td>80</td>
</tr>
<tr>
<td>Community hospital beds</td>
<td>1,090</td>
<td>1,855</td>
<td>2,800</td>
</tr>
<tr>
<td>Sick hospital beds for the chronically ill</td>
<td>480</td>
<td>800</td>
<td>1,200</td>
</tr>
<tr>
<td>Nursing home beds</td>
<td>8,800</td>
<td>14,900</td>
<td>22,400</td>
</tr>
</tbody>
</table>

Source: IMC Report, 1999, Frost & Sullivan
3

Key Drivers for Healthcare Industry in Singapore

3.1 Key Drivers for Healthcare Industry in Singapore

Singapore healthcare industry in the next ten years is expected to grow at a healthy rate. Key drivers for the healthcare sector include – changing demographics, large influx of international patients, epidemiological trends and rapidly growing economy with rising incomes as well as higher expectations towards healthcare quality.

3.1.1 Changing Demographics

*Large demand for nursing homes and step-down care in next 10 years*

Till date, most developed nations are grappling with the issue of an ageing population and Singapore is no exception. This is evident in the decrease in Total Fertility Rate (TFR) of the average Singapore female resident over the years. TRF has fallen from 3.07 children per female in 1970, to 1.25 in 2005. In fact, TRF has fallen below the replacement rate of 2.1 for the last decade, which is essential for a population to replace itself.

Table 3.1.1A Singapore Demographic Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population (Million)</td>
<td>4.02</td>
<td>4.13</td>
<td>4.17</td>
<td>4.18</td>
<td>4.24</td>
<td>4.35</td>
<td>4.41</td>
<td>1.56%</td>
</tr>
<tr>
<td>Resident population (Million)</td>
<td>3.27</td>
<td>3.32</td>
<td>3.38</td>
<td>3.43</td>
<td>3.48</td>
<td>3.55</td>
<td>3.61</td>
<td>1.66%</td>
</tr>
<tr>
<td>Crude Birth Rate (per 1000 population)*</td>
<td>13.70</td>
<td>11.80</td>
<td>11.40</td>
<td>10.30</td>
<td>10.10</td>
<td>10.00</td>
<td>9.00</td>
<td>-6.10%</td>
</tr>
<tr>
<td>Crude Death Rate (per 1000 population)*</td>
<td>4.50</td>
<td>4.30</td>
<td>4.40</td>
<td>4.40</td>
<td>4.30</td>
<td>4.30</td>
<td>4.40</td>
<td>-0.91%</td>
</tr>
</tbody>
</table>
Appendix D

### Infant Mortality Rate (per 1000 population)*

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Year Over Year%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>2.50</td>
<td>2.20</td>
<td>2.90</td>
<td>2.50</td>
<td>2.10</td>
<td>2.10</td>
<td>-3.43%</td>
</tr>
</tbody>
</table>

### Total Fertility Rate*

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Year Over Year%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>1.60</td>
<td>1.41</td>
<td>1.37</td>
<td>1.26</td>
<td>1.25</td>
<td>1.00</td>
<td>-4.82%</td>
</tr>
</tbody>
</table>

### 0 - 14 years ('000)*

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Year Over Year%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nbr</td>
<td>689</td>
<td>707</td>
<td>716</td>
<td>739</td>
<td>711</td>
<td>705</td>
<td>0.46%</td>
</tr>
</tbody>
</table>

### 15 – 64 years ('000)*

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Year Over Year%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nbr</td>
<td>2,338</td>
<td>2,368</td>
<td>2,390</td>
<td>2,441</td>
<td>2,495</td>
<td>2,548</td>
<td>1.73%</td>
</tr>
</tbody>
</table>

### 65 years and above ('000)*

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Year Over Year%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nbr</td>
<td>235</td>
<td>243</td>
<td>271</td>
<td>254</td>
<td>275</td>
<td>291</td>
<td>4.38%</td>
</tr>
</tbody>
</table>

*Figures for Singapore resident population (not for total Singapore population)*

**Frost & Sullivan estimates

The Government projects that by 2030, the proportion of people aged 65 or older, will increase to 18.9% of total population. This spells implications for the country’s healthcare resources where demand for long-term care will be substantial.

### Table 3.1.1B Singapore - Number and Proportion of Older Persons

<table>
<thead>
<tr>
<th>Population Profile</th>
<th>1999</th>
<th>2000</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. aged 56+ ('000)</td>
<td>235</td>
<td>312</td>
<td>529</td>
<td>796</td>
</tr>
<tr>
<td>Proportion aged 65+*</td>
<td>7.30</td>
<td>8.40</td>
<td>13.10</td>
<td>18.90</td>
</tr>
<tr>
<td>Median age (years)</td>
<td>33.40</td>
<td>36.90</td>
<td>39.30</td>
<td>41.20</td>
</tr>
<tr>
<td>Dependency ratio (DR)</td>
<td>42.00</td>
<td>38.70</td>
<td>44.90</td>
<td>56.40</td>
</tr>
<tr>
<td>DR (Young) 0-14 years</td>
<td>31.70</td>
<td>27.10</td>
<td>25.90</td>
<td>26.90</td>
</tr>
<tr>
<td>DR (Old) 65+ years</td>
<td>10.40</td>
<td>11.60</td>
<td>19.00</td>
<td>29.50</td>
</tr>
</tbody>
</table>

*Figures for 2000-2030 are estimates


### 3.1.2 Accessibility and Affordability of Healthcare in Singapore

**Healthcare services accessible island-wide**

Singapore has a wide coverage of healthcare services islandwide with a network of over 3,180 public and private clinics.

**Health insurance scheme ensures affordability of healthcare**

Singapore has developed a unique 3M framework - Medisave, Medishield and Medifund to address the issues of healthcare financing. As of 2006, 89,000 working Singaporeans or

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*Figures for Singapore resident population includes only Singapore citizens and permanent residents and does not include foreign workers and employment pass holders.*
77% of the total population were covered under the Medishield health insurance scheme. Medishield is a low cost insurance scheme with risk-pooling and co-payment to protect members against the heavy financial risk associated with catastrophic illness. Premiums for Medishield (or private insurance alternatives) can be paid from an individual’s Medisave account. In recent years, government has allowed the private insurance companies to offer similar Medishield-type policies to individuals. There are five private sector companies AIA Insurance, NTUC Income, Great Eastern Life, Aviva and Prudential that offer health insurance plans in Singapore. In public hospitals, patients are subsidised by the Government at varying levels, according to the class of wards that they choose. Private hospitals typically do not receive subsidy from the Government, changing the patients in full, to be paid by the patient's health insurance or using Medisave or out-of-pocket.

*Medisave – extension of coverage for chronic disease treatment*
To increase healthcare affordability, MOH decided that starting 1st January 2007, Medisave will extend coverage to include three additional diseases – high blood pressure, lipid disorder and stroke under the Chronic Disease Management Programme (CDMP). In addition, Medisave can be utilised for MRI and CT scans during outpatient consultations. The extension of coverage is intended to help patients pay for their outpatient consultations at participating clinics and reduce cash payments.

Besides outpatient attendances, inpatient daily withdrawal limit is increased from S$400 to S$450 to help Singaporeans finance their hospitalisation expenses. Hence, Medisave will help to cover over 60% of A class wards or private class wards’ expenses. This is an improvement from 57%. This eventually makes private healthcare affordable to a larger group. At the same time, the Government is monitoring the average bill sizes to ensure public hospitals are cost effective.

*Integrating the elderly into society*
The Government has plans to help the elderly “age gracefully”. This will be accomplished through several initiatives such as ensuring an integrated delivery of elderly care services at the community level. The key to Singapore’s efficient health care system is the emphasis on
individuals assuming responsibility towards their own health and this will continue even as Singaporeans age. To accomplish this, MOH has come up with ElderShield, which is an affordable severe disability insurance scheme, designed to provide the elderly with basic financial protection against medical expenses in the event of severe disabilities.

### 3.1.3 Patient Trends and Opportunities

*Changing role of patients - higher expectations and awareness towards well-being*

Higher education and income levels have led to increased health awareness among Singaporeans. Health Promotion Board (HPB) has also played a significant role in educating the public on healthy lifestyle and dietary habits. In addition, HPB is also encouraging regular health screening especially for the elderly. With aggressive campaigns by HPB and increasing awareness among Singaporeans about healthcare issues, the demand for general and advanced health-screening services is expected to increase in future.

*Day surgery – an attractive alternative to inpatient surgery*

With the advent of the minimally invasive surgery technique, the average length of stay in a hospital has been substantially reduced. This is made possible through better operation techniques and improved technology. Minimally invasive surgeries help to reduce post-surgery pain and nausea, both of which are key reasons why patients had to stay overnight in hospitals. Corollary to this, keyhole surgery also results in smaller wounds and shorter recovery times. With shorter recovery times, patients are expected to save 10% to 20% of their medical bills. Hence the number of day surgeries in Singapore has increased steadily from 15% to 20% in the last 5 to 10 years.

In 2005, day surgeries accounted for 57% of all operations as compared to only 36% in 1991. In contrast, inpatient surgery rate has been on a downward trend. Inpatient surgeries declined from 53.6 surgeries per 1,000 people in 1991, to 45.3 surgeries in 2002. As day surgeries have a substitutive effect on inpatient surgeries, increase in future demand for day surgery is likely to cause inpatient surgeries to decline. Common minimally invasive
surgeries include orthopedic, hand surgery, general surgery, urology, endoscopy and bronchoscopy.

3.1.4 An Industry with High Potential – Medical Travel

Singapore’s sophisticated private healthcare providers have attracted many international patients. These patients come from as far as Northern Asia and Middle East to as close as neighboring countries, including Indonesia and Brunei. According to *SingaporeMedicine*\(^\text{22}\), the number of international patients traveling to Singapore has increased from 189,730 to 448,800 patients in the period from 2001 to 2006, demonstrating a strong growth of 136%. In 2005, this generated around US$900 million in revenues for the economy. In the next few years, MOH expects the rapid growth of medical travel industry to give rise to at least two more private hospitals in Singapore since the private healthcare providers are well-positioned to capture this growth.

![Figure 3.1.4A International Patient Inflow to Singapore (2001 to 2006)](image)

*Source: MOH, Straits Times - 29 March 2006, Frost & Sullivan*

**Types of treatment sought**

Being at the forefront of clinical advancement, physicians in both public and private hospitals have developed clinical expertise to perform complicated surgeries with high success rates.

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\(^{22}\) *SingaporeMedicine* is a multi-agency initiative conceived by Economic Development Board (EDB), Singapore Tourism Board (STB) and International Enterprise Singapore (IE) back in 2003. The objective was to develop Singapore as a healthcare hub for the Asian region.
This is one of the main reasons why Singapore remains an attractive destination for international patients. For instance the hematology and stem cell transplant centre in Mount Elizabeth Hospital has pioneered stem cell treatment for patients with advanced cancer tumors. In addition, 80% of the patients receiving treatment in the Living Donor Liver Transplant (LDLT) programme at Gleneagles Hospital are international patients.

Apart from complex surgical procedures, large numbers of international patients visit Singapore for health screenings and aesthetic surgeries. In 2005, the top 5 specialties in terms of treatment for international patients were - General Medicine; Ophthalmology; General Surgery; Gynecology and Urology. As for inpatient treatment, General Surgery, Cardiology, Gynecology and Orthopedic Surgery made up 55% of total inpatient hospitalisation. Over the years, increasing patient volume is also seen in specialties such as Medical Oncology, Obstetrics and General Surgery.

**Origin of foreign patients**

As shown in figure 3.1.4B, patients from Indonesia accounted for 51.7% of international patients. Patients from Malaysia come in second at 11.4%. A small number of patients were from USA/Canada (i.e. 5.1%) and Britain (i.e. 3.7%)
**SingaporeMedicine: An Initiative to develop Singapore as regional healthcare hub**

*SingaporeMedicine* is a multi-agency initiative conceived by Economic Development Board (EDB), Singapore Tourism Board (STB) and International Enterprise Singapore (IE) in 2003. The objective of *SingaporeMedicine* is to develop Singapore as a healthcare hub for the Asian region. Singapore aims to attract one million international patients annually by the year 2012. This will generate S$3 billion in revenues and create at least 13,000 jobs in the medical travel industry.

To achieve this mission, STB has been organising road shows in Malaysia, Indonesia, India, China, Russia and Middle East to promote the capabilities of Singapore’s health establishments. These roadshows help to showcase Singapore’s clinical expertise in coronary revascularisation, stem cell transplants, advances in brain tumor management, robotic surgery and advances in breast cancer management. In addition, the Government has also made it easier for patients from Middle-Ea to obtain medical visas for treatment in Singapore.

In January this year, Singapore and U.A.E had signed a Memorandum of Understanding (MOU) to promote closer cooperation in healthcare. The MOU provides a comprehensive
framework for greater collaboration between both parties in sharing healthcare expertise. This is to be achieved through medical training attachments in both countries. Most importantly, both countries agreed to promote and foster business opportunities in the healthcare sector.
National Strategies, Implementation Plans and Role of Hospitals in Singapore

4.1. The Ministry of Health – National Strategies and Priority Areas

In 2004, the MOH has set a vision for a “Healthy Singapore” by focusing on eight main priorities.

1. **Build Healthy Population** - HPB has been delegated the responsibility of keeping Singaporeans healthy by raising health awareness. HPB will continue to guide consumers in their choice of food through “Healthier Choice” product labels.

2. **Manage Disease Holistically Instead of Episodically** - The Director of Medical Services is assigned this priority, which will be accomplished through the integration of primary, secondary, tertiary and elderly care. Disease management programs especially targeted at diabetes, hypertension, asthma and early psychosis intervention, are implemented to manage disease holistically. This approach is multidisciplinary and continuum-based, which means that GP clinics will be collaborating with secondary and tertiary healthcare institutions to monitor the progress of patients even after discharge from hospitals.

3. **Exploit IT Maximally** - MOH aims to make IT adoption as one of its main priorities to help increase healthcare personnel’s productivity, enhance patient care and reduce costs through higher efficiency. As part of this initiative, the Government has developed a nation-wide Electronic Medical Records Exchange (EMRX), an EMR sharing system. The EMRX will contain patient medical history, discharge summaries, laboratory test results, X-ray and other radiological test results, medical operation reports and
medication prescribed to patients. This will support clinical practice and provide a life-long medical record for each Singaporean. NHG and SingHealth have implemented the system in 2004. The next phase will be to link up private hospitals with EMRX as well as sharing clinical data with GPs.

4. **Counter Disease Outbreak** - MOH has emergency plans in place to counteract potential outbreaks of the Avian Flu. All hospitals will have a dedicated group of staff or an ‘infection control response team’. Hospitals will maintain and roster a team of dedicated healthcare workers who are very well-versed with the handling of infectious cases. In addition, the Agri-Food and Veterinary Authority (AVA) has a contingency plan to deal with any outbreak of avian flu in the poultry farms here. Precautionary measures are taken by AVA to prevent the importation of infected birds into Singapore. There is also an ongoing surveillance programme in the urban and wild bird populations to detect any avian flu virus.

5. **Manage Medical Inflation** - The CEOs of the respective public healthcare clusters are responsible for this initiative. Since 1999, public hospitals have launched Casemix using the Diagnosis Related Groups (DRG) system to contain healthcare costs, where diseases are grouped according to clinical conditions and the costs incurred to treat them. Additionally, MOH had started posting the average hospital bills of respective hospitals to ensure cost competitiveness. These expenses are categorised according to specific conditions, procedures and ward class. Through this measure, patients will be empowered to make informed decisions, when deciding which hospital they want to undergo the surgical operation or medical treatment.

6. **Ensure Long-Term Healthcare Financing** - The Deputy Secretary of Health, Mr Goh Aik Guan will be taking charge of this initiative through the enhanced 3M (i.e. Medisave, Medishield and Medifund) framework, as illustrated in Section 3.1.2 - Accessibility and Affordability of Healthcare in Singapore.
7. **Safeguard Medical Standard** - The Director of Medical Services will be ensuring the quality, reliability and cost effectiveness of healthcare in Singapore. These will be achieved through the strengthening of doctors’ training, especially on Continuing Medical Education (CME) as well as implementation of clinical quality assurance programmes, for instance benchmarking of clinical practices.

8. **Exploit Economic Value as Regional Medical Hub** - Mr Philip Yeo, the Chairman of A*STAR is responsible in spearheading this initiative. To this, Biopolis represents one of the milestones of Singapore’s biomedical industry. The objective of Biopolis is to make Singapore an international hub for biomedical sciences with world-class capabilities across the entire economic value chain of healthcare services. The four key areas of focus will be - pharmaceuticals, nutrition, healthcare, biotechnology and medical devices. This will enable healthcare professionals to provide the latest innovative treatment and therapies. In addition, manufacturing active pharmaceutical ingredients in Singapore may help to contain spiraling drug costs.

*Internationalisation of public healthcare clusters - NHG and SingHealth*

Besides creating a biomedical hub, NHG and SingHealth are encouraged to go international in the near future. NHG and SingHealth plan to tap the medical travel market currently dominated by private hospitals. To this, NHG has established an International Patient Liaison Centre (IPLC) located at the National University Hospital (NUH). NHG IPLC aims to work closely with hospitals, institutes, business units and specialty centres of NHG to provide high quality healthcare service to international patients.

To expand its presence beyond Singapore, NHG has also incorporated NHG Gulf Pte Ltd, a company focusing on the Gulf Cooperation Council (GCC) countries to provide healthcare consultancy and hospital management services. NHG Gulf will provide services in the areas of hospital planning and restructuring, costing and economic feasibility studies for healthcare facilities, management of hospital operations. Quality
audits for healthcare facilities among others. NHG Gulf is also expected to promote NHG group hospitals' services in GCC countries to attract international patients.

SingHealth also has established an International Medical Service (IMS), located at Singapore General Hospital (SGH), to offer international patients one-stop healthcare services including appointment and referrals, admission services, accommodation and transportation and concierge services.

4.2 Opening up Local Healthcare Market

MOH is expected to further open up the healthcare market in Singapore to foreign participation. To this, MOH is already pushing for the release of sites for private hospitals and day surgery centres and has identified two possible sites for further development - one in the northern region and another beside Novena MRT station. For instance Novena Medical Centre (NMC), which was developed by Far East Organisation (FEO), has turned out to be a hot property for medical specialists aspiring to own, rather than lease their medical clinics. NMC will house specialist clinics with the ability for clinicians to conduct day surgeries. NMC offers in total 145 medical suites of which 36 medical suites on an entire floor were snapped up when a soft launch was conducted in 2005. Besides being easily accessible by MRT and buses, NMC is also linked to neighbouring Tan Tock Seng Hospital via a skybridge. This arrangement provides timely access to tertiary care for patients who require further treatment after their specialist consultation at NMC.

The proposed private hospital in the northern region has a geographical advantage in targeting Malaysian patients, who are currently the second largest group of foreign patients arriving in Singapore. Moreover the cost of land is relatively lower as compared to urban areas. This can translate into more attractive medical fees for the patients. Other than a private hospital in the northern part of Singapore, the existing Alexandra Hospital will be relocated to Yishun. Another public hospital will be built in Woodlands by 2019.
MOH has leveled the playing field as foreign hospital operators are eligible to bid and operate private hospitals here. Just in October last year, advanced institutions such as The West Clinic from Memphis, Tennessee have set up the West Clinic Excellence Cancer Centre in Singapore. The West Clinic Excellence Cancer Centre will be providing world-class cancer treatment and management to patients in Southeast Asia by US oncologists and oncology nurses.

Located in Camden Medical Centre, the Cancer Centre employs the state-of-the-art imaging technologies such as Positron Emission Tomography and Computed Tomography (PET/CT) in cancer treatment. The Centre will also be the first facility outside North America to implement the PACE System™ (Patient Assessment, Care, and Education). This is a revolutionary information technology developed by Supportive Oncology Services, Inc. (SOS) which enhances patient care and improves quality of life through a comprehensive exchange of information between patient and physician at point-of-care. This exchange of information is accomplished through the use of a touch screen, wireless e-tablets known as Patient Care Monitors™.

In addition, the West Clinic Excellence Cancer Centre will be the first cancer center outside North America to participate in a network of oncology Centres through the Accelerated Community Oncology Research Network (ACORN). ACORN is a US-based organisation representing about 150 oncology investigators working on clinical trials for most major cancer types.

4.3 Singapore’s Future Healthcare Directions – 2007 onwards

According to the 2007 Budget, the Government will be increasing public healthcare expenditure to US$1.8 billion a year by 2012, as compared to US$1.2 billion today. These funds will be channeled into the grooming of doctors, nurses and allied health personnel in

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23 As mentioned earlier the Government and MOH considers only subvention to public hospitals, while calculating government healthcare expenditure, and does not include capital investment. Thus, above mentioned rise in government healthcare expenditure would be only towards non-capital healthcare expenditure and should not be compared with existing Singapore Government healthcare expenditure as per WHO reflected in Table 2.3.2A, which also includes capital investment.
public hospitals. Nurses in particular, play an important role in elderly care. Hence there is a target of adding 4,500 more nurses over the next 5 years.

In addition, hospital infrastructure will be improved with an increase in the number of acute hospital beds. The Government will create academic medical centres in both NUH and SGH to integrate academic and clinical practice. Research funding will be directed towards major chronic diseases afflicting Singaporeans.

In terms of step-down care, the Government plans to integrate care provided in both acute hospitals and nursing homes. GPs and specialists will also be involved in disease management through regular monitoring. The Government will also be topping up elderly Singaporeans’ Medisave accounts. Funds of around US$843 million will be set aside for this purpose.
5

Trends and Future Developments in Other Asian Countries

5.1 General Healthcare Trends in Asia

Changing Demographics - Increase in Ageing Population

As per United Nations’ estimates, the number of people aged 65 and above is expected to increase by 314% in Asia and 430% in South East Asia (S.E.A.) by the year 2050.

Table 5.1A Projected Growth of Asia’s Elderly (2000 to 2050)

<table>
<thead>
<tr>
<th>Region / Sub-region</th>
<th>Number of people aged 65 and above ('000)</th>
<th>Percent Change (2000 to 2050)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>2025</td>
</tr>
<tr>
<td>Asia</td>
<td>206,822</td>
<td>456,303</td>
</tr>
<tr>
<td>East Asia</td>
<td>114,729</td>
<td>244,082</td>
</tr>
<tr>
<td>Southeast Asia</td>
<td>24,335</td>
<td>57,836</td>
</tr>
<tr>
<td>South Asia</td>
<td>67,758</td>
<td>154,385</td>
</tr>
</tbody>
</table>

Source: United Nations

The ageing population in Asia is expected to increase the demand for life-saving drugs, technologically advanced medical devices and equipment. From an infrastructure perspective, this will include demand for nursing homes and community hospitals to provide chronic and long-term care. For Japan, South Korea and Singapore, the situation is aggravated by consistently low birth rates. This exerts pressure not only on the healthcare delivery system but also on the financing system with fewer working adults supporting the elderly.
Rising Incidence of Lifestyle and Chronic Diseases

According to the WHO Regional Office for South East Asia, chronic diseases are growing at alarming rates in Asia. Fast-paced economic growth, rising income levels, changing lifestyles and ageing populations have led to an increase in diseases like hypertension, diabetes, cardiovascular diseases and cancer in Asian countries. Cancer and heart diseases are amongst the top five causes of morbidity and mortality in majority of the Asian countries. Growing incidence of these diseases will drive the demand for healthcare infrastructure and services. Singapore has consistently been the destination of choice for advanced surgeries and disease management. In the foreseeable future, Singapore is likely to see an increase in the number of patients from both developing and industrialised countries.

Growing Incidence of Infectious or Communicable Diseases

For developing countries such as Vietnam and Indonesia, infectious or communicable diseases such as Avian Flu and dengue continue to be a major health concern. The other major threat is from the growing incidence of HIV/AIDS in India, China and developing Asian countries. Additionally, malaria and tuberculosis are major causes of morbidity and mortality in developing Asian countries.

Growing Medical Travel

According to Abacus International (Singapore), the medical travel industry in Asia is worth US$500 million in 2006 and is expected to generate over US$4 billion a year by the year 2012. With high quality medical care at relatively lower costs, the medical travel industry in Asia attracts over 1.5 million medical tourists a year. In addition to Singapore, countries such as Thailand, Malaysia, India, United Arab Emirates (U.A.E) and South Korea have also focused their efforts in channeling more foreign patients to their countries for medical treatment. It is foreseeable that Singapore will face competition from these countries.
5.2 Overview of Key Private Hospitals and Healthcare Operators in Asia

Table 5.2A Leading Private Hospitals / Hospital Groups in Asia (2006)

<table>
<thead>
<tr>
<th>Hospital Group</th>
<th>Country of Incorporation</th>
<th>Number of Hospitals</th>
<th>Number of Beds</th>
<th>Bed Occupancy (%)</th>
<th>Revenue (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apollo Hospitals Enterprise Limited</td>
<td>India</td>
<td>41</td>
<td>7,000</td>
<td>N.A.</td>
<td>160.50</td>
</tr>
<tr>
<td>Bangkok Dusit Medical Services Public Company Limited*</td>
<td>Thailand</td>
<td>17</td>
<td>3,389</td>
<td>N.A.</td>
<td>313.10</td>
</tr>
<tr>
<td>Bumrungrad Hospital Public Company Ltd*</td>
<td>Thailand</td>
<td>1</td>
<td>554</td>
<td>75</td>
<td>198.70</td>
</tr>
<tr>
<td>KPJ Healthcare Berhad*</td>
<td>Malaysia</td>
<td>13</td>
<td>1,537</td>
<td>68</td>
<td>177.60</td>
</tr>
<tr>
<td>Pantai Hospitals Sdn Berhad*</td>
<td>Malaysia</td>
<td>7</td>
<td>1,158</td>
<td>78</td>
<td>185.90</td>
</tr>
<tr>
<td>Parkway Holdings Limited</td>
<td>Singapore</td>
<td>15</td>
<td>2,800</td>
<td>N.A.</td>
<td>569.81**</td>
</tr>
<tr>
<td>Raffles Hospital</td>
<td>Singapore</td>
<td>1</td>
<td>380</td>
<td>72*</td>
<td>134.24</td>
</tr>
<tr>
<td>Fortis Healthcare</td>
<td>India</td>
<td>12</td>
<td>1,803</td>
<td>N.A.</td>
<td>67.53</td>
</tr>
</tbody>
</table>

*2005 figures ** Figures based on an exchange rate of 1 USD = 1.5233 SGD

Source: Company Annual Reports, Company Websites, Trade Interviews; Frost & Sullivan

Apollo Hospitals Enterprise Limited (AHEL, listed in India)

Background and business operations

Apollo Hospitals Enterprise Limited (AHEL) is the largest corporate hospital group in India. Started in the year 1997, AHEL now employs over 4,000 specialists and 3,000 medical officers across 53 clinical departments in 41 hospitals across the country. Key specialties provided include Cardiology, Cardiothoracic Surgery, Oncology and Orthopedics. Three of the AHEL’s hospitals have been granted accreditation by Joint Commission International (JCI). AHEL has also formed a joint-venture with Singapore’s leading healthcare player - Parkway Group Healthcare to establish Apollo-Gleneagles Hospital based in Kolkata, India.
Financial profile

Table 5.2B Financial Performance of Apollo Hospitals Enterprise Ltd (2004 to 2006)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ Million)</th>
<th>Net Profit (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>113.31</td>
<td>8.23</td>
</tr>
<tr>
<td>2005</td>
<td>134.82</td>
<td>11.15</td>
</tr>
<tr>
<td>2006</td>
<td>160.49</td>
<td>12.21</td>
</tr>
</tbody>
</table>

Source: Company Annual Reports 2004 – 2006, Frost & Sullivan

Medical travel

AHEL treats around 30,000 international patients every year with majority of the international patients coming from Sri Lanka, Bangladesh, Oman and Europe. Using the franchise model, AHEL has formed a subsidiary company known as Apollo Health and Lifestyle Limited (AHLL), to develop a network of Apollo clinics, telemedicine and information centres both in India and abroad. Since incorporation, AHLL has opened clinics in Qatar, Saudi Arabia and Bangladesh. AHEL also plans to spread its wings in South-East Asia, West Asia, Africa, UK and USA by further leveraging on the franchise model.

Future plans

AHEL plans to build four new hospitals in India by 2010, with two in Mumbai and one each in Bangalore and Bhubaneswar. Other than developments in India, the AHEL has drawn up plans to set up or manage hospital projects in Mauritius and Fiji. These two joint venture hospital projects will amount to investments of US$35 million and US$40 million respectively. To add to their flagship hospitals overseas, AHEL plans to construct multi-specialty hospitals in Dhaka (Bangladesh), Nigeria and Kathmandu (Nepal). These will be in addition to the AHEL’s existing overseas facilities in Colombo and the Middle East.

Bangkok Dusit Medical Services Public Company Limited (BDM - listed in Thailand)

Background and business operations

Bangkok Dusit Medical Services Public Company Limited (BDM) is currently managing 17 hospitals under the three reputed brands of Bangkok Hospital Group, Samitivej Hospital and Bangkok Nursing Home (BNH). It is Thailand’s largest private hospital network with at least
a 15% share of the country's healthcare industry. In 2006, the company was listed as one of the best Asian companies in the ‘Best Under a Billion’ category, in the Forbes Magazine.

*Financial profile*
At present, the company is the largest shareholder in Ramkhamhaeng Hospital (RAM), a listed company on Thailand’s Stock Exchange.

Table 5.2C Financial Performance of the Bangkok Dusit Medical Services Public Company Limited, (2002 to 2006)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ Million)</th>
<th>Net Profit (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>75.20</td>
<td>7.00</td>
</tr>
<tr>
<td>2003</td>
<td>96.80</td>
<td>11.20</td>
</tr>
<tr>
<td>2004</td>
<td>164.50</td>
<td>18.20</td>
</tr>
<tr>
<td>2005</td>
<td>313.10</td>
<td>24.30</td>
</tr>
<tr>
<td>2006 (as at 30/09/2006)</td>
<td>340.20</td>
<td>29.10</td>
</tr>
</tbody>
</table>

*Source: Company Annual Report 2002-2006, Frost & Sullivan*

*Medical travel*
BDM hospitals treat patients from more than 100 nationalities. At Bangkok Hospital, the number of foreign patients has increased substantially by 70% over the past two years. Samitivej Hospitals also treats a substantial number of patients with approximately 35% of the hospital’s revenues coming from foreign patients.

*Future plans*
BDM plans to expand its network to 20 hospitals by 2010 in line with the liberalisation of medical services, either through acquisitions or by establishing new hospitals. Considerable investments are being made in the Bangkok Hospital to convert it into a Bangkok Hospital Medical Complex, featuring a shopping mall, movie theatres and serviced apartments, in addition to healthcare services. BDM also plans to build a new stand-alone neurological unit at a cost of US$70 million. Other plans include regional expansion through a hospital in Siem Reap, Cambodia.
Bumrungrad Hospital Public Company Ltd (BHPCL, listed in Thailand)

Background and business operations
Bumrungrad Hospital, company’s flagship hospital is one of the largest private hospitals in Southeast Asia with 554 beds. It also boasts of staff strength of over 900 doctors. Besides Bangkok, BHPCL has international operations which include facilities in Bangladesh, Myanmar, U.A.E. and investments in the Asian Hospital in Philippines. Key specialties offered at these hospitals include plastic surgery, cardiac surgery, orthopedics, pediatrics, dialysis and dermatology. Bumrungrad Hospital was the first hospital in the Asia to receive accreditation from the Canadian Standard Accreditation and US-based JCI.

Financial profile
In 2006, BHPCL generated revenue of US$198.7 million with US$30.71 million net profit. Between 2002 and 2005, BHPCL’s revenue and net profit have grown at a CAGR of 22.7% and 67.3% respectively. This is mainly attributed to the increasing number of international patients seeking treatment in the hospital.

Table 5.2D Financial Performance of BHPCL in Thailand (2004 to 2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ Million)</th>
<th>Net Profit (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>107.50</td>
<td>6.59</td>
</tr>
<tr>
<td>2003</td>
<td>134.10</td>
<td>19.44</td>
</tr>
<tr>
<td>2004</td>
<td>169.00</td>
<td>27.27</td>
</tr>
<tr>
<td>2005</td>
<td>198.70</td>
<td>30.71</td>
</tr>
<tr>
<td>2006 (as of 30/09/2006)</td>
<td>173.80</td>
<td>24.58</td>
</tr>
</tbody>
</table>

Source: Company Annual Report 2002-2006, Frost & Sullivan

Medical travel
BHPCL has international representative offices in 12 countries. The hospital treats around 400,000 international patients and 500,000 local patients every year. In 2006, international patients contributed to 54% of the BHPCL’s revenue. Most of the international patients come from Middle East, Japan, United States, Europe and China.
Future plans
A major upgrade and expansion of the Bumrungrad’s Bangkok campus is underway, which will add a 22-storey building. Expansion is expected to increase the outpatient capacity from 3,500 patients per day to 6,000 and inpatient capacity from 554 to 650 beds. In 2005, BHPCL entered a joint venture with a major investment house in United Arab Emirate’s (UAE) - Istithmar Public Joint Stock Company (PJSC) to construct BHPCL’s first hospital in the region. The whole project is estimated to cost US$81.7 million.

KPJ Healthcare Berhad (Listed in Malaysia)

Background and business operations
KPJ Healthcare (KPJ) belongs to the group of companies under Johor Corporation (JCorp). Incorporated back in 1992 as an investment holding company, KPJ today has 33 subsidiaries and associate companies in Malaysia whose principal activities involve the provision of medical and specialist healthcare services. Till date, the KPJ Group has ownership of 13 hospitals staffed by 420 specialists and over 3,350 employees. There are 5 cardiac centres, 3 cancer centres and 2 in-vitro facilities among the 13 hospitals. In addition, KPJ started operating 2 hospitals in Indonesia, one known as Rumah Sakit Selasih in Padang and the other as Rumah Sakit Medika Permata Hijau in Jakarta.

KPJ was the first healthcare group in Malaysia to be listed on the current Bursa Malaysia, which was formerly known as Kuala Lumpur Stock Exchange (KLSE). KPJ together with Al-Aqar launched a Real Estate Investment Trust (REIT) in June 2006. It is one of the world’s first Islamic real estate investment trust (REIT). The trust fund is valued at US$139.12 million. The properties under the Al-Aqar KPJ REIT are predominantly specialist hospitals, which include Ampang Puteri Specialist Hospital, Johor Specialist Hospital, Damansara Specialist Hospital, Ipoh Specialist Hospital, Puteri Specialist Hospital, Selangor Medical Centre. KPJ has retained a 47% stake in the trust and sold 180 million new units to institutional investors and the public.
Table 5.2E Business Operations of KPJ Healthcare Group in Malaysia (2004 to 2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Hospitals</th>
<th>Beds</th>
<th>Bed Occupancy Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>13</td>
<td>1,537</td>
<td>60</td>
</tr>
<tr>
<td>2005</td>
<td>13</td>
<td>1,537</td>
<td>68</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Financial performance
KPJ’s annual revenue has increased at CAGR of 39.5% from US$33.6 million in 2000 to US$177.6 million in 2005. For the same period operating profit has increased at CAGR of 24.5% from US$4.1 million in 2000 to US$12.3 million in 2005.

Table 5.2F Financial Performance of the KPJ Healthcare Group (2000 to 2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ Million)</th>
<th>Operating Profit (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>33.60</td>
<td>4.10</td>
</tr>
<tr>
<td>2001</td>
<td>39.60</td>
<td>4.70</td>
</tr>
<tr>
<td>2002</td>
<td>58.10</td>
<td>6.00</td>
</tr>
<tr>
<td>2003</td>
<td>137.10</td>
<td>8.60</td>
</tr>
<tr>
<td>2004</td>
<td>159.90</td>
<td>10.90</td>
</tr>
<tr>
<td>2005</td>
<td>177.60</td>
<td>12.30</td>
</tr>
</tbody>
</table>


Medical travel
KPJ is focusing on increasing the percentage of international patients from Indonesia, which currently accounts for only 3% of the patients treated at Johor Specialist Hospital and Puteri Specialist Hospital. In 2005, over 4,500 Indonesians were treated in the KPJ’s two hospitals. To enhance the inflow of patients, especially from Tanjung Pinang and Batam, KPJ has signed a MOU early in 2006 with the Rumah Sakit (RS) Harapan Bunda in Batam. RS Harapan Bunda will act as a referral centre for patients with complicated conditions and require specialised medical treatment.

Future plans
KPJ has plans of increasing its network of hospitals in Malaysia and other countries in Asia. It has already entered a joint venture with the Continental Hospital in Dhaka.
(Bangladesh) to provide technical expertise as well as hospital management services. Other plans in the pipeline include the manufacturing of healthcare products, initiating new hospital services and support activities. KPJ also hopes to strengthen its alliances with other medical groups and medical universities for knowledge-sharing, thereby achieving excellence in healthcare delivery.

**Pantai Hospitals Sendirian Berhad (Sdn Bhd)**

**Background and business operations**
Pantai Hospitals Sendirian Berhad (Pantai) is a wholly-owned subsidiary of Pantai Holdings Bhd, located in Malaysia. Just in August 2006, Khazanah Nasional Bhd acquired a substantial stake in Pantai Holdings Bhd. Being a major provider of healthcare services in Malaysia, Pantai operates a network of seven hospitals which include Pantai Medical Centre, Pantai Cheras, Pantai Putri, Pantai Indah, Pantai Klang, Pantai Ayer Keroh, Pantai Mutiara. The seven hospitals offer a total of 1,158 beds specialising in oncology, radiology and cardiac catheterisation.

In September 2005, Parkway Holdings Limited from Singapore acquired 31.3% of Pantai for US$84.2 million; in August 2006, Khazanah from Malaysia acquired 52.5% of Pantai for US$186.9 million. The company was delisted in January 2007.

**Table 5.2G Business Operations of Pantai Hospital Sendirian Berhad in Malaysia**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Hospitals</th>
<th>Beds</th>
<th>Bed Occupancy Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>7</td>
<td>1,158</td>
<td>72</td>
</tr>
<tr>
<td>2005</td>
<td>7</td>
<td>1,158</td>
<td>78</td>
</tr>
</tbody>
</table>

*Source: Frost & Sullivan*

**Financial performance**
Pantai’s annual revenue has increased at CAGR of 22.9% from US$81.3 million in 2001 to US$185.9 million in 2005.
Table 5.2H Financial Performance of the Pantai Hospital Sendirian Berhad (2001 to 2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ Million)</th>
<th>Operating Profit (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>81.30</td>
<td>-43.10</td>
</tr>
<tr>
<td>2002</td>
<td>106.40</td>
<td>3.70</td>
</tr>
<tr>
<td>2003</td>
<td>137.30</td>
<td>4.90</td>
</tr>
<tr>
<td>2004</td>
<td>164.90</td>
<td>-25.10</td>
</tr>
<tr>
<td>2005</td>
<td>185.90</td>
<td>18.10</td>
</tr>
</tbody>
</table>

Source: Company Annual Reports 2001-2005, Frost & Sullivan

Medical travel
Currently more than 75% of Pantai’s international patients come from Indonesia. Three of the Pantai hospitals Pantai Ayer Keroh Hospital, Pantai Medical Centre and Pantai Mutiara Hospital are registered for medical tourism. Pantai has also been appointed on the panel of international medical insurance providers such as British United Provident Association (BUPA), AXA-PPP Healthcare and Vanbreda International.

Future plans
Pantai has also been setting up joint ventures with companies in India, Sri Lanka, Saudi Arabia, China and Bangladesh to penetrate these markets. In 2003, the subsidiary of Pantai Holdings, Pantai Medivest Sdn. Bhd. entered a joint venture with Jeddah-based Al-Sharif group to provide healthcare services through the construction of two hospitals in Saudi Arabia. Pantai has also signed a MOU with Kand De Investment Corp of China, to expand its healthcare services in China.

Raffles Medical Group (Listed in Singapore)

Background and business operations
Founded in 1976, Raffles Medical Group (RMG) has evolved from two clinics to become one of the leading integrated private healthcare providers in Singapore in addition to clinics in Hong Kong. RMG was subsequently listed on the Singapore Stock Exchange in 1997.
Currently, RMG has an islandwide network of 60 clinics in Singapore. The Group also runs four clinics in Hong Kong as well as representative offices in Indonesia and Bangladesh. The Group has market presence in Bangladesh, Sri Lanka, U.A.E., Abu Dhabi, Bahrain and South Korea as well.

Table 5.2I Business Operations of Raffles Medical Group in Singapore

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Hospitals</th>
<th>Bed Size</th>
<th>Bed Occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>1</td>
<td>380</td>
<td>54</td>
</tr>
<tr>
<td>2005</td>
<td>1</td>
<td>380</td>
<td>72</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Financial profile
In the period 2000 to 2005, Raffles’ revenues increased by a CAGR of 12.5%. The growth in revenues was mainly attributed to the stellar performance of RMG’s flagship hospital. The increase in profits is attributed to the rise in occupancy rates and better efficiency in the utilisation of facilities.

Table 5.2J Financial performance of the Raffles Group (2000 to 2005)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ Million)</th>
<th>Operating Profit (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>38.70</td>
<td>4.40</td>
</tr>
<tr>
<td>2001</td>
<td>47.10</td>
<td>(4.40)</td>
</tr>
<tr>
<td>2002</td>
<td>54.30</td>
<td>3.70</td>
</tr>
<tr>
<td>2003</td>
<td>61.10</td>
<td>6.30</td>
</tr>
<tr>
<td>2004</td>
<td>62.60</td>
<td>7.70</td>
</tr>
<tr>
<td>2005</td>
<td>69.60</td>
<td>9.10</td>
</tr>
</tbody>
</table>


Medical tourism
Large numbers of international patients travelling to RMG come from Indonesia, Malaysia, Bangladesh, Myanmar, South Korea, India and Russia, making up 34% of total patient load. In 2006, international patients accounted for 34% of the hospital’s total patient load.
Future plans

In 2007, RMG plans to upgrade the existing clinics into integrated medical centres, offering comprehensive services like specialist treatment and health-screening services. Plans are underway to upgrade the Jakarta Representative Office into a medical centre and penetrate into China by 2008. RMG is also expected to establish representative offices in Vietnam, Myanmar, Sri Lanka and India. RMG also plans to establish a direct presence in Beijing, Shanghai and Guangzhou in China within next two years by developing a hospital in China.

Fortis Healthcare (Listed in India)

Background and business operations
Fortis Healthcare (Fortis) is a subsidiary of Ranbaxy Laboratories Limited, which is a research-based, international pharmaceutical company. Fortis comprises a network of 12 tertiary hospitals and 12 specialty heart centres with a total capacity of 1,803 beds. In 2006, Fortis acquired four hospitals from the renowned Escorts Healthcare Group for US$132.86 million. Recently in April 2007, Fortis was listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

Financial Profile
Despite an impressive 144% jump in revenues from 2004 to 2006, Fortis’ net loss has been increasing over the years, reaching US$14.77 million in 2006. This is attributed to high spending by the company on acquisition of hospitals in India.

Table 3C Financial performance of Fortis Healthcare Ltd (2004 to 2006)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (US$ Million)</th>
<th>Net Profit/Loss (US$ Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>11.38</td>
<td>(4.38)</td>
</tr>
<tr>
<td>2005</td>
<td>17.70</td>
<td>(4.47)</td>
</tr>
<tr>
<td>2006</td>
<td>67.53</td>
<td>(14.77)</td>
</tr>
</tbody>
</table>

Source: Company Annual Reports 2004 – 2006, Frost & Sullivan
Medical travel
Fortis is forming alliances with international airlines to offer medical travel packages. It is also exploring the option of using charter flights to bring international patients to its hospitals in India. In addition, Fortis hopes to exploit the potential of attracting Non-Resident Indians (NRI) coming to India for high quality healthcare at affordable prices.

Future plans
Fortis plans to increase the number of branch hospitals to 25 by 2010, through investments worth US$249.82 million. It is also focusing on increasing its capacity to 4,000 beds from the existing 1,803 beds in 12 hospitals. Fortis is coming up with super-specialty hospitals with 150 beds in Jaipur, 250 beds in West Delhi and 350 beds in Gurgaon.
5.3 Overview of Healthcare Industry in other Asian Countries

5.3.1 Overview of Healthcare Industry in China

Table 5.3.1A China - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>1,287.00</td>
<td>1,294.60</td>
<td>1,302.20</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>0.61</td>
<td>0.59</td>
<td>0.58</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>12.96</td>
<td>13.14</td>
<td>13.14</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>6.74</td>
<td>6.94</td>
<td>6.94</td>
</tr>
<tr>
<td>Life Expectancy - Female (Years)</td>
<td>74.28</td>
<td>73.72</td>
<td>74.09</td>
</tr>
<tr>
<td>Life Expectancy - Male (Years)</td>
<td>70.33</td>
<td>70.40</td>
<td>70.65</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>85.20</td>
<td>98.22</td>
<td>110.91</td>
</tr>
<tr>
<td>Ratio - Government: Private Healthcare Expenditure</td>
<td>0.48</td>
<td>0.48</td>
<td>0.48</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>4.80</td>
<td>4.70</td>
<td>4.70</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>61.19</td>
<td>70.11</td>
<td>79.49</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>N.A.</td>
<td>N.A.</td>
<td>18,836</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>645,900</td>
<td>659,200</td>
<td>672,500</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>1,288,600</td>
<td>1,315,600</td>
<td>1,341,700</td>
</tr>
</tbody>
</table>


Overview of Healthcare System

Three-tier healthcare delivery system

As of 2005, China has 297,932 health care institutions including 19,836 hospitals, 42,471 healthcare stations, 2,997 maternal and childbirth healthcare institutions, 207,933 clinics and 1,581 specialised health institutions. The healthcare delivery system can be categorised as 3 main types:

♦ Village clinics and township health centres providing primary healthcare services in rural areas.
♦ Municipal and provincial hospitals providing tertiary medical services to both rural and urban population, with specialist medical treatment found mainly in provincial hospitals.
Private foreign invested hospitals and clinics established since 1989 with currently more than 200 such healthcare units in China.

Table 5.3.1B Hospitals in China (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,507</td>
<td>16,889</td>
<td>18,836</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Total health expenditure increased from US$35 billion in 1996 to US$110.91 billion in 2005. In 2003, public healthcare expenditure accounted for only 16 to 17% of the total, whereas individual expenditure accounted for a hefty 55 to 60%.

Key Healthcare Trends in China

Reform in the Chinese healthcare system
As a major step in the reform of China’s healthcare system, provincial reimbursements to public hospitals will be gradually reduced. Private investors, both local and foreigners will be allowed to invest in the healthcare industry. Hence public hospitals now have a high degree of operating autonomy as they no longer receive the bulk of their funding from Government sources. Hospitals are expected to generate revenue to cover between 70 to 90% of their operating expenses. The number of private hospitals both Chinese and foreign are expected to increase in the near future.

Demographic trends affecting the Chinese healthcare system
As a result of China’s "one-child" policy, the country faces the prospect of having too small work force to support a rapidly aging population. The dramatic decline in fertility and improved average life expectancy over the past two decades are creating a large elderly population, thereby adding pressure to China’s healthcare system. Alongside is the increasing incidence of chronic diseases and disability in the population. Meeting the healthcare needs of this growing elderly population will result in escalating healthcare costs.
Table 5.3.2A Hong Kong - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)*</td>
<td>7.39</td>
<td>6.85</td>
<td>6.89</td>
</tr>
<tr>
<td>Population Growth Rate (%)*</td>
<td>N.A.</td>
<td>-7.29</td>
<td>0.64</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)*</td>
<td>N.A.</td>
<td>7.10</td>
<td>8.20</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)*</td>
<td>6.19</td>
<td>5.98</td>
<td>5.13</td>
</tr>
<tr>
<td>Life Expectancy - Female (Years)</td>
<td>N.A.</td>
<td>84.70</td>
<td>84.50</td>
</tr>
<tr>
<td>Life Expectancy - Male (Years)</td>
<td>N.A.</td>
<td>79.00</td>
<td>78.80</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>9.50</td>
<td>10.00</td>
<td>10.90</td>
</tr>
<tr>
<td>Ratio - Government: Private Healthcare Expenditure</td>
<td>1.28</td>
<td>1.44</td>
<td>1.48</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>N.A.</td>
<td>5.10</td>
<td>N.A.</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>1,398</td>
<td>1,461</td>
<td>1,583</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>53</td>
<td>53</td>
<td>54</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>10,855</td>
<td>N.A.</td>
<td>11,242</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>43,800</td>
<td>44,000</td>
<td>45,300</td>
</tr>
</tbody>
</table>

* CIA World Factbook, Frost & Sullivan

Source: WHO, Frost & Sullivan

Overview of the Healthcare System

The healthcare delivery service in Hong Kong (HK) is dominated by public hospitals which are overseen and managed by the Hospitals Authority (HA) of Hong Kong and works with the Department of Health (DOH). Outpatient primary care is mainly provided by private General Practitioners (GP), who take up approximately 70% of all outpatient consultations. The remaining 30% of primary care is provided by public clinics. GP consultations are funded through direct payment or private health insurance. As for secondary and tertiary care, 94% of all specialist and inpatient care is delivered by public hospitals.
Table 5.3.2B Hospitals in Hong Kong (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>41</td>
<td>54</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

In 2005, there were 41 public and 13 private hospitals with a total capacity of 34,400 patient beds in Hong Kong. The public healthcare sector provides highly subsidised healthcare services to the patients. 97% of total hospitalisation costs will be subsidised and 87% of outpatient services will be borne by the government. As for healthcare services provided by the private sector, these are paid out-of-pocket or via private insurance.
5.3.3 Overview of Healthcare Industry in India

Table 5.3.3A India - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>1,049.70</td>
<td>1,065.10</td>
<td>1,080.30</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>1.49</td>
<td>1.46</td>
<td>1.12</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>23.30</td>
<td>22.80</td>
<td>22.30</td>
</tr>
<tr>
<td>Total Fertility Rate (Children born/woman)</td>
<td>2.91</td>
<td>2.85</td>
<td>2.78</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>8.49</td>
<td>8.28</td>
<td>8.28</td>
</tr>
<tr>
<td>Life Expectancy - Female (Years)</td>
<td>64.37</td>
<td>64.77</td>
<td>65.16</td>
</tr>
<tr>
<td>Life Expectancy - Male (Years)</td>
<td>62.92</td>
<td>63.25</td>
<td>63.57</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>32.20</td>
<td>37.10</td>
<td>42.14</td>
</tr>
<tr>
<td>Ratio - Government : Private Healthcare Expenditure</td>
<td>0.27</td>
<td>0.26</td>
<td>0.26</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>4.90</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>26.89</td>
<td>31.37</td>
<td>36.07</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>17,588</td>
<td>17,933</td>
<td>18,256</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>185,506</td>
<td>189,552</td>
<td>193,555</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>655,974</td>
<td>680,409</td>
<td>705,026</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan

Overview of the Healthcare System

India’s healthcare sector is broadly divided into public and private sectors. Public health services consist of a network of sub-centres, primary health centres, community health centres and district hospitals. Primary healthcare in India is delivered by government-owned primary or community healthcare centers and private clinics. More than 80% of outpatient services are provided in the private sector.

Secondary and tertiary healthcare is provided by about 18,256 hospitals country-wide. As of 2005, there were about 13,040 private hospitals and 5,216 public hospitals in India. The role played by non-governmental organisations (NGOs) in India’s healthcare industry is also significant. In 2004, the Government spent only 0.9% of GDP on healthcare with majority of the healthcare costs borne by patients. The vast majority makes out-of-pocket payments
which accounts for at least 70% of total healthcare expenditure. Only a small fraction of India's population is covered by private health insurance as it is a fairly recent development in the country. The Indian government coverage includes the Life Insurance Corporation policies and Mediclaim.

Table 5.3.3B Hospitals in India (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>13,040</td>
<td>5,216</td>
<td>18,256</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Key Healthcare Trends in India

Changes in demographic and socio-economic profile
The fundamental structural change in India’s society today is the changing demographic and socio-economic profile. The percentage of India’s population who are 55 years and above is expected to reach 12% of total population in 2010.

Table 5.3.3C Projection of Age-wise Population Distribution in India (1991 to 2010)

<table>
<thead>
<tr>
<th>Age Bracket</th>
<th>1991</th>
<th>2001</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 14 years (%)</td>
<td>36</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>15 to 54 years (%)</td>
<td>55</td>
<td>55</td>
<td>59</td>
</tr>
<tr>
<td>55 and above (%)</td>
<td>9</td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>


Rising demand for quality healthcare in India
The demand for higher standards of healthcare results from the growing affluence of over 300 million middle-income earners in India. The aggregate household expenditure on healthcare services increased at a CAGR of 9.3% between 1993 and 2001. With such a strong growth in demand for health services, the outlook for healthcare providers is definitely positive.
Increasing importance of private healthcare insurance
The health insurance sector traditionally was controlled by the Indian Government. The health insurance market was opened to competition from private companies in 2000. The Government’s policy to privatise the insurance sector has witnessed the entry of various Indian private companies in strategic alliance with foreign insurance companies. Before the privatisation of the health insurance sector, approximately 0.25% of the total population was covered under voluntary medical insurance schemes. With growing awareness and increasing healthcare affordability, demand for quality healthcare services in India is rising in tandem.

Telemedicine and teleradiology – key offerings by Indian doctors
Entrepreneurial US trained Indian doctors have been reading X-rays of patients worldwide, providing lab testing services to overseas institutions and processing medical claims for insurance companies halfway across the globe. Some doctors in India even offer tele-ICU services where ICU patients in America are monitored remotely. These are accomplished over the internet at high speed with excellent service levels. It is expected that India offering teleradiology will be one of the cost-effective solutions for developed countries where there is a severe shortage of radiologists.

Medical travel - holds great potential
India has been quick to tap into the medical travel market. Both the Government and private Indian healthcare providers are promoting India as the destination for medical treatment. Medical travel in India is growing at 30% per annum with some 150,000 medical tourists per year. The Indian Government had organised the Medical Tourism EXPO 2006 in Olympia, London with key states such as Kerala, Andhra Pradesh and Rajasthan participating in the exhibition. There are also ongoing collaboration with travel agents in Europe (i.e. Netherlands) and Mauritius to offer medical travel packages.
5.3.4 Overview of Healthcare Industry in Indonesia

Table 5.3.4A Indonesia - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>234</td>
<td>238</td>
<td>242</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>21.49</td>
<td>21.11</td>
<td>20.71</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>6.26</td>
<td>6.26</td>
<td>6.25</td>
</tr>
<tr>
<td>Life Expectancy - Female (Years)</td>
<td>71.50</td>
<td>71.80</td>
<td>72.10</td>
</tr>
<tr>
<td>Life Expectancy - Male (Years)</td>
<td>66.50</td>
<td>66.80</td>
<td>67.10</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>6.38</td>
<td>7.02</td>
<td>8.07</td>
</tr>
<tr>
<td>Ratio - Government: Private Healthcare Expenditure</td>
<td>0.58</td>
<td>0.57</td>
<td>0.59</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>2.90</td>
<td>2.80</td>
<td>2.70</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>31.17</td>
<td>32.50</td>
<td>34.01</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>1,234</td>
<td>1,246</td>
<td>1,264</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>14,440</td>
<td>14,927</td>
<td>15,385</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>105,733</td>
<td>110,702</td>
<td>115,905</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan

Overview of the Healthcare System

As of 2005, there are 635 public hospitals and 629 private hospitals in Indonesia. According to the Indonesian Department of Health, the number of hospitals in Indonesia has increased more than 17% in the last ten years, with majority of the growth arising from the private sector.

Table 5.3.4B Hospitals in Indonesia (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>629</td>
<td>635</td>
<td>1,264</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Until 2001, the Government’s share of healthcare expenditure was about 27% of the total healthcare expenditure. With a low level of public expenditure, this resulted in inadequate medical infrastructure and poor healthcare accessibility in Indonesia. However, a decentralisation of the healthcare industry in recent years triggered a shift in
this pattern. As of 2005, the share of Government healthcare expenditure as a percentage of total healthcare expenditure rose to 36.9%.

**Key Healthcare Trends in Indonesia**

The Government's efforts towards better accessibility of healthcare

The Government of Indonesia has declared a plan known as Vision 2010 with the objective of creating a healthy nation. As part of Vision 2010, the Government aims to set up new health centres and upgrade existing ones to provide better quality healthcare.

Vision 2010 will entail the following:

- **National Development with Health Focus;** refers to transitioning from a curative and rehabilitative healthcare system to one promoting healthy lifestyle and preventing health issues.
- **Professionalism;** refers to adhering to standards of healthcare delivery, manpower and infrastructure. It also calls for working within an ethical framework.
- **Guaranteed Health Maintenance Program (JPKM);** aims at a managed healthcare program where public participation is required not only in mobilising funds but more importantly in their successful implementation. This is to help towards creating a more equitable healthcare system.
- **Decentralisation;** is for providing more autonomy to the regional governments in regulating their own governance system and local affairs.
5.3.5 Overview of Healthcare Industry in South Korea

Table 5.3.5A South Korea - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>48.20</td>
<td>48.40</td>
<td>48.60</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>0.47</td>
<td>0.47</td>
<td>0.43</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>11.80</td>
<td>12.30</td>
<td>11.90</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>5.50</td>
<td>5.60</td>
<td>5.70</td>
</tr>
<tr>
<td>Life Expectancy - Female (Years)</td>
<td>79.90</td>
<td>80.10</td>
<td>80.30</td>
</tr>
<tr>
<td>Life Expectancy - Male (Years)</td>
<td>74.10</td>
<td>74.30</td>
<td>74.50</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>43.26</td>
<td>46.80</td>
<td>49.00</td>
</tr>
<tr>
<td>Ratio - Government : Private Healthcare Expenditure</td>
<td>1.13</td>
<td>1.15</td>
<td>1.19</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>5.50</td>
<td>5.60</td>
<td>5.60</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>702.65</td>
<td>787.00</td>
<td>917.46</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>963</td>
<td>N.A.</td>
<td>1,081</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>81,193</td>
<td>84,441</td>
<td>87,818</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>127,640</td>
<td>135,298</td>
<td>143,416</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Overview of the Healthcare System

Healthcare delivery in South Korea is provided by both public and private hospitals, with significant financing by the National Health Insurance (NHI). The South Korean healthcare delivery system depends mainly on the private providers with the public sector providing less than 10% of healthcare facilities and beds. Private clinics and hospitals account for 92.6% of all medical facilities and 87.4% in terms of the number of beds. In South Korea, around 90.7% of physicians and 91.8% of hospital beds are concentrated in urban areas.

Korea’s healthcare policy in the 21st century targets the following major areas:

- Establishing a lifetime health maintenance system
- Constructing an efficient health care delivery system
- Boosting the health care industry
• Revising the health care law, reforming the administrative practices to establish an advanced social welfare system

Table 5.3.5B Hospitals in South Korea (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>798</td>
<td>283</td>
<td>1,081</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Key Healthcare Trends in South Korea

Rising healthcare expenditure
With the ageing population and universal health insurance, demand for medical services have steadily increased. This is being reflected in the country's rising healthcare expenditure, which has increased from US$43.26 billion in 2003 to US$49.0 billion in 2005. A major reason behind the rising healthcare costs is the over utilisation of medical specialist services. Currently medical specialists make up more than 80% of practicing medical doctors in South Korea.

Ageing population
In 2005, approximately 11% of the country’s population was estimated to be above 55 years of age. By 2018, the elderly population (age 65 years and above) is projected to account for over 14 percent of the total population.

Foreign Economic Zones
In December 2004, Korea’s National Assembly revised the Act on Designation and Management of Foreign Economic Zones (FEZs), allowing native Koreans to receive medical services at foreign-run hospitals. The Government’s initial objective was to attract world-class hospitals with 600 to 800 beds to locate in these FEZs, serving mainly foreigners in Korea. However with the amendment in 2004, health facilities established by foreign operators have been made available to local Korean patients as well, who often pay out-of-pocket or through private medical insurance for their healthcare expenses.
Currently there are three main FEZs in Korea, located in Incheon, Pusan and Kwangyang. These were created with the objective of becoming a hub for business, finance and logistics for Northeast Asia. Koreans who currently seek advanced medical services abroad, will also be attracted to these hospitals. However, pharmacies operating in the zones are not allowed to sell medicine to Koreans.
5.3.6 Overview of Healthcare Industry in Malaysia

Table 5.3.6A Malaysia - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>23.09</td>
<td>23.52</td>
<td>23.95</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>1.90</td>
<td>1.86</td>
<td>1.83</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>23.70</td>
<td>23.37</td>
<td>23.07</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>5.12</td>
<td>5.08</td>
<td>5.06</td>
</tr>
<tr>
<td>Life Expectancy - Female (Years)</td>
<td>74.51</td>
<td>74.81</td>
<td>75.11</td>
</tr>
<tr>
<td>Life Expectancy - Male (Years)</td>
<td>69.01</td>
<td>69.29</td>
<td>69.56</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>4.80</td>
<td>4.98</td>
<td>5.04</td>
</tr>
<tr>
<td>Ratio - Government: Private Healthcare Expenditure</td>
<td>1.72</td>
<td>1.81</td>
<td>1.89</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>4.20</td>
<td>3.80</td>
<td>3.50</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>176.93</td>
<td>180.13</td>
<td>179.50</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>353</td>
<td>357</td>
<td>374</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>4,502</td>
<td>4,661</td>
<td>4,817</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>38,310</td>
<td>40,532</td>
<td>42,760</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan

Overview of the Healthcare System

Healthcare in Malaysia is provided by both public and private hospitals. There are three main types of public hospitals - general hospitals, district hospitals and special medical institutions. Each of Malaysia's sixteen states has a general hospital with an average bed size of 600 to 700 providing a complete range of healthcare services.

Table 5.3.6B Hospitals in Malaysia (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>214</td>
<td>160</td>
<td>374</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan
District hospitals, are much smaller, with an average size of 250 to 400 beds. District hospitals typically provide basic diagnostic and curative services. A network of clinics provides primary healthcare to the population. A comprehensive referral system providing secondary and tertiary care is exercised by district hospitals.

The private sector has grown rapidly in the past ten years fuelled by the rise of employer paid private insurance benefits and rising per capita income. The private sector offers mainly secondary, tertiary care and rehabilitative services, financed strictly on a non-subsidised, fee-for-service basis. From 1980 to 1995, the number of beds in the private sector increased more than eight times from 1,171 to 9,000, accounting for approximately 35% of the total hospital beds in Malaysia.

Key Healthcare Trends in Malaysia

*Emphasis on healthcare by the government*
According to the Ninth Malaysia Plan the annual budget for healthcare services allocated to the Ministry of Health has increased and expected to reach US$2.86 billion by the end of the Ninth Malaysia Plan in 2010.

*Growth of medical travel industry*
In 2005, 200,000 international patients visited Malaysia. By 2010, the medical travel revenues are estimated to reach US$590 million. International patients from neighbouring countries with less developed medical infrastructure such as Indonesia, as well as those from developed countries in the West with high healthcare costs are seeking affordable high quality healthcare in Malaysia.

A National Committee for the Promotion of Health Tourism was set up in 1998 to develop the medical travel industry. In 2003, the Malaysian Government designated 35 private hospitals as healthcare service providers to international patients. To ease the inflow of international patients, the Malaysian Government implemented fast-track customs clearance. The Malaysian Tourism Board has also been organising activities to promote medical travel
together with the Ministry of Health. Private hospital groups are expanding their operations overseas by setting up new medical centres and upgrading their facilities to meet the demands of international patients while striving to achieve JCI accreditation.
5.3.7 Overview of Healthcare Industry in Philippines

Table 5.3.7A Philippines - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>84.62</td>
<td>86.24</td>
<td>87.86</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>1.96</td>
<td>1.92</td>
<td>1.84</td>
</tr>
<tr>
<td>Birth Rate (per 1,000)</td>
<td>26.30</td>
<td>25.80</td>
<td>25.31</td>
</tr>
<tr>
<td>Mortality Rate (per 1,000)</td>
<td>5.60</td>
<td>5.53</td>
<td>5.47</td>
</tr>
<tr>
<td>Life Expectancy (Female)</td>
<td>72.28</td>
<td>72.61</td>
<td>72.92</td>
</tr>
<tr>
<td>Life Expectancy (Male)</td>
<td>66.44</td>
<td>66.74</td>
<td>67.03</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>3.12</td>
<td>3.46</td>
<td>3.82</td>
</tr>
<tr>
<td>Ratio - Government : Private Healthcare Expenditure</td>
<td>0.79</td>
<td>0.81</td>
<td>0.82</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>3.40</td>
<td>3.40</td>
<td>3.40</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>34.21</td>
<td>36.13</td>
<td>39.79</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>1,752</td>
<td>1,771</td>
<td>1,790</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>20,236</td>
<td>20,726</td>
<td>21,219</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>359,680</td>
<td>365,830</td>
<td>371,930</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan

Overview of the Healthcare System

The healthcare delivery in Philippines is dominated by the private sector in terms of the number of hospitals. In 2003 there were a total of 1,752 licensed hospitals with 56% as private entities. However, the number of private hospitals decreased from about 981 in 2000 to only 700 in 2005 due to the lack of medical personnel. Maintaining an adequate supply of qualified medical personnel is one of the greatest challenges facing the Philippines healthcare sector, with more than 15,000 nurses seeking jobs in USA, Great Britain and Australia annually.

Table 5.3.7B Hospitals in Philippines (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,090</td>
<td>700</td>
<td>1,790</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan
The Philippines has the lowest percentage of healthcare expenditure over GDP compared to other developing countries in the region. The total expenditure on health in 2005 was 3.4% of GDP, below the 5% standard set by the WHO for developing countries. Healthcare in Philippines is financed mainly by the PhilHealth social insurance scheme and individuals’ out-of-pocket expenses, with Government contributing only 39% of total healthcare expenditure.

**Key Healthcare Trends in Philippines**

Increasing coverage by PhilHealth social insurance scheme
The most significant change in how Filipinos access and pay for health is the increasing number of citizens enrolling in PhilHealth, the national health insurance program. Started in 1998, PhilHealth enrollment has since grown to about 12.5 million members or 54 million beneficiaries nationwide representing 64% of the total population.
5.3.8 Overview of Healthcare Industry in Taiwan

Table 5.3.8A Taiwan - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>22.60</td>
<td>22.80</td>
<td>22.90</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>0.67</td>
<td>0.66</td>
<td>0.62</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>10.10</td>
<td>9.60</td>
<td>9.40</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>5.80</td>
<td>6.00</td>
<td>6.10</td>
</tr>
<tr>
<td>Life Expectancy – Female (Years)</td>
<td>73.90</td>
<td>74.10</td>
<td>74.40</td>
</tr>
<tr>
<td>Life Expectancy – Male (Years)</td>
<td>67.10</td>
<td>69.20</td>
<td>69.40</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>8.32</td>
<td>8.80</td>
<td>9.25</td>
</tr>
<tr>
<td>Ratio – Government: Private Healthcare Expenditure</td>
<td>1.84</td>
<td>1.83</td>
<td>2.05</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>N.A.</td>
<td>6.10</td>
<td>N.A.</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>785</td>
<td>844</td>
<td>918</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>N.A.</td>
<td>N.A.</td>
<td>639</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>32,500</td>
<td>33,500</td>
<td>34,500</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>95,300</td>
<td>101,500</td>
<td>107,700</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Overview of the Healthcare System

Healthcare service industry in Taiwan is dominated by private sector, which provides 98% of primary care services and 86% of hospital-based services. As of 2005, there were 639 hospitals in Taiwan with 543 of these hospitals from private sector. In addition, there are 17,381 clinics in Taiwan, about 2% of which are public ones.

Table 5.3.8B Hospitals in Taiwan (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>543</td>
<td>96</td>
<td>639</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan

Healthcare in Taiwan is largely financed through National Health Insurance. In 2004, NHI covered 99% of the population in Taiwan. The premium is shared by individual,
employers and government. In 2005, Taiwan public health authorities announced reduction in hospital reimbursements from 95% to 85%, in an attempt to control escalating healthcare expenses.

**Key Healthcare Trends in Taiwan**

Rising healthcare expenditure and ageing population
Taiwan's health expenditures as a percentage of GDP had been increasing continuously since last ten years. In 2005 Taiwan spent 6.1% of GDP on healthcare expenditure, compared to 5.3% of GDP in 1997. In addition, the ageing population in Taiwan is estimated to increase from 7.6% of total population in 2002 to 15.0% by 2012.
5.3.9 Healthcare and Demographic Indicators in Thailand

Figure 5.3.9A Thailand’s Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>64.27</td>
<td>64.87</td>
<td>65.44</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>0.97</td>
<td>0.94</td>
<td>0.87</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>16.37</td>
<td>16.04</td>
<td>15.70</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>6.86</td>
<td>6.94</td>
<td>7.02</td>
</tr>
<tr>
<td>Life Expectancy – Female (Years)</td>
<td>73.53</td>
<td>73.71</td>
<td>74.37</td>
</tr>
<tr>
<td>Life Expectancy – Male (Years)</td>
<td>69.07</td>
<td>69.23</td>
<td>69.65</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)</td>
<td>6.49</td>
<td>6.96</td>
<td>7.66</td>
</tr>
<tr>
<td>Ratio - Government : Private Healthcare Expenditure</td>
<td>0.62</td>
<td>0.62</td>
<td>0.63</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>3.50</td>
<td>3.50</td>
<td>3.50</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>80.31</td>
<td>88.08</td>
<td>96.03</td>
</tr>
<tr>
<td>Number of Hospitals*</td>
<td>1,408</td>
<td>1,530</td>
<td>1,662</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>11,164</td>
<td>11,401</td>
<td>11,664</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>68,882</td>
<td>71,520</td>
<td>74,175</td>
</tr>
</tbody>
</table>

Source: WHO, Frost & Sullivan

Overview of the Healthcare System

Healthcare in Thailand is provided by both public and private sector. At the primary care level, village health volunteers and community health workers provide basic medical treatment at community health posts. For larger health centres of municipalities, outpatient consultation is provided by physicians and other health professionals. Tertiary care with inpatient services and treatment by specialists are available only in general hospitals, regional hospitals, university hospitals and large private hospitals.

Table 5.3.9B Hospitals in Thailand (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>648</td>
<td>1,014</td>
<td>1,662</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan
Healthcare in Thailand is financed through health insurance and out-of-pocket expenses. More than 75% of the Thai population has been covered by the universal health insurance scheme. It has also expanded in 2006 to cover serious illnesses requiring complicated and costly treatment, such as AIDS, leukemia as well as heart and brain surgery.

**Key Healthcare Trends in Thailand**

**Rapidly growing private hospitals**

In Thailand, there are about 400 private hospitals offering high quality services at competitive prices. Many private hospitals have established partnerships with first-class international medical schools and healthcare institutions both in Europe and the US. According to the Association of Thailand’s Private Hospitals, one million foreign patients sought treatment from Thailand’s private hospitals in 2005, generating a total income of US$803.3 million. To this, Thailand aims to increase the number of international patients to two million by 2010. Correspondingly, revenues from international patients are expected to reach US$2,335.7 million in 2010.

Despite the economic benefits and progression that medical travel has brought to Thailand, a wide disparity continues to exist between rural and urban healthcare standards. Most practising doctors migrate to urban cities seeking higher living standards, thereby leading to a shortage of well-qualified doctors in the rural areas.
5.3.10 Overview of Healthcare Industry in Vietnam

Table 5.3.10A Vietnam - Healthcare and Demographic Indicators (2003 to 2005)

<table>
<thead>
<tr>
<th>Healthcare and Demographic Indicators</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (Million)</td>
<td>81.60</td>
<td>82.60</td>
<td>83.50</td>
</tr>
<tr>
<td>Population Growth Rate (%)</td>
<td>0.62</td>
<td>1.20</td>
<td>1.08</td>
</tr>
<tr>
<td>Birth Rate (Per 1,000)</td>
<td>19.58</td>
<td>17.07</td>
<td>17.07</td>
</tr>
<tr>
<td>Mortality Rate (Per 1,000)</td>
<td>6.19</td>
<td>6.20</td>
<td>6.20</td>
</tr>
<tr>
<td>Life Expectancy - Female (Years)</td>
<td>N.A.</td>
<td>72.90**</td>
<td>73.85</td>
</tr>
<tr>
<td>Life Expectancy - Male (Years)</td>
<td>N.A.</td>
<td>68.80**</td>
<td>68.05</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (US$ Billion)*</td>
<td>1.92</td>
<td>2.40</td>
<td>2.59</td>
</tr>
<tr>
<td>Ratio - Government : Private Healthcare Expenditure*</td>
<td>N.A.</td>
<td>0.41</td>
<td>0.39</td>
</tr>
<tr>
<td>Total Healthcare Expenditure (as % of GDP)</td>
<td>5.20</td>
<td>5.50</td>
<td>5.10</td>
</tr>
<tr>
<td>Per Capita Healthcare Expenditure (US$)</td>
<td>24.79</td>
<td>30.05</td>
<td>31.78</td>
</tr>
<tr>
<td>Number of Hospitals</td>
<td>N.A.</td>
<td>N.A.</td>
<td>1,040</td>
</tr>
<tr>
<td>Number of Specialists</td>
<td>N.A.</td>
<td>N.A.</td>
<td>51,466***</td>
</tr>
<tr>
<td>Number of Nurses</td>
<td>N.A.</td>
<td>N.A.</td>
<td>51,573***</td>
</tr>
</tbody>
</table>

* WHO
** UNDP (United Nations Development Program)-Human Development Report 2006
*** Vietnam Health Statistical Yearbook 2005

Overview of the Healthcare System

As of 2005, Vietnam had 1,010 public hospitals at mainly 3 levels - central, provincial and district - out of which 30 are private hospitals and 5 are foreign-owned. These private hospitals are predominantly in Hanoi and Ho Chi Ming (HCM), as they cater mainly to the financially well endowed. Nevertheless, primary and preventive healthcare services are provided free of charge at Commune Health Centers (CHC), set up by the Government.

Table 5.3.10B Hospitals in Vietnam (2005)

<table>
<thead>
<tr>
<th>Private Hospitals</th>
<th>Public Hospitals</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>1,010</td>
<td>1,040</td>
</tr>
</tbody>
</table>

Source: Frost & Sullivan
Healthcare in Vietnam is financed by government, health insurance, and out-of-pocket expenses. As early as 1992, private health insurance was introduced in Vietnam. However till date, only 17% of the population is covered under private health insurance, as insurance remains unaffordable to majority. On 1st July 2005, Vietnam Government introduced a new health insurance policy. It is operated by the Vietnam Social Insurance Agency, which will cover medical costs for insured patients.

**Key Healthcare Trends in Vietnam**

**Government’s efforts in providing better healthcare services**

The Vietnam Government has plans to improve the accessibility of healthcare services to the public. To this, a master plan was set with the vision to achieve a ratio of at least seven clinicians and one pharmacist per 10,000 population by 2010. Healthcare infrastructure and services will be further improved to a ratio of 25 hospital beds, 8 physicians and 2 pharmacists per 10,000 population by 2020. Besides ensuring enough medical manpower to deliver healthcare services, the Government is also planning to construct 50 to 70 new hospitals over the next 3 to 4 years, slated for completion by 2010.

**Infectious diseases still a concern**

During 2004 and 2005, infectious diseases such as Tuberculosis, HIV/AIDS, Dengue Fever and Japanese Encephalitis accounted for more than 20% of total deaths in Vietnam. In recent years, Vietnam is facing the outbreak of another dangerous infectious disease – the avian flu. The first outbreak of avian flu in Vietnam was noted in 2003. Since December 2006, a total of 43 communities in 18 districts located in five southern provinces of Vietnam, have reported cases of bird flu. After taking infection-control measures to fight bird flu, Vietnam’s situation has improved as no new cases were reported since mid January 2007.

**Foreign participation in the healthcare sector**

Vietnamese Government has liberalised the healthcare sector to allow foreign participation through the construction of hospitals and healthcare facilities. To
encourage higher levels of foreign direct investment, the Government has announced preferential tax rates of 20%, 15% and 10% to foreign investors in the medical and pharmaceutical sector for the next 15 years.

Capitalising on this trend is Singapore’s Thomson Medical Centre (TMC). In November 2006, TMC’s wholly-owned subsidiary, Thomson International Health Services Pte Ltd (Thomson International), signed a five year hospital management agreement with Hanh Phuc International Women and Children Hospital Joint Stock Company (Hanh Phuc JSC). The agreement entailed the construction of the first purpose-designed private women and children’s hospital to be built in Binh Duong Province. Upon completion in 2009, the hospital will have a 260-bed capacity and 35 medical suites dedicated to the provision of Obstetrics, Gynaecology and Paediatric services.

Other hospitals established by foreign investors include Vietnam-Japan Hospital, France-Vietnam Hospital and the American International Hospital, which is one of the key initiatives of the Keystone Group from US.
ACRONYMS

AH : Alexandra Hospital
AN-DRG : Australian National Diagnosis Related Groups
CGH : Changi General Hospital
CII : Confederation of Indian Industry
EDB : Economic Development Board
GDP : Gross Domestic Product
IDAPE : Interim Disability Assistance Programme for the Elderly
ILTC : Intermediate and Long-Term Care
MOH : Ministry of Health
NHG : National Healthcare Group
NTUC : National Trade Union Congress
NUH : National University Hospital
SARS : Severe Acute Respiratory Syndrome
SGH : Singapore General Hospital
SingHealth : Singapore Health Services
STB : Singapore Tourism Board
TTSH : Tan Tock Seng Hospital
VWO : Voluntary Welfare Organisation
WHO : World Health Organisation
CDMP : Chronic Disease Management Programme
HPB : Health Promotion Board
IPLC : International Patient Liaison Centre
IMS : International Medical Service
NSCP : National Smoking Control Programme
WHPP : Workplace Health Promotion Programme
IMC : Inter-Ministerial Committee
GMS : Graduate Medical School
MRA : Medical Registration Act
TFR : Total Fertility Rate
LDLT : Living Donor Liver Transplant
EMRX : Electronic Medical Records Exchange
GCC : Gulf Cooperation Council
ACORN : Accelerated Community Oncology Research Network
NHI : National Health Insurance
FEZ : Foreign Economic Zones
APPENDIX E

INDEPENDENT TAXATION REPORT

7 August 2007

The Board of Directors
Parkway Trust Management Limited
(as the Manager of Parkway Life REIT (the “Manager”))
1 Grange Road
#11-01 Orchard Building
Singapore 239693

HSBC Institutional Trust Service (Singapore) Limited
(as the Trustee of Parkway Life REIT (the “Trustee”))
21 Collyer Quay #14-01
HSBC Building
Singapore 049320

Dear Sirs

SINGAPORE TAXATION REPORT

This letter has been prepared at the request of the Manager for inclusion in the prospectus (the “Prospectus”) to be issued in relation to the initial public offering of units (the “Units”) in Parkway Life REIT on Singapore Exchange Securities Trading Limited.

The purpose of this letter is to provide prospective purchasers of the Units with an overview of the Singapore income tax consequences of the acquisition, ownership and disposal of the Units. This letter addresses principally purchasers who hold the Units as investment assets. Purchasers who acquire the Units for dealing purposes should consult their own tax advisors concerning the tax consequences of their particular situations.

This letter is not a tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units. Prospective purchasers of the Units should consult their own tax advisors to take into account the tax law applicable to their particular situations. In particular, prospective purchasers who are not Singapore tax residents are advised to consult their own tax advisors to take into account the tax laws of their respective country of tax residence and the existence of any tax treaty which their country of tax residence may have with Singapore.

This letter is based on Singapore income tax laws and relevant interpretations thereof current as at the date of this letter, all of which are subject to change, possibly with retroactive effect.

Words and expressions defined in the Prospectus have the same meaning in this letter. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include the other gender.

GENERAL PRINCIPLES OF TAXATION OF A TRUST

The income of a trust derived from or accrued in Singapore is chargeable to Singapore income tax. In addition, income earned outside Singapore and received or deemed received in Singapore is also chargeable to Singapore income tax unless otherwise exempted. There is no capital gains tax in Singapore. However, gains from the sale of investments (including real properties) are chargeable to tax if such gains are derived from a trade or business of dealing in investments (including real properties).

Singapore income tax is imposed on all income chargeable to tax after deduction of the allowable expenses incurred and the tax depreciation claimed on assets used in the generation of the income (the “Taxable Income”).

The Taxable Income of the trust is assessed to tax in the name of the trustee at the prevailing corporate tax rate. However, under section 43(2) of the Income Tax Act, Chapter 134 (please see “The Tax Ruling” below), if the beneficiaries of the trust are entitled to a share of the trust income, tax transparency will be
granted to the trustee upon successful application to the Inland Revenue Authority of Singapore ("IRAS"). When the application is approved, the trustee will not be taxed on the trust income, but the beneficiaries will instead be taxed directly on their proportion of the trust income at their respective tax rates (the "tax transparency treatment").

TAX RULING

Following this, Parkway Life REIT has obtained a Tax Ruling dated 8 February 2007 from the IRAS to give effect to the application of the provisions of section 43(2) of the Income Tax Act, Chapter 134 to impose tax on the holders of Units ("Unitholders") on the Taxable Income of Parkway Life REIT instead of the Trustee. Section 43(2) of the Income Tax Act, Chapter 134 states:

Where any trustee proves to the satisfaction of the Comptroller that any beneficiary of the trust is entitled to a share of the trust income, a corresponding share of the statutory income of the trustee may be charged at a lower rate or not charged with any tax, as the Comptroller shall determine.

Subject to full compliance with the terms and conditions of the Tax Ruling, the taxation of Parkway Life REIT and that of the Unitholders are described below.

TAXATION OF PARKWAY LIFE REIT

General

Notwithstanding the Tax Ruling, the Taxable Income of Parkway Life REIT will be determined in accordance with the provisions of the Income Tax Act, Chapter 134, as is the case of any trust having income that is chargeable to Singapore income tax.

The Taxable Income of Parkway Life REIT will comprise substantially income from the letting of real properties and incidental property-related service income but does not include gains from the disposal of real properties. The Taxable Income of Parkway Life REIT shall qualify to be treated as income derived from the business of the making of investments and shall be determined under the provisions of section 10E of the Income Tax Act, Chapter 134.

The Tax Ruling grants tax transparency treatment on Parkway Life REIT’s Taxable Income that is distributed to the Unitholders in the year in which the income is derived. Any portion of the Taxable Income not distributed in the year in which the income is derived (the “Retained Taxable Income”) will be assessed to tax at the Trustee level.

Requirement on Tax Deduction at Source

The Tax Ruling imposes the condition on the Trustee and the Manager to deduct tax at source at the prevailing corporate tax rate on any distribution made out of the Taxable Income to all Unitholders other than individuals, Qualifying Unitholders and Qualifying Foreign Non-individual Unitholders.

Where the Unitholders are individuals or Qualifying Unitholders, the Trustee and the Manager will make the distributions without deducting any income tax. In addition, where the Unitholders are Qualifying Foreign Non-individual Unitholders, the Trustee and the Manager will deduct income tax at the reduced rate of 10.0% for distributions made till 17 February 2010.

A “Qualifying Unitholder” refers to a:

- Singapore-incorporated company which is a tax resident in Singapore;
- body of persons, other than a company or a partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered co-operative society, a registered trade union, a management corporation, a club and a trade and industry association); or
- Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions by the Trustee of Parkway Life REIT.
A “Qualifying Foreign Non-individual Unitholder” refers to one who is not a resident of Singapore for Singapore income tax purposes and:

- who does not have a permanent establishment in Singapore; or
- who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation.

To obtain distributions free of tax deduction at source, or at the reduced rate of 10.0%, the Unitholders who are Qualifying Unitholders or Qualifying Foreign Non-individual Unitholder, must disclose their tax status in a prescribed form provided by the Trustee (See “Declaration by Unitholders” below).

Where the Units are held in joint names, the Trustee and the Manager will deduct income tax from the distributions made out of Parkway Life REIT's Taxable Income, unless all the joint owners are individuals.

Where the Units are held through a nominee, the Trustee and the Manager will deduct income tax from the distributions made out of Parkway Life REIT’s Taxable Income at the prevailing corporate tax rate except in the following situations:

- where the Units are held for beneficial owners who are individuals and/or Qualifying Unitholders, tax may not be deducted at source under certain circumstances. These include a declaration by the nominee of the status of the beneficial owners of the Units and the provision of certain particulars of the beneficial owners of the Units by the nominee to the Trustee and the Manager in a prescribed form provided by the Trustee (See “Declaration by Unitholders” below);

- where the Units are held for beneficial owners who are Qualifying Foreign Non-individual Unitholders, tax may be deducted at the reduced tax rate of 10.0% for distributions made till 17 February 2010 under certain circumstances. These include a declaration by the nominee of the status of the beneficial owners of the Units and the provision of certain particulars of the beneficial owners of the Units by the nominee to the Trustee and the Manager in a prescribed form provided by the Trustee (See “Declaration by Unitholders” below); and

- where the Units are held by the nominees as Agent Banks or Supplementary Retirement Scheme (“SRS”) operators acting for individuals who purchased the Units within the CPF Investment Scheme (“CPFIS”) or the SRS, tax will not be deducted at source for distributions made in respect of these nominees.

**Tax Treatment of Retained Taxable Income**

In accordance with the distribution policy of Parkway Life REIT by the Trustee, the Trustee and the Manager will distribute 100% of the Taxable Income of Parkway Life REIT to Unitholders for the period commencing from the Listing Date to 31 December 2008 and at least 90.0% of its Taxable Income thereafter. The portion of the Taxable Income not distributed will be immediately assessed to tax on the Trustee. When the Retained Taxable Income is subsequently distributed to Unitholders, it will not be subject to any tax deduction at source.

**Tax Treatment of Gains from Disposal of Properties**

The tax transparency treatment is not extended to gains realised from the sale of real properties. The tax on such gains will be assessed on the Trustee if they are considered to be trading gains. Gains of a capital nature are not subject to tax as there is no capital gains tax in Singapore. Whether a gain realised from the disposal of real property is a capital gain or a trading profit will have to be determined based on the circumstances of the transaction and the overall business traits of Parkway Life REIT.

Where gains arising from the disposal of real properties of Parkway Life REIT by the Trustee are trading gains, such trading gains are assessed to tax on the Trustee at the prevailing corporate tax rate, and the Trustee will have to pay the tax so assessed. Subsequent distribution of the gains will not be subject to any tax deduction at source.
Rollover Adjustment

It is the intention of the Trustee and the Manager that distributions be made out of Taxable Income so determined by them. This may vary from the Taxable Income determined by the IRAS when the tax returns of Parkway Life REIT are subsequently examined. In order to address this variance, the Tax Ruling has allowed the Trustee and the Manager, subject to certain terms and conditions, to adopt a rollover adjustment, such that the variance will be adjusted against the Taxable Income determined by the Trustee and the Manager for the next distribution immediately after the variance has been agreed with the IRAS.

TAXATION OF UNITHOLDERS

Basis of Assessment

Unitholders are charged to Singapore income tax on distributions from Parkway Life REIT for the year of assessment corresponding to the year of assessment to which the Taxable Income of Parkway Life REIT relates. This means that if a distribution is made out of Taxable Income of Parkway Life REIT for the financial year ending on 31 December 2007 forming the basis period for the year of assessment 2008, the Unitholders will be taxed on such distribution for the year of assessment 2008.

Income Source of Distributions

Unitholders will be chargeable to Singapore income tax on distributions from Parkway Life REIT by the Trustee either as income sourced under section 10(1)(a) or section 10(1)(e) of the Income Tax Act, Chapter 134, depending on the circumstances of the Unitholders. If a Unitholder holds the Units as investment assets, the distributions are chargeable to tax under section 10(1)(e) as gains or profits of an income nature. If a Unitholder holds the Units as trading assets, the distributions are chargeable to tax under section 10(1)(a) as gains or profits from a trade or business.

Parkway Life REIT distributions of Taxable Income where tax transparency treatment has been granted

Taxation of individual Unitholders who hold the Units as investment assets

All distributions (other than out of franked dividends) from Parkway Life REIT by the Trustee to individual Unitholders of the Units who are beneficially entitled to the distributions, regardless of their nationality or place of residence, will be exempt from Singapore income tax if they receive such distributions as their investment income and not through a partnership in Singapore.

Taxation of individual Unitholders who hold the Units as trading assets or through a partnership in Singapore

Individuals who beneficially own the Units will be subject to Singapore income tax if the distributions they receive do not qualify to be regarded as their investment income or that the distributions are received through a partnership in Singapore. Whether or not the distributions received by the individual Unitholders of the Units form part of their investment income is a question of fact and has to be determined based on the factual situations of the individual Unitholders. It is advisable for individual Unitholders of the Units to consult their tax advisors in relation to their particular situations.

Individual Unitholders of the Units who do not qualify for the tax exemption as mentioned above will be chargeable to Singapore income tax at their respective individual rates on distributions received from Parkway Life REIT if the Units are held as trading assets.

Taxation of Unitholders of the Units who are not individuals

All Unitholders of the Units who are not individuals (“Non-Individual Unitholders”) are required to declare the gross amount of trust distributions (including the tax deducted at source, as the case may be) or the re-grossed amount (the amount of distributions received and the proportionate amount of the imputed tax) when filing their tax returns and to claim a tax credit for the tax deducted at source or the imputed tax.
Distributions of Parkway Life REIT made by the Trustee to its Qualifying Foreign Non-individual Unitholders will be subject to Singapore withholding tax or tax deduction at source at the reduced rate of 10.0% for distributions made till 17 February 2010. This reduced withholding tax rate of 10.0% will also apply to nominee Unitholders of the Units who can demonstrate that the Units are held for beneficial owners who are Qualifying Foreign Non-individual Unitholders. The tax deducted at source is a final tax.

**Parkway Life REIT distributions of Retained Taxable Income or trading income from the disposal of properties**

Distributions of Parkway Life REIT made by the Trustee out of income previously taxed at the Trustee level will be exempt from tax in the hands of all Unitholders. No tax credit will be given to any Unitholder on the tax payable by the Trustee on such income distributed.

**Parkway Life REIT distributions of capital gains from the disposal of properties**

Distributions of Parkway Life REIT made by the Trustee out of gains or profits arising from a disposal of properties that have been confirmed by the IRAS as capital gains are not taxable in the hands of all Unitholders since the gains or profits do not form part of the statutory income of the Trustee of Parkway Life REIT.

**Gains on Disposal of Units**

Unitholders who are in the trade or business of dealing in investments will be chargeable to tax on the profits realised from the disposal of Units. Whether or not a Unitholder is in the trade or business of dealing in investments will be determined based on the Unitholder’s circumstances. Unitholders who are not in the trade or business of dealing in investments may also be chargeable to tax on the gains realised from the disposal of Units if such gains are treated as trading gains having regard to the circumstances of the transaction. Unitholders are encouraged to seek advice from their tax advisors to determine the tax implications regarding the acquisition, ownership and disposition of their investments in Units.

**Declarations by Unitholders**

All Qualifying Unitholders, Qualifying Foreign Non-individual Unitholders and nominee Unitholders who can demonstrate that the Units are held for beneficial owners who are individuals, Qualifying Unitholders or Qualifying Foreign Non-individual Unitholders are required to make a declaration of their legal and tax residence status in the prescribed form to be provided by the Trustee. A draft sample is attached as an annex to this letter. The prescribed form must be completed and returned to the Trustee within the time limit set by the Trustee and the Manager. The Trustee and the Manager will make a distribution without deduction of tax or with deduction at the reduced tax rate of 10.0% only if they are satisfied from the declarations made in the prescribed forms as to their legal and tax residence status.

Individual Unitholders, who hold the Units directly, do not have to make this declaration.

**Definition of Tax Resident in the case of a Company**

A company is considered to be a tax resident in Singapore if the control and management of the company is exercised in Singapore.

**Terms and Conditions of the Tax Ruling**

The Tax Ruling granted by the IRAS is conditional upon the Trustee and the Manager complying with certain terms and conditions. The Trustee and the Manager have given the relevant undertakings to the IRAS to take all reasonable steps to comply with all administrative requirements to ensure ease of tax administration.
The IRAS has expressly reserved the rights to review, amend and revoke the Tax Ruling either in part or in whole at any time.

Yours faithfully

Leonard Ong  
Executive Director, Tax  
For and on behalf of  
KPMG Tax Services Pte Ltd
FORM A
DECLARATION FOR SINGAPORE INCOME TAX PURPOSES

Please read the following important notes carefully before completion of this Form:

1. The Trustee and the Manager of Parkway Life REIT will not deduct tax from distributions made out of Parkway Life REIT’s taxable income that is not taxed at Parkway Life REIT’s level to:
   (a) Unitholders who are individuals and who hold the units either in their sole names or jointly with other individuals;
   (b) Unitholders which are companies incorporated and tax resident in Singapore;
   (c) Unitholders which are Singapore branches of foreign companies that have obtained specific approval from the Inland Revenue Authority of Singapore to receive the distribution from Parkway Life REIT without deduction of tax; or
   (d) Unitholders which are non-corporate entities (excluding partnerships) constituted or registered in Singapore, such as:
      (i) institutions, authorities, persons or funds specified in the First Schedule to the Income Tax Act (Cap. 134);
      (ii) co-operative societies registered under the Co-operative Societies Act (Cap. 62);
      (iii) trade unions registered under the Trade Unions Act (Cap. 333);
      (iv) charities registered under the Charities Act (Cap. 37) or established by an Act of Parliament; and
      (v) town councils.

2. For distributions made to classes of unitholders that do not fall within the categories stated under Note 1 above, the Trustee and the Manager of Parkway Life REIT will deduct tax at the rate of 10% if the unitholders are Qualifying foreign non-individual Unitholders. A Qualifying foreign non-individual Unitholder is one who is not a resident of Singapore* for income tax purposes and:
   (a) who does not have a permanent establishment\^ in Singapore; or
   (b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation.

3. Unitholders are required to complete the applicable Section A, B or C if they fall within the categories (b) to (d) stated under Note 1 or Section D if they qualify as qualifying foreign non-individual unitholders as described under Note 2.

4. The Trustee and the Manager of Parkway Life REIT will rely on the declarations made in this Form to determine (i) if tax is to be deducted for the categories of unitholders listed in (b) to (d) under Note 1; and (ii) if tax is to be deducted at the rate of 10% for distributions to Qualifying foreign non-individual Unitholders. Please therefore ensure that the appropriate section of this Form is
completed in full and legibly and is returned to XXX within the stipulated time limit. Failure to comply with any of these requirements will render this Form invalid and therefore, the Trustee and the Manager will be obliged to deduct tax at the prevailing corporate tax rate from the distributions in respect of which this declaration is made.

5 Unitholders who fall within class (a) under Note 1 are not required to submit this declaration form.

6 Unitholders who do not fall within the classes of Unitholders listed in Note 1 and Note 2 above can choose not to return this Form as tax will be deducted from the distributions made to them at the prevailing corporate tax rate in any case.

7 Unitholders who hold the Units jointly (where at least one of the joint unitholders is not an individual) or through nominees do not have to return this Form.

8 Please make sure that the information given and the declaration made in this Form is true and correct. The making of a false or incorrect declaration constitutes an offence under the Income Tax Act and the Declarant shall be liable to the appropriate penalties imposed under the said Act.

9 This Form must be returned to XXX by [Date].

* A company is not a resident of Singapore if the management and control of its business is exercised outside Singapore.

^ A permanent establishment is defined under section 2 of the Income Tax Act to mean a fixed place where a business is wholly or partly carried on. It includes a place of management, a branch and an office.
DECLARATION FOR SINGAPORE INCOME TAX PURPOSES

Section A: To be completed by Unitholder which is a Singapore incorporated company

I, ____________________________ , NRIC/Passport No. ______________________, the Director of ____________________________ (the “Company”) hereby declare that the Company is the beneficial owner of the holdings stated above and that:

Tick ( / ) either the “Yes” or “No” box

Yes No

(a) the Company is incorporated in Singapore and its registration number is __________________________

(b) the management and control of the Company’s business for the preceding year and from the beginning of this year to the date of this Declaration was exercised in Singapore and there is no intention, at the time of this Declaration, to change the place of management and control of the Company to a location outside Singapore; and

(c) the Company has previously filed tax returns with the Inland Revenue Authority of Singapore.

If your reply to (c) is “Yes”, please proceed with (d) -

(d) the Company is declared as a tax resident of Singapore based on the latest tax return filed with the Inland Revenue Authority of Singapore.

Signature of Declarant: ____________________________ Date: ____________________________

Contact No: ____________________________

# A company is tax resident in Singapore if the management and control of its business is exercised in Singapore.

Section B: To be completed by Unitholder which is a Singapore branch of a foreign company

I, ____________________________ , NRIC/Passport No. ______________________, the manager of ____________________________ (the “Singapore Branch”) hereby declare that the Singapore Branch is the beneficial owner of the holdings stated above and that the Inland Revenue Authority of Singapore has granted approval to the Singapore Branch to receive distribution from Parkway Life REIT without deduction of tax. A copy of the letter of approval dated __________ is attached.

Signature of Declarant: ____________________________ Date: ____________________________

Contact No: ____________________________
### Section C: To be completed by Unitholder which falls under Note 1(d)

I, [Name], NRIC/Passport No. [Number], the principal officer of [Entity] (the “Entity”) hereby declare that the Entity is the beneficial owner of the holdings stated above and that the entity is (tick whichever is applicable):

- [ ] - an institution, authority, person or fund specified in the First Schedule to the Income Tax Act (Cap. 134).
- [ ] - a co-operative society registered under the Co-operative Societies Act (Cap. 62).
- [ ] - a trade union registered under the Trade Unions Act (Cap. 333).
- [ ] - a charity registered under the Charities Act (Cap. 37) or a charity established by an Act of Parliament.
- [ ] - a town council.
- [ ] - any other non-corporate entity (other than a partnership) constituted or registered in Singapore.

Signature of Declarant: ______________________ Date: ________________
Contact No: ______________________

### Section D: To be completed by Unitholder which falls under Note 2

I, [Name], NRIC/Passport No. [Number], the Director/Principal Officer of [Entity] (the “Entity”) hereby declare that the Entity is the beneficial owner of the holdings stated above and that:

Tick (/) either the ‘Yes’ or ‘No’ box

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<th>Yes</th>
<th>No</th>
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<td>(a)</td>
<td>the Entity is not a resident of Singapore* for income tax purposes for the preceding year and from the beginning of this year to the date of this Declaration and there is no intention, at the time of this Declaration, to change the tax residence of the Entity to Singapore; and</td>
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<td>(b)</td>
<td>the Entity does not have a permanent establishment^ in Singapore</td>
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If your reply to (b) is "No", please proceed with (c) -

(c) the funds used to acquire the holdings in the Units are not obtained by the Entity from any operation carried on in Singapore through a permanent establishment in Singapore.

Signature of Declarant: ______________________ Date: ________________
Contact No: ______________________

*^ Please see front page.
FORM B
DECLARATION BY DEPOSITORY AGENTS FOR SINGAPORE INCOME TAX PURPOSES

<table>
<thead>
<tr>
<th>Name of registered unitholder (preprinted)</th>
<th>Securities Account No. (preprinted)</th>
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<tbody>
<tr>
<td>Address (preprinted)</td>
<td>Holding: Units (preprinted)</td>
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</table>

Name of Counter: Parkway Life REIT
(the “Units”)

Please read the following important notes carefully before completion of this Form:

1. The Trustee and the Manager of Parkway Life REIT will deduct tax at the prevailing corporate tax rate from distributions made out of Parkway Life REIT’s taxable income, that is not taxed at Parkway Life REIT’s level, in respect of the Units held by you in your capacity as a Depository Agent except where the beneficial owners of these Units are:
   (i) individuals and the units are not held through a partnership in Singapore;
   (ii) qualifying unitholders; or
   (iii) qualifying foreign non-individual unitholders.

2. Tax will not be deducted for distributions made in respect of the Units held by you for the benefit of unitholders who fall within categories (i) and (ii) of Note 1. Tax will be deducted at the reduced rate of 10% for distributions made in respect of the Units held by you for the benefit of qualifying foreign non-individual unitholders.

3. A “Qualifying unitholder” refers to:
   (i) a company incorporated and tax resident in Singapore;
   (ii) non-corporate entities (excluding partnerships) constituted or registered in Singapore; such as:
      (a) institutions, authorities, persons or funds specified in the First Schedule to the Income Tax Act (Cap. 134);
      (b) co-operative societies registered under the Co-operative Societies Act (Cap. 62);
      (c) trade unions registered under the Trade Unions Act (Cap. 333);
      (d) charities registered under the Charities Act (Cap. 37) or established by an Act of Parliament; and
      (e) town councils.
   (iii) a Singapore branch of a foreign company which has obtained from the Inland Revenue Authority of Singapore, a waiver from tax deducted at source in respect of distributions from Parkway Life REIT.

4. A qualifying foreign non-individual unitholder is one who is not a resident in Singapore* for income tax purposes and:
   (i) who does not have a permanent establishment^ in Singapore; or
   (ii) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used to acquire the Units are not obtained from that operation.
The Trustee and the Manager of Parkway Life REIT will rely on the declarations made in this Form to determine the applicable rate at which tax is to be deducted in respect of the Units held by you in your capacity as a Depository Agent. Please therefore ensure that this Form and the Annexes are completed in full and legibly and is returned to XXX within the stipulated time limit. Failure to comply with any of these requirements will render this Form invalid and the Trustee and the Manager will deduct tax at the prevailing corporate tax rate from the distributions in respect of which this declaration is made.

Please make sure that the information given and the declaration made in this Form is true and correct. The making of false or incorrect declaration constitutes an offence under the Income Tax Act and the Declarant shall be liable to the appropriate penalties imposed under the said Act.

This Form, together with hard copy of the Annexes, must be returned to XXX by [Date]. Please complete the Annexes using the soft copy of the excel spreadsheet provided to you and also email a soft copy of the completed Annexes to XXX at [Email] by [Date]. Please note that it is compulsory to email the soft copy of the completed Annexes.

Declaration

I, ________________________, NRIC/Passport No. ________________________, the principal officer of ________________________ (the “Depository Agent”) hereby declare that the Units registered in the name of the Depository Agent and deposited in the sub-accounts maintained with The Central Depository (Pte) Ltd, as listed in the Annexes B1 to B3 to this declaration, belonged beneficially to persons who are individuals, Qualifying unitholders (as defined in Note 3 above) and qualifying foreign non-individual unitholders (as defined in Note 4 above), respectively. The details of each of these beneficial owners are also listed in the respective Annexes.

We hereby also undertake to provide the actual amount of gross distribution made to each Qualifying unitholder in the format provided in Annex B2 and to email a soft copy of Annex B2 to XXX within 21 days from the date of the distribution.

Signature of Declarant: ________________________ Date: ________________________ Contact No: ________________________

* A company is a not resident of Singapore if the management and control of its business for the preceding year and from the beginning of this year to the date of this declaration was exercised outside Singapore and there is no intention, at the time of this declaration, to change tax residence of the company to Singapore.

^ A permanent establishment is defined under Section 2 of the Income Tax Act to mean a fixed place where a business is wholly or partly carried on. It includes a place of management, a branch and an office.
### Annex to Declaration Form B — Individuals

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<tr>
<th>S/No.</th>
<th>CDP Sub-Account No.</th>
<th>Name of beneficiary unitholder(s)</th>
<th>Identification No.*</th>
<th>Number of units</th>
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* This refers to Singapore NRIC No., foreign ID No. or Passport No.
# Parkway Life REIT

## Annex B2

### Annex to Declaration Form B — Qualifying unitholders

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<th>S/No.</th>
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APPENDIX F

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE UNITS IN SINGAPORE

Applications are invited for the subscription of the Units under the Offering at the offering price of S$1.28 per Unit (the “Offering Price”) on the terms and conditions set out below and in the relevant Application Forms or, as the case may be, the Electronic Applications (as defined below). Investors applying for the Units in the Public Offer (the “Offer Units”) by way of Application Forms or Electronic Applications are required to pay the Offering Price of S$1.28 per Unit, subject to a refund of the full amount or, as the case may be, the balance of the applications monies (in each case without interest or any share of revenue or other benefit arising therefrom) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

Investors applying for the Units in the Placement are required to pay, in Singapore dollars for each Unit applied for, the Offering Price, subject to a refund of the full amount or, as the case may be, the balance of the applications monies (in each case without interest or any share of revenue or other benefit arising therefrom) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

(1) Your application must be made in lots of 1,000 Units or integral multiples thereof. Your application for any other number of Units will be rejected.

(2) You may apply for the Units under the Public Offer only during the period commencing at 8 p.m. on 7 August 2007 and expiring at 12 p.m. on 13 August 2007. The Offering period may be extended or shortened to such date and/or time as the Manager may agree with the Joint Lead Underwriters, subject to all applicable laws and regulations and the rules of the SGX-ST.

(3) (a) Your application for the Offer Units, may be made by way of the printed WHITE Offer Units Application Forms or by way of Automated Teller Machines (“ATMs”) belonging to the Participating Banks (“ATM Electronic Applications”) or the Internet Banking (“IB”) website of the relevant Participating Banks (“Internet Electronic Applications”), which, together with ATM Electronic Applications, shall be referred to as “Electronic Applications”.) You may ONLY make one single application for the Offer Units — see paragraph (6) below.

(b) Your application for the Units, other than the Reserved Units, offered in the Placement (the “Placement Units”) may be made by way of the printed BLUE Placement Units Application Forms (or in such other manner as the Joint Lead Underwriters may in their absolute discretion deem appropriate).

(c) Should you be eligible, your application for Reserved Units may ONLY be made by way of the printed PINK Reserved Units Application Forms.

(4) You may use up to 35.0 per cent. of your CPF Investible Savings (“CPF Funds”) to apply for the Units. Approval has been obtained from the Central Provident Fund Board (“CPF Board”) for the use of such CPF Funds pursuant to the Central Provident Fund (Investment Schemes) Regulations, as may be amended from time to time, for the subscription of the Units. You may also use up to 35.0 per cent. of your CPF Funds for the purchase of the Units in the secondary market.

(5) If you are using CPF Funds to apply for the Units, you must have a CPF Investment Account maintained with the relevant Participating Bank. You do not need to instruct the CPF Board to transfer CPF Funds from your CPF Ordinary Account to your CPF Investment Account.

The use of CPF Funds to apply for the Units is further subject to the terms and conditions set out in the section on “Terms and Conditions for Use of CPF Funds” on page F-20.

(6) Only one application may be made for the benefit of one person for the Offer Units in his own name. Multiple applications for the Offer Units will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.

You may not submit multiple applications for the Offer Units via the Offer Units Application Form, ATM Electronic Applications or Internet Electronic Applications. A person who is
submitting an application for the Offer Units by way of the Offer Units Application Form may not submit another application for the Offer Units by way of an ATM Electronic Application or Internet Electronic Application and vice versa.

A person, other than an approved nominee company, who is submitting an application for the Offer Units in his own name should not submit any other applications for the Offer Units, whether on a printed Application Form or through an ATM Electronic Application or Internet Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Offer Units shall be rejected. Persons submitting or procuring submissions of multiple applications for the Offer Units may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at the discretion of the Manager.

(7) Multiple applications may be made in the case of applications by any person for (i) the Placement Units only (via Placement Units Application Forms or such other manner as the Joint Lead Underwriters may in their absolute discretion deem appropriate) or (ii) the Placement Units together with a single application for the Offer Units.

Multiple applications may also be made by any person entitled to apply for the Reserved Units, in respect of a single application for the Reserved Units and (i) a single application for the Offer Units, or (ii) a single or multiple application(s) for the Placement Units (via the Placement Units Application Forms or such other manner as the Joint Lead Underwriters may in their absolute discretion deem appropriate) (other than for the Reserved Units) or (iii) both (i) and (ii).

Multiple applications may also be made by a Singapore Registered Shareholder of Parkway Holdings in respect of his acceptance of his Entitlements under the Shareholders Tranche and (i) a single application for the Offer Units, or (ii) a single or multiple application(s) for the Placement Units (via Placement Units Application Forms or such other manner as the Joint Lead Underwriters may in their absolute discretion deem appropriate) (other than for the Reserved Units) or (iii) both (i) and (ii).

(8) Applications from any person under the age of 21 years, undischarged bankrupts, sole proprietorships, partnerships, non-corporate bodies, joint Securities Account holders of CDP will be rejected.

(9) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of ATM Electronic Applications and Internet Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased’s name at the time of the application.

(10) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 11 below.

(11) Nominee applications may only be made by approved nominee companies. Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

(12) If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application. If you do not have an existing Securities Account with the CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not
be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.

(13) Subject to paragraph 17 below, your application may be rejected if your particulars such as name, National Registration Identity Card ("NRIC") or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with the CDP, your application will be rejected.

(14) If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allotment from CDP will be sent to your address last registered with CDP.

(15) This Prospectus and its accompanying Application Forms have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its Application Forms may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Without limiting the generality of the foregoing, neither this Prospectus (including its Application Forms) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in part, in or into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such an offer. The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except that the Units may be offered or sold to a limited number of institutional "accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7) under the Securities Act in transactions exempt from the registration requirements of the Securities Act. However, this document does not constitute an offer, advertisement or solicitation to the institutional "accredited investors" in the United States and should not be relied upon by these investors. This document may not be circulated or distributed, directly or indirectly, in the United States. There will be no public offer of Units in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.

The Manager reserves the right to reject any application for Units where the Manager believes or has reason to believe that such applications may violate the securities laws of the United States or any other jurisdiction or any applicable legal or regulatory requirements.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying Application Forms may treat the same as an offer or invitation to subscribe for any Units unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

(16) The Manager reserves the right to reject any application which does not conform strictly to the instructions set out in this Prospectus (including the instructions set out in the Application Forms and in the ATMs and IB websites of the relevant Participating Banks) or, in the case of an application by way of an Application Form, which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance.

(17) The Manager further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions set out in the
Prospectus (including the instructions set out in the Application Forms and in the ATMs and IB websites of the relevant Participating Banks), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.

Without prejudice to the rights of the Manager, the Joint Lead Underwriters and Co-ordinator of the Singapore Public Offer, as agents of the Manager, have been authorised to accept, for and on behalf of the Manager, such other forms of application as the Joint Lead Underwriters may, in consultation with the Manager, deem appropriate.

(18) The Manager reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefor, and none of the Manager, the Joint Lead Underwriters and Co-ordinator of the Singapore Public Offer will entertain any enquiry and/or correspondence on the decision of the Manager. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Joint Lead Underwriters may, in consultation with the Manager, deem appropriate. In deciding the basis of allocation, the Manager, in consultation with the Joint Lead Underwriters and Co-ordinator of the Singapore Public Offer, will give due consideration to the desirability of allocating the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

(19) The Units may be reallocated between the Placement and the Public Offer for any reason at the discretion of the Joint Lead Underwriters (in consultation with the Manager), subject to applicable law.

(20) There will not be any physical security certificates representing the Units. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Units, a statement of account stating that your Securities Account has been credited with the number of Units allotted to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by the Manager. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Units allotted to you. This authorisation applies to applications made both by way of printed Application Forms and by way of Electronic Applications.

(21) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Units allotted to you pursuant to your application, to the Manager, the Joint Lead Underwriters, the Coordinator for the Singapore Public Offer and any other parties so authorised by CDP, the Manager and/or the Joint Lead Underwriters.

(22) Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Units by way of an Application Form or by way of Electronic Application or by such other manner as the Joint Lead Underwriters may, in their absolute discretion, deem appropriate.

(23) By completing and delivering an Application Form and, in the case of an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM or, in the case of an Internet Electronic Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other button on the IB website screen in accordance with the provisions herein, you:

(a) irrevocably agree and undertake to subscribe for the number of Units specified in your application (or such smaller number for which the application is accepted) at the Offering Price for each Unit and agree that you will accept such number of Units as may be allotted to you, in each case on the terms of, and subject to the conditions set out in, this Prospectus and its accompanying Application Forms and the Trust Deed;

(b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying Application Forms, or those
set out in the IB websites or ATMs of the Participating Banks, the terms and conditions set out in this Prospectus and its accompanying Application Forms shall prevail;

(c) in the case of an application by way of an Offer Units Application Form, an ATM Electronic Application or Internet Electronic Application, agree that the aggregate Offering Price for the Units applied for is due and payable to the Manager upon application;

(d) in the case of an application by way of a Placement Units Application Form or such other forms of application as the Joint Lead Underwriters may, in consultation with the Manager, deem appropriate, agree that the aggregate Offering Price for the Units is due and payable to the Manager;

(e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Manager in determining whether to accept your application and/or whether to allocate any Units to you; and

(f) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Manager, any of the Joint Lead Underwriters nor Co-ordinator of the Singapore Public Offer will infringe any such laws as a result of the acceptance of your application.

(24) Acceptance of applications will be conditional upon, inter alia, the Manager being satisfied that:

(a) permission has been granted by the SGX-ST to deal in and for the quotation of all the Units on the Main Board of the SGX-ST, including those to be issued pursuant to the Offering as Consideration Units, as Cornerstone Units and as Units issued to the Manager from time to time in full or part payment of fees payable to the Manager;

(b) the Underwriting Agreement has become unconditional and has not been terminated; and

(c) the Monetary Authority of Singapore (the “Authority”) has not served a stop order which directs that no or no further Units to which the Prospectus relates be allotted or issued (“Stop Order”).

(25) In the event that a Stop Order in respect of the Units is served by the Authority or other competent authority, and:

(a) the Units have not been issued, all applications shall (as required by law) be deemed to be withdrawn and cancelled and the Manager shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days of the date of the Stop Order; or

(b) if the Units have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and the Manager shall refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the date of the Stop Order.

This shall not apply where only an interim Stop Order has been served.

(26) In the event that an interim Stop Order in respect of the Units is served by the Authority or other competent authority, no Units shall be issued to you until the Authority revokes the interim Stop Order.

(27) The Authority is not able to serve a Stop Order in respect of the Units if the Units have been issued and listed on the SGX-ST and trading in them has commenced.

(28) Additional terms and conditions for applications by way of Application Forms are set out in the section entitled “Additional Terms and Conditions for Applications using Printed Application Forms” on pages F-7 to F-11 of this Prospectus.
(29) Additional terms and conditions for applications by way of Electronic Applications are set out in the section entitled “Additional Terms and Conditions for Electronic Applications” on pages F-11 to F-19 of this Prospectus.

(30) No application will be held in reserve.

(31) The Prospectus is dated 7 August 2007. No Units will be allotted or allocated on the basis of this Prospectus later than six months after the date of this Prospectus.
ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING PRINTED APPLICATION FORMS

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below, as well as those set out under the section on "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore" on pages F-1 to F-6 of this Prospectus and the Trust Deed.

(1) Applications for the Offer Units must be made using the printed WHITE Offer Units Application Forms and printed WHITE official envelopes “A” and “B”, accompanying and forming part of this Prospectus.

Applications for the Placement Units (other than Reserved Units) must be made using the printed BLUE Placement Units Application Forms (or in such other manner as the Joint Lead Underwriters may in their absolute discretion deem appropriate), accompanying and forming part of this Prospectus.

Applications for the Reserved Units must be made using the printed PINK Reserved Units Application Forms, accompanying and forming part of this Prospectus.

Without prejudice to the rights of the Manager, the Joint Lead Underwriters, as agents of the Manager, have been authorised to accept, for and on behalf of the Manager, such other forms of application for Placement Units, as the Joint Lead Underwriters may (in consultation with the Manager) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. The Manager reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper forms of remittances.

(2) You must complete your Application Form in English. Please type or write clearly in ink using BLOCK LETTERS.

(3) You must complete all spaces in your Application Form except those under the heading “FOR OFFICIAL USE ONLY” and you must write the words “NOT APPLICABLE” or “N.A.” in any space that is not applicable.

(4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your Common Seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with the Unit Registrar of Parkway Life REIT. The Manager reserves the right to require you to produce documentary proof of identification for verification purposes.

(5) (a) You must complete Sections A and B and sign page 1 of the Application Form.

(b) You are required to delete either paragraphs 7(c) or 7(d) on page 1 of the Application Form. Where paragraph 7(c) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).

(c) If you fail to make the required declaration in paragraph 7(c) or 7(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Units is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

You may apply and make payment for your application for the Units in Singapore currency in the following manner:

(a) Cash only — You may apply for the Units using only cash. Each application must be accompanied by a remittance in Singapore currency for the full amount payable at the Offering Price of S$1.28 for each Unit, in respect of the number of Units applied for. The remittance must be in the form of a BANKER'S DRAFT or CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of “PARKWAY LIFE UNIT ISSUE ACCOUNT” crossed “A/C PAYEE ONLY” with your name, Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different Securities Accounts shall be accepted. Remittances bearing “NOT TRANSFERABLE” or “NON-TRANSFERABLE” crossings will be rejected.

(b) CPF Funds only — You may apply for the Units using only CPF Funds. Each application must be accompanied by a remittance in Singapore currency for the full amount payable at the Offering Price of S$1.28 for each Unit, in respect of the number of Units applied for. The remittance must be in the form of a CPF CASHIER'S ORDER (available for purchase at the CPF approved bank with which the applicant maintains his CPF Investment Account), made out in favour of “PARKWAY LIFE UNIT ISSUE ACCOUNT” with your name, Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. For additional terms and conditions governing the use of CPF Funds, please refer to page F-20 of this document.

(c) Cash and CPF Funds — You may apply for the Units using a combination of cash and CPF Funds, PROVIDED THAT the number of Units applied for under each payment method is in lots of 1,000 Units or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that applications for Offer Units are accepted in part only, the cash portion of the application monies will be used in respect of such applications before the CPF Funds are used. In the case of applications for Placement Units that are accepted in part only, the CPF Funds portion of the application monies will be used in respect of such applications before the cash portion is used.

An applicant applying for 1,000 Units must use either cash only or CPF Funds only. No acknowledgement of receipt will be issued for applications and application monies received.

Monies paid in respect of unsuccessful applications are expected to be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post within 24 hours of the balloting, at your own risk. Where your application is accepted in part only, the balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account. If the Offering does not proceed for any reason,
the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

(9) Capitalised terms used in the Application Form and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

(10) By completing and delivering the Application Form, you agree that:

(a) in consideration of the Manager having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:
   (i) your application is irrevocable;
   (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and
   (iii) you represent and agree that you are not a U.S. person (within the meaning of Regulation S);

(b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(c) in respect of the Units for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Manager;

(d) the Manager may return (without interest of any share of revenue or other benefit arising therefrom) to you by ordinary post, at your own risk:
   (i) where your application is unsuccessful, the monies paid within 24 hours after the balloting;
   (ii) where your application is accepted in part only, the balance of the application monies within 14 Market Days after the close of the Offering; and
   (iii) where the Offering does not proceed for any reason, the monies paid within three Market Days after the Offering is discontinued

PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account;

(e) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(f) reliance is placed solely on information contained in this Prospectus and none of the Manager, the Trustee, the Joint Lead Underwriters, the Sponsor, the Co-ordinator for the Singapore Public Offer or any other person involved in the Offering shall have any liability for any information not contained therein;

(g) you consent to the disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, CPF Investment Account number (if applicable), Unit application amount and application details to our Unit Registrar, CDP, CPF, Securities Clearing Computer Services (Pte) Ltd (“SCCS”), SGX-ST, the Manager, the Joint Lead Underwriters and the Coordinator for the Singapore Public Offer (collectively the “Relevant Parties”); and

(h) you irrevocably agree and undertake to subscribe for the number of Units applied for as stated in the Application Form or any smaller number of such Units that may be allotted to
you in respect of your application. In the event that the Manager decides to allot any smaller number of such Units or not to allot any Units to you, you agree to accept such decision as final.

Procedures Relating to Applications for the Offer Units by Way of Printed Application Forms

(1) Your application for the Offer Units by way of printed Application Forms must be made using the WHITE Offer Units Application Forms and WHITE official envelopes “A” and “B”.

(2) You must:

(a) enclose the WHITE Offer Units Application Form, duly completed and signed, together with correct remittance for the full amount payable at the Offering Price in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the WHITE official envelope “A” provided;

(b) in appropriate spaces on the WHITE official envelope “A”:

   (i) write your name and address;

   (ii) state the number of Offer Units applied for;

   (iii) tick the relevant box to indicate the form of payment;

(c) SEAL THE WHITE OFFICIAL ENVELOPE “A”;

(d) write, in the special box provided on the larger WHITE official envelope “B” addressed to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, the number of Offer Units you have applied for;

(e) insert the WHITE official envelope “A” into the WHITE official envelope “B” and seal the WHITE OFFICIAL ENVELOPE “B”; and

(f) affix adequate Singapore postage on the WHITE official envelope “B” (if dispatching by ordinary post) and thereafter DESPATCH BY ORDINARY POST OR DELIVER BY HAND the documents at your own risk to DBS Bank Ltd, 6 Shenton Way, #36-01 DBS Building Tower One, Singapore 068809, so as to arrive by 12 p.m. on 13 August 2007 or such other place(s), date(s) and time(s) as the Manager may agree with the Joint Lead Underwriters. Courier services or Registered Post must NOT be used

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected. Except for application for the Placement Units where remittance is permitted to be submitted separately, applications for the Offer Units not accompanied by any payment or accompanied by any other form of payment will not be accepted.

(4) ONLY ONE APPLICATION should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Placement Units (other than Reserved Units) by Way of Printed Application Forms

(1) Your application for the Placement Units (other than Reserved Units) by way of printed Application Forms must be made using the BLUE Placement Units Application Forms.

(2) The completed and signed BLUE Placement Units Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price, for each Unit in respect of the number of Placement Units applied for, with your name, Securities Account number and address written clearly on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Thereafter, your application for Placement Units must be delivered to The Unit Registrar, Lim Associates (Pte) Ltd, 3 Church
Street, #08-01 Samsung Hub, Singapore 049483, to arrive by 12 p.m. on 22 August 2007 or such
other place(s), date(s) and time(s) as the Manager may agree with the Joint Lead Underwriters.

(3) In respect of an application for Placement Units (other than Reserved Units), you may alternatively
remit your application monies by electronic transfer to the account of DBS Bank, Shenton Way
Branch, Current Account number 003-710111-7 in favour of “PARKWAY LIFE UNIT ISSUE
ACCOUNT” by 12 p.m. on 22 August 2007 or such other place(s), date(s) and time(s) as the
Manager may agree with the Joint Lead Underwriters. Applicants who remit their application
monies via electronic transfer should send a copy of the telegraphic transfer advice slip to The Unit
Registrar, Lim Associates (Pte) Ltd, 3 Church Street, #08-01 Samsung Hub, Singapore 049483,
for the attention of the Unit Registrar, to arrive by 12 p.m. on 22 August 2007 or such other place(s)
and time(s) as the Manager may agree with the Joint Lead Underwriters.

(4) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly
drawn remittances or which are not honoured upon their first presentation are liable to be rejected.

(5) ONLY ONE APPLICATION should be enclosed in each envelope. No acknowledgement of receipt
will be issued for any application or remittance received.

Procedures Relating to Applications for the Reserved Units by Way of Printed Application
Forms

(1) Your application for the Reserved Units by way of printed Application Forms must be made using
the PINK Reserved Units Application Forms.

(2) The completed and signed PINK Reserved Units Application Form and your remittance, in
accordance with the terms and conditions of this Prospectus, in Singapore currency for the
full amount payable at the Offering Price for each Unit in respect of the number of Reserved Units
applied for, with your name, Securities Account number and address written clearly on the reverse
side, must be enclosed and sealed in an envelope to be provided by you. Your application for
Reserved Units must be delivered to Parkway Trust Management Limited (as Manager of Parkway
Life REIT) c/o Parkway Holdings Limited, 1 Grange Road, #11-01 Orchard Building, Singapore
239693 to arrive by 12 p.m. on 16 August 2007 or such other place(s), date(s) and time(s) as the
Manager may agree with the Joint Lead Underwriters. Courier Services or Registered Post
must NOT be used.

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly
drawn remittances or which are not honoured upon their first presentation are liable to be rejected.

(4) ONLY ONE APPLICATION should be enclosed in each envelope. No acknowledgement of receipt
will be issued for any application or remittance received.

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus,
including but not limited to the terms and conditions set out below and those under the section “Terms,
Conditions and Procedures for Application for and Acceptance of the Units in Singapore” on pages F-1 to
F-6 of this Prospectus, as well as the Trust Deed.

(1) The procedures for Electronic Applications are set out on the ATM screens of the relevant
Participating Banks (in the case of ATM Electronic Applications) and the IB website screens of the
relevant Participating Banks (in the case of Internet Electronic Applications). Currently, DBS Bank
and the UOB Group are the only Participating Banks through which Internet Electronic
Applications may be made.

(2) For illustration purposes, the procedures for Electronic Applications through ATMs and the IB
website of DBS Bank (together the “Steps”) are set out in pages F-15 to F-17 of this Prospectus.
The Steps set out the actions that you must take at ATMs or the IB website of DBS Bank to
complete an Electronic Application. The actions that you must take at the ATMs or the IB websites
of the other Participating Banks are set out on the ATM screens or the IB website screens of the
respective Participating Banks.
Please read carefully the terms and conditions of the Prospectus, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

(3) Any reference to “you” or the “Applicant” in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for the Offer Units through an ATM of one of the relevant Participating Banks or the IB website of a relevant Participating Bank.

(4) If you are making an ATM Electronic Application:
   
   (a) You must have an existing bank account with and be an ATM cardholder of the respective Participating Bank. An ATM card issued by one Participating Bank cannot be used to apply for Offer Units at an ATM belonging to other Participating Banks.

   (b) You must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own Securities Account number when using the ATM card issued to you in your own name. Using your own Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

   (c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip (“Transaction Record”), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

(5) If you are making an Internet Electronic Application:

   (a) You must have an existing bank account with and a User Identification (“User ID”) as well as a Personal Identification Number (“PIN”) given by the relevant Participating Bank.

   (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.

   (c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank, there will be an on-screen confirmation (“Confirmation Screen”) of the application which can be printed out by you for your record. This printed record of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

(6) In connection with your Electronic Application, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

   (a) that you have received a copy of this Prospectus and its accompanying documents (in the case of ATM Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Units and this Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

   (b) that you consent to the disclosure of your name, NRIC/passport number, address, nationality, permanent resident status, Securities Account number, CPF Investment Account number (if applicable), Unit application amount and application details (the “Relevant Particulars”) from your account with the relevant Participating Bank to the Relevant Parties; and

   (c) where you are applying for the Offer Units, that this is your only application for the Offer Units and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the website screen. By doing so, you shall be treated as signifying your confirmation of each of
the three statements above. In respect of statement 6(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or by clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

(7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application or Internet Electronic Application, failing which such Electronic Application will not be completed. Any ATM Electronic Application or Internet Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or on the IB website of the relevant Participating Bank, as the case may be, through which your ATM Electronic Application or Internet Electronic Application is being made shall be rejected.

(8) You may apply and make payment for your application for the Offer Units in Singapore currency in the following manner:

(a) Cash only — You may apply for the Offer Units through any ATM or IB website (as the case may be) of your Participating Bank using only cash by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

(b) CPF Funds only — You may apply for the Offer Units through any ATM or IB website (as the case may be) of your Participating Bank using only CPF Funds by authorising your Participating Bank to deduct the full amount payable from your CPF Investment Account with the respective Participating Bank. For additional terms and conditions governing the use of CPF Funds, please refer to page F-20 of this Prospectus.

(c) Cash and CPF Funds — You may apply for the Offer Units through any ATM or IB website (as the case may be) of your Participating Bank using a combination of cash and CPF Funds, PROVIDED THAT the number of Offer Units applied for under each payment method is in lots of 1,000 Units or integral multiples thereof. Such applications must comply with the requirements for applications by cash and by CPF Funds as set out in the preceding paragraphs. In the event that such applications are accepted in part only, the cash portion of the application monies will be used in respect of such applications before the CPF Funds are used. An applicant applying for 1,000 Offer Units must use either cash only or CPF Funds only.

(9) You irrevocably agree and undertake to subscribe for and to accept the number of Offer Units applied for as stated on the Transaction Record or the Confirmation Screen (as the case may be) or any lesser number of such Offer Units that may be allotted to you in respect of your Electronic Application. In the event that the Manager decides to allot any lesser number of such Offer Units or not to allot any Offer Units to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key on the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the Internet screen) of the number of Offer Units applied for shall signify and shall be treated as your acceptance of the number of Offer Units that may be allotted to you and your agreement to be bound by the Trust Deed.

(10) The Manager will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.
Where your Electronic Application is accepted in part only, the balance of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 14 Market Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Offer Units, if any, allotted to you before trading the Units on the SGX-ST. None of the SGX-ST, CDP, SCCS, CPF, the Participating Banks, the Manager, the Trustee, the Joint Lead Underwriters and the Co-ordinator for the Singapore Public Offer assumes any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

(11) If your ATM Electronic Application or Internet Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

Applicants who make ATM Electronic Applications through the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

<table>
<thead>
<tr>
<th>Bank</th>
<th>Telephone</th>
<th>Other Channels</th>
<th>Operating Hours</th>
<th>Service Expected from</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBS Bank</td>
<td>1800-339 6666 (for POSB account holders)</td>
<td>Internet Banking <a href="http://www.dbs.com%5C(%5E%7B(1)%7D%5C)">http://www.dbs.com\(^{(1)}\)</a></td>
<td>24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
<tr>
<td></td>
<td>1800-111 1111 (for DBS account holders)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCBC Bank</td>
<td>1800-363 3333</td>
<td>ATM/Internet Banking/Phone Banking <a href="http://www.ocbc.com%5C(%5E%7B(2)%7D%5C)">http://www.ocbc.com\(^{(2)}\)</a></td>
<td>24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
<tr>
<td>UOB Group</td>
<td>1800-222 2121</td>
<td>ATM (Other Transactions — “IPO Enquiry”) <a href="http://www.uobgroup.com%5C(%5E%7B(1),(3)%7D%5C)">http://www.uobgroup.com\(^{(1),(3)}\)</a></td>
<td>24 hours a day</td>
<td>Evening of the balloting day</td>
</tr>
</tbody>
</table>

Notes:

\(^{(1)}\) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or UOB Group may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank or UOB Group.

\(^{(2)}\) Applicants who have made Electronic Application through the ATMs of OCBC Bank may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.

\(^{(3)}\) Applicants who have made Electronic Application through the ATMs or the IB website of the UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.

(12) ATM Electronic Applications shall close at 12 p.m. on 13 August 2007 or such other date(s) and time(s) as the Manager may agree with the Joint Lead Underwriters. All Internet Electronic Applications must be received by 12 p.m. on 13 August 2007, or such other date(s) and time(s) as the Manager may agree with the Joint Lead Underwriters. Internet Electronic Applications are
deemed to be received when they enter the designated information system of the relevant Participating Bank.

(13) You are deemed to have irrevocably requested and authorised the Trustee or the Manager to:

(a) register the Offer Units allotted to you in the name of CDP for deposit into your Securities Account;

(b) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank, with the relevant amount within 24 hours after balloting, or within three Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account; and

(c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies should your Electronic Application be accepted in part only, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account.

(14) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, the Manager, the Trustee, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and the CPF Board, and if, in any such event the Manager, the Trustee, the Joint Lead Underwriters and the Co-ordinator for the Singapore Public Offer and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Manager, the Trustee, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer, the CPF Board and/or the relevant Participating Bank for any Offer Units applied for or for any compensation, loss or damage.

(15) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Manager shall reject any application by any person acting as nominee (other than approved nominee companies).

(16) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.

(17) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical. Otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allotment will be sent to your address last registered with CDP.

(18) By making and completing an Electronic Application, you are deemed to have agreed that:

(a) in consideration of the Manager making available the Electronic Application facility, through the Participating Banks acting as agents of the Manager, at the ATMs and IB websites of the relevant Participating Banks:

(i) your Electronic Application is irrevocable;
(ii) your Electronic Application, the acceptance by the Manager and the contract resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and

(iii) you represent and agree that you are not a U.S. person (as defined in Regulations S);

(b) none of CDP, CPF Board, the Manager, the Trustee, the Joint Lead Underwriters, the Participating Banks and the Co-ordinator for the Singapore Public Offer shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to the Manager, CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 14 above or to any cause beyond their respective controls;

(c) in respect of the Offer Units for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager;

(d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in the Prospectus and that none of the the Manager, the Trustee, the Joint Lead Underwriters and the Co-ordinator for the Singapore Public Offer and any other person involved in the Offering shall have any liability for any information not contained therein; and

(f) you irrevocably agree and undertake to subscribe for the number of Units applied for as stated in your Electronic Application or any smaller number of such Units that may be allotted to you in respect of your Electronic Application. In the event the Manager decides to allot any smaller number of such Units or not to allot any Units to you, you agree to accept such decision as final.

Steps for ATM Electronic Applications for Offer Units through ATMs of DBS Bank (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “&”, “I/C”, “No.”, “SGX” and “Max” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “Number”, “SGX-ST” and “Maximum”, respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS Bank (including POSB)), may differ slightly from those represented below.

Step 1: Insert your personal DBS Bank or POSB ATM Card.
2: Enter your Personal Identification Number.
3: Select “MORE SERVICES”.
4: Select language (for customers using multi-language card).
5: Select “ESA-IPO SHARE/INVESTMENTS”.
6: Select “ELECTRONIC SECURITY APPLN (IPOS/BOND/ST-NOTES/SECURITIES)”.
7: Read and understand the following statements which will appear on the screen:

- THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY, A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT (AND IF APPLICABLE, A
COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT) WHICH CAN BE OBTAINED FROM ANY DBS/POSB BRANCH IN SINGAPORE AND, WHERE APPLICABLE, THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- (IN THE CASE OF SECURITIES OFFERING THAT IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT REGISTERED WITH THE MONETARY AUTHORITY OF SINGAPORE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR PROFILE STATEMENT HAS BEEN LODGED WITH AND REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE WHO ASSUMES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.

8: Select “PKWYREIT” to display details.

9: Press the “ENTER” key to acknowledge:

- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND (WHERE APPLICABLE) THE PROSPECTUS, OFFER INFORMATION STATEMENT, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.

- YOU CONSENT TO DISCLOSE YOUR NAME, NRIC/PASSPORT NUMBER, ADDRESS, NATIONALITY, CDP SECURITIES ACCOUNT NUMBER, CPF INVESTMENT ACCOUNT NUMBER AND SECURITY APPLICATION AMOUNT FROM YOUR BANK ACCOUNT(S) TO SHARE REGISTRARS, SGX, SCCS, CDP, CPF, ISSUER/VENDOR(S).

- FOR FIXED AND MAXIMUM PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

- THE MAXIMUM PRICE FOR EACH SECURITY IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.

- FOR TENDER SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.

- YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS, OFFER INFORMATION STATEMENT, DOCUMENT, PROFILE STATEMENT, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, NOTICE AND/OR CIRCULAR.

10: Select your nationality.

11: Select your payment method (i.e. by cash, CPF Funds, or a combination of cash and CPF Funds).
12: Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.

13: Enter the number of securities you wish to apply for using cash.

14: Enter the number of securities you wish to apply for using CPF Funds (if applicable).

15: Enter or confirm (if your Securities Account number has already been stored in DBS Bank’s records) your own 12-digit Securities Account number (Note: This step will be omitted automatically if your Securities Account Number has already been stored in DBS Bank’s records).

16: Check the details of your securities application, your Securities Account number, number of securities and application amount on the screen and press the “ENTER” key to confirm your application.

17: Remove the Transaction Record for your reference and retention only.

Steps for Internet Electronic Application for Offer Units through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “I/C” and “No.” refer to “Account”, “and”, “Amount”, “NRIC” and “Number”, respectively).

Step 1: Click on DBS Bank website (www.dbs.com)

2: Login to Internet banking.

3: Enter your User ID and PIN.

4: Enter your DBS iB Secure PIN.

5: Select “Electronic Security Application (ESA)”.

6: Click “Yes” to proceed and to warrant, inter alia, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, amended).

7: Select your country of residence and click “I confirm”.

8: Click on “PKWYREIT” and click “Submit”.

9: Click on “I confirm” to confirm, inter alia:

- You have read, understood and agreed to all terms of this application and the Prospectus/Document or Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Document or Profile Statement.

- You consent to disclose your name, I/C or Passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable) and securities application amount from your DBS/POSB Account(s) to registrars of securities, SGX, SCCS, CDP, CPF Board and issuer/vendor(s).

- You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).

- You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933 as amended (the “US Securities Act”) or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any “US person” (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the US Securities Act and applicable state securities laws. There will be no public offer of the
securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

- This application is made in your own name and at your own risk.
- For FIXED/MAX price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.

10: Fill in details for securities application and click “Submit”.

11: Check the details of your securities application, your Securities Account number and click “Confirm” to confirm your application.

12: Print the Confirmation Screen (optional) for your reference and retention only.
Terms and Conditions for Use of CPF Funds

(1) If you are using CPF Funds to subscribe for the Units, you must have a CPF Investment Account maintained with a relevant Participating Bank at the time of your application. If you are applying for the Units through an ATM Electronic Application, you must have an ATM card with that Participating Bank at the time of your application before you can use the ATMs of that Participating Bank to apply for the Units. For an Internet Electronic Application, you must have an existing bank account with, and a User Identification (“User ID”) as well as a Personal Identification Number (“PIN”) given by, the relevant Participating Bank. Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank, there will be a Transaction Completed Screen of the application which can be printed out by you for your record. This printed record of the Transaction Completed Screen is for your retention and should not be submitted with any printed Application Form. The CPF Investment Account is governed by the Central Provident Fund (Investment Schemes) Regulations, as amended.

(2) CPF Funds may only be withdrawn for applications for the Units in lots of 1,000 Units or integral multiples thereof.

(3) If you are applying for the Units using a printed Application Form and you are using CPF Funds to apply for the Units, you must submit a CPF Cashier’s Order for the total amount payable for the number of Units applied for using CPF Funds.

(4) Before you apply for the Units using your CPF Funds, you must first make sure that you have sufficient funds in your CPF Investment Account to pay for the Units. You need not instruct the CPF Board to transfer your CPF Funds from your CPF Ordinary Account to your CPF Investment Account. If the balance in your CPF Investment Account is insufficient and you have sufficient investible CPF Funds in your CPF Ordinary Account, the Participating Bank with which you maintain your CPF Investment Account will automatically transfer the balance of the required amount from your CPF Ordinary Account to your CPF Investment Account immediately for you to use these funds to buy a CPF Cashier’s Order from your Participating Bank in the case of an application by way of a printed Application Form or submit your application in the case of an application by way of an Electronic Application. The automatic transfer facility is available until the close of the Public Offer, and the operating hours of the facility are between 8.00 a.m. and 10.00 p.m. from Mondays to Saturdays, and between 8.00 a.m. and 5.00 p.m. on Sundays and public holidays.

(5) The special CPF securities sub-account of the nominee company of the Participating Bank (with whom you maintain a CPF Investment Account) maintained with CDP will be credited with the principal amount of the Units you subscribed for with CPF Funds.

(6) Where you are using CPF Funds, you cannot apply for the Units as nominee for any other person.

(7) All instructions or authorisations given by you in a printed Application Form or through an Electronic Application are irrevocable.

(8) CPF Investment Accounts may be opened with any branch of the Participating Banks.

(9) All information furnished by the CPF Board and the relevant Participating Banks on your authorisation will be relied on as being true and correct.
APPENDIX G

PROCEDURES FOR ACCEPTANCE AND PAYMENT BY SINGAPORE REGISTERED SHAREHOLDERS

PROCEDURES FOR ACCEPTANCE AND PAYMENT BY SINGAPORE REGISTERED SHAREHOLDERS WHOSE SECURITIES ACCOUNTS ARE CREDITED WITH PARKWAY HOLDINGS SHARES

Singapore Registered Shareholders whose Securities Accounts are credited with Parkway Holdings Shares as at 5.00 p.m. on 7 August 2007 (excluding TPG Capital and its Affiliates) are entitled to receive this Prospectus and the AFE which form part of this Prospectus.

The Entitlements of Singapore Registered Shareholders are governed by the terms and conditions of this Prospectus and the instructions in the AFE. The number of Units provisionally allocated to each Singapore Registered Shareholder is indicated in the AFE (fractions of a Unit (if any) having been disregarded). The Securities Accounts of Singapore Registered Shareholders have been credited by CDP with the number of Units provisionally allocated to them as indicated in the AFE. Singapore Registered Shareholders may accept their provisional allocations of Units in whole or in part. Full instructions for the acceptance of and payment for the provisional allocations of Units are set out in this Prospectus and the AFE.

Singapore Registered Shareholders accepting their provisional allocation of Units under the Shareholders Tranche are required to pay the Offering Price of S$1.28 per Unit, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom) where (i) an application is rejected or accepted in part only, or (ii) the Offering does not proceed for any reason.

Singapore Registered Shareholders may only accept up to the number of Units that have been provisionally allocated to them which are printed on the AFE. If a Singapore Registered Shareholder chooses to accept a number of Units in excess of what has been provisionally allocated to him, the excess number of Units will not be accepted and the excess subscription monies will be refunded within 14 days of the close of the Shareholders Tranche without interest or any share of revenue or other benefit arising therefrom, by crediting their accounts with the relevant Participating Banks at their own risk (if they accept by way of an Electronic Application), the receipt by such bank being a good discharge to CDP, the Manager, the Trustee, the Joint Lead Underwriters or the Co-ordinator for the Singapore Public Offer for their obligations, if any, hereunder, or by means of a crossed cheque drawn on a bank in Singapore and sent to them at their mailing addresses by ordinary post or in such other manner as they may have agreed with CDP for the payment of any cash distributions (if they accept and, if applicable, apply through CDP) at their own risk.

This Prospectus and its accompanying application forms have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying application forms may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. Without limiting the generality of the foregoing, neither this Prospectus (including its accompanying application forms) nor any copy thereof may be published or distributed, whether directly or indirectly, in whole or in part, in or into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale into the United States (as defined in Regulation S under the Securities Act), except that the Units may be offered or sold to a limited number of institutional “accredited investors” within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act in transactions exempt from the registration requirements of the Securities Act. However, this document does not constitute an offer, advertisement or solicitation to the institutional “accredited investors” in the United States and should not be relied upon by these investors. This document may not be circulated or distributed, directly or indirectly, in the United States. There will be no public offer of Units in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.

Approval has been obtained from the CPF Board for those of its members participating in its investment scheme (collectively, the “IS Shareholders”) to use, subject to applicable CPF rules and regulations,
monies standing to the credit of their respective CPF Investment Accounts ("CPF Funds") to pay for the Units. IS Shareholders who wish to accept their provisional allocation of Units using CPF Funds will need to instruct the respective approved banks where such IS Shareholders hold their CPF Investment Accounts, to accept their provisional allocations of Units on their behalf in accordance with this Prospectus.

If a Singapore Registered Shareholder wishes to accept his provisional allocation of Units specified in the AFE, in full or in part, he may do so through CDP by duly completing and submitting the relevant portions of the AFE or by way of Electronic Application through any ATM of the Participating Banks (as described below). A Singapore Registered Shareholder should ensure that the AFE is accurately and correctly completed, failing which the acceptance of his provisional allocation of Units may be rejected. Acceptances accompanied by remittances improperly drawn may also be rejected.

**Singapore Registered Shareholders may accept their provisional allocations of Units, in full or in part, either through CDP or by way of Electronic Application through an ATM of a Participating Bank.**

Unless expressly provided to the contrary in this Prospectus and/or the AFE, a person who is not a party to any contracts made pursuant to this Prospectus and AFE (other than the CDP, the Manager, the Trustee, the Joint Lead Underwriters, Co-ordinator of the Singapore Public Offer, the Participating Banks and the Unit Registrar) has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

With regard to any application which does not conform strictly to the instructions set out under this Prospectus, the AFE and/or any other application form for the Units in relation to the Shareholders Tranche or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Prospectus, or in the case of an application by the AFE and/or any other application form for the Units in relation to the Shareholders Tranche which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Manager may, at its absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Manager and CDP shall be entitled to process each application submitted for the acceptance of the Units in relation to the Shareholders Tranche and the payment received in relation thereto, pursuant to such application by a Singapore Registered Shareholder, on its own, without regard to any other application and payment that may be submitted by the same Singapore Registered Shareholder. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application.

**(a) Acceptance through CDP**

To accept the provisional allocation of Units specified in the AFE through CDP, the duly completed AFE must be accompanied by **A SINGLE REMITTANCE** for the full amount payable for the relevant number of Units accepted and submitted by hand to **PARKWAY TRUST MANAGEMENT LIMITED AS MANAGER OF PARKWAY LIFE REIT C/O THE CENTRAL DEPOSITORY (PTE) LIMITED** at 4 SHENTON WAY #02-01, SGX CENTRE 2, SINGAPORE 068807 or by post in the pre-addressed envelope provided (affixed with adequate Singapore postage), at the Singapore Registered Shareholder's own risk, to **PARKWAY TRUST MANAGEMENT LIMITED AS MANAGER OF PARKWAY LIFE REIT C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than 4.45 p.m. on **17 August 2007** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

The payment must be made in Singapore currency in the form of a Cashier's Order or Banker's Draft drawn on a bank in Singapore and made payable to “**CDP — PARKWAY REIT PREFERENCE OFFERING ACCOUNT**” and crossed “**NOT NEGOTIABLE, A/C PAYEE ONLY**” with the name
and Securities Account number of the Singapore Registered Shareholder clearly written on the reverse side of the Cashier's Order or Banker's Draft.

**NO COMBINED CASHIER’S ORDER OR BANKER’S DRAFT FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORMS OF PAYMENT (INCLUDING THE USE OF POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

(b) **Acceptance by way of Electronic Application through an ATM of a Participating Bank**

Instructions for Electronic Application through ATMs to accept the Units provisionally allocated will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix F of this Prospectus for additional terms and conditions for Electronic Application through an ATM of a Participating Bank.

A Singapore Registered Shareholder may choose to accept his provisional allocation of Units specified in the AFE in full or in part. A Singapore Registered Shareholder who wishes to accept part of his Entitlement should complete the AFE for the number of Units provisionally allocated to him which he wishes to accept and submit the AFE together with payment in the prescribed manner as described above to CDP or accept and subscribe for that part of his Entitlement by way of Electronic Application in the manner described above. The balance of his Entitlement standing to the credit of his Securities Account not accepted will be deemed to have been declined and will forthwith lapse, become void and will cease to be capable of acceptance if an acceptance in not effected through CDP by 4.45 p.m. on 17 August 2007 or if an acceptance is not effected through an ATM of a Participating Bank by 9.30 p.m. on 17 August 2007 in accordance with and subject to the terms and conditions contained in this Prospectus.

As an illustration, if a Singapore Registered Shareholder has **1,000** Parkway Holdings shares in his Securities Account as at the Books Closure Date, he will be provisionally allocated **50** Units in Parkway Life REIT in his Securities Account, as set out in his AFE, and his alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:-

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<th>Alternatives</th>
<th>Procedures to be taken</th>
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| (a) Accept his entire provisional allocation of Units | (i) **By way of Electronic Application.** Accept his entire provisional allocation of 50 Units by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or  
(ii) **Through CDP.** Complete and sign the AFE in accordance with the instructions contained therein for the entire provisional allocation of 50 Units and forward the AFE together with a single remittance for S$64.0 by way of a Cashier's Order or Banker's Draft drawn in Singapore currency on a bank in Singapore and made payable to "CDP — PARKWAY REIT PREF OFFERING ACCOUNT" and crossed "NOT NEGOTIABLE, A/C PAYEE ONLY" for the full amount due on acceptance, by hand to PARKWAY TRUST MANAGEMENT LIMITED AS MANAGER OF PARKWAY LIFE REIT C/O THE CENTRAL DEPOSITORY (PTE) LIMITED at 4 SHENTON WAY #02-01, SGX CENTRE 2, SINGAPORE 068807 or by post, at his own risk, in the pre-addressed envelope (affixed with adequate Singapore postage) to PARKWAY TRUST MANAGEMENT LIMITED AS MANAGER OF PARKWAY LIFE REIT C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 so as to arrive not later than 4.45 p.m. on
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<th>Alternatives</th>
<th>Procedures to be taken</th>
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<td>(b) Accept a portion of his provision allocation of Units, for example, his entitlement to 25 provisionally allocated Units and reject the balance</td>
<td>(i) <strong>By way of Electronic Application.</strong> Accept the provisional allocation of 25 Units by way of Electronic Application through an ATM of a Participating Bank as described herein not later than 9.30 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager);</td>
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<td>(ii) <strong>Through CDP.</strong> Complete and sign the AFE in accordance with the instructions contained therein for the provisional allocation of 25 Units and forward the AFE together with a single remittance for S$32.0 in the prescribed manner described in alternative (a)(ii) above to CDP so as to arrive no later than 4.45 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).</td>
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The balance of the provisional allocation of 25 Units which are not accepted by the Singapore Registered Shareholder will automatically lapse and cease to be available for acceptance by that Singapore Registered Shareholder if an acceptance is not made through an ATM of a Participating Bank by 9.30 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or if an acceptance is not made through CDP by 4.45 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

If acceptance and payment for the Units in the prescribed manner as set out in this Prospectus and the AFE is not received through CDP by 4.45 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) or through an ATM of a Participating Bank by 9.30 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager) from any Singapore Registered Shareholder, the Units provisionally allocated to that Singapore Registered Shareholder shall be deemed to have been declined and shall forthwith lapse and become void. Such provisional allocations of Units not so accepted by Singapore Registered Shareholders will be used to satisfy demand for additional Units in the Placement Tranche or otherwise dealt with in such manner as the Joint Lead Underwriters (in consultation with the Manager) may, at their absolute discretion, deem fit. **If any Singapore Registered Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, accountant, solicitor or any other professional adviser immediately.**

**THE LAST TIME AND DATE FOR ACCEPTANCES AND PAYMENT FOR THE PROVISIONAL ALLOCATIONS OF UNITS IS:**

(A) **4.45 P.M. ON 17 AUGUST 2007 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF AN ACCEPTANCE AND PAYMENT FOR THE UNITS IS MADE THROUGH CDP; OR**

(B) **9.30 P.M. ON 17 AUGUST 2007 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER) IF AN**
ACCENT AND PAYMENT FOR THE UNITS IS MADE THROUGH AN ATM OF A PARTICIPATING BANK.

It should be particularly noted that unless:

(i) acceptance and payment in Singapore currency by Cashier’s Order or Banker’s Draft drawn on a bank in Singapore and made out in favour of “CDP — PARKWAY REIT PREF OFFERING ACCOUNT” and crossed “NOT NEGOTIABLE, A/C PAYEE ONLY” for the full amount of the provisionally allocated Units due on acceptance and with the names and Securities Account numbers of the Singapore Registered Shareholders clearly written on the reverse side of the Cashier’s Order or Banker’s Draft is submitted by hand to PARKWAY TRUST MANAGEMENT LIMITED AS MANAGER OF PARKWAY LIFE REIT C/O THE CENTRAL DEPOSITORY (PTE) LIMITED at 4 SHENTON WAY #02-01, SGX CENTRE 2, SINGAPORE 068807 or by post at the Singapore Registered Shareholder’s own risk, in the pre-addressed envelope (affixed with adequate Singapore postage), to reach PARKWAY TRUST MANAGEMENT LIMITED AS MANAGER OF PARKWAY LIFE REIT C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 by 4.45 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager); or

(ii) acceptance of the provisionally allocated Units is made by the Singapore Registered Shareholders by way of an Electronic Application through the ATM of a Participating Bank and payment of the full amount payable for such Units is effected by 9.30 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager),

the provisional allocation of Units will be deemed to have been declined and shall forthwith lapse and become void. To the extent to which the provisional allocation is taken up in part only, the balance will be deemed to have been declined. All monies received will be returned (without interest or any share of revenue or other benefit arising therefrom) to the Singapore Registered Shareholders by means of a crossed cheque sent by ORDINARY POST or in such other manner as the Singapore Registered Shareholders may have agreed with CDP for the payment of any cash distributions (where acceptance is effected through CDP) or by crediting their accounts with the relevant Participating Banks (where acceptance is by way of an Electronic Application through the ATMs of the Participating Banks), and at the risk of the Singapore Registered Shareholders within 14 Market Days after the close of the Shareholders Tranche. ACCEPTANCES ACCOMPANIED BY ANY OTHER FORMS OF PAYMENT (INCLUDING THE USE OF POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.

To the extent that the Units offered under the Shareholders Tranche are not fully subscribed for, the Manager may, at its discretion, apply such unsubscribed Units to satisfy any excess demand for Units under the Placement Tranche.
ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATIONS THROUGH AN ATM OF A PARTICIPATING BANK FOR ACCEPTANCE OF UNITS UNDER THE SHAREHOLDERS TRANCHE

The procedures for Electronic Applications for acceptance of Units under the Shareholders Tranche at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “Steps”). Please read carefully the terms and conditions of this Prospectus, the instructions set out on the ATM screens of the relevant Participating Banks and the terms and conditions for Electronic Applications set out in this Prospectus before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used in respect of the acceptance of Units at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

All references to “Rights Issue” and “Rights Application” on the ATM screens of the Participating Banks shall mean the offer of Units under the Shareholders Tranche and the acceptance of such Units, respectively. All references to “Document” on the ATM screens of the Participating Banks shall mean this Prospectus.

Any reference to the “Applicant” in the terms and conditions for Electronic Applications and the Steps shall mean a Singapore Registered Shareholder who accepts the Units through an ATM of the Participating Banks. An Applicant must have an existing bank account with, and be an ATM cardholder of, one of the Participating Banks before he can makes an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at the ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“Transaction Record”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any AFE.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM Card issued to him in his own name. Using his own Securities Account number with an ATM Card which is not issued to him in his own name will render his acceptance liable to be rejected.

The Electronic Application shall be made in accordance with, and subject to, the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below:

1. In connection with his Electronic Application for the Units, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:

   (a) that he has received a copy of this Prospectus and has read, understood and agreed to all the terms and conditions of acceptance of the Units under the Shareholders Tranche and this Prospectus prior to effecting the Electronic Application, and agrees to be bound by the same; and

   (b) that he consents to the disclosure of his name, NRIC/passport number, address, nationality, permanent resident status, CDP Securities Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, CDP, the SGX-ST, the Manager, the Trustee, the Joint Lead Underwriters and the Co-ordinator for the Singapore Public Offer (the “Relevant Parties”) (references in the relevant ATM screens to “Issuer” shall be deemed to mean the Manager and references in the relevant ATM screens to “Underwriter” shall be deemed to mean Citi and UBS).

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter”, “OK”, “Confirm”, “Yes” key, as the case may be. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter”, “OK”, “Confirm”, “Yes” key, as the case may be, shall signify and shall be treated as his written permission, given in accordance with the relevant laws of Singapore including Section 47(2) of,
and the Third Schedule to the Banking Act, Chapter 19 of Singapore, to the disclosure by that
Participating Bank of the Relevant Particulars from his account to the Relevant Parties.

2. An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Units
using cash only by authorising such Participating Bank to deduct the full amount payable from his
account with such Participating Bank.

3. The Applicant irrevocably agrees and undertakes to subscribe for and to accept the lesser of the
number of Units provisionally allocated as stated on the Transaction Record or the number of Units
provisionally allocated standing to the credit of his Securities Account as at the close of the
Shareholders Tranche. In the event that the Manager decides to allocate any lesser number of
Units or not to allocate any number of Units to the Applicant, the Applicant agrees to accept the
decision as final.

4. If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing
the “Enter”, “OK”, “Confirm” or “Yes” key, as the case may be, on the ATM) of the number of Units
accepted shall signify and shall be treated as his acceptance of the number of Units that may be
allocated to him.

5. In the event that the Applicant accepts his provisional allocation of Units under the Shareholders
Tranche both by way of AFE and by way of Electronic Application through the ATM of a
Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions
in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In
determining the number of Units which the Applicant has validly given instructions to accept, the
Applicant shall be deemed to have irrevocably given instructions to accept such number of Units
not exceeding the number of provisionally allocated Units which are standing to the credit of his
Securities Account as at the close of the Shareholders Tranche. CDP, in determining the number
of Units which the Applicant has validly given instructions to accept, shall be authorised and
entitled to have regard to the aggregate amount of payment received for the acceptance of Units,
whether by way of Cashier's Order or Banker's Draft drawn on a bank in Singapore accompanying
the AFE or by way of the acceptance through Electronic Application through the ATM of a
Participating Bank.

6. The Applicant irrevocably requests and authorises the Manager to:

(a) register or procure the registration of the Units allocated to the Applicant in the name of
CDP for deposit into his Securities Account; and

(b) return (without interest or any share of revenue or other benefit arising therefrom) the full
amount or, as the case may be, the balance of the subscription monies, should the
number of Units as indicated in his Electronic Application not be allocated or, as the case
may be, fully allocated by or on behalf of the Manager for any reason, by automatically
crediting the Applicant’s bank account with the relevant Participating Bank.

7. BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS
NOT ACCEPTING THE UNITS AS NOMINEE OF ANY OTHER PERSON.

8. The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to
risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of
God, mistakes, loss, theft (in each case whether or not within the control of CDP, the Participating
Banks, the Manager, the Trustee, the Joint Lead Underwriters, the Co-ordinator for the Singapore
Public Offer and/or the Unit Registrar) and any events whatsoever beyond the control of CDP, the
Participating Banks, the Manager, the Trustee, the Joint Lead Underwriters, the Co-ordinator for
the Singapore Public Offer and/or the Share Registrar and if, in any such event, CDP, the
Participating Banks, the Manager, the Trustee, the Joint Lead Underwriters, the Co-ordinator for
the Singapore Public Offer and/or the Share Registrar do not record or receive the Applicant's
Electronic Application or data relating to the Applicant's Electronic Application or such data or the
tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether
wholly or partially for whatever reason, the Applicant shall be deemed not to have made an
Electronic Application and have no claim whatsoever against CDP, the Participating Banks, the Manager, the Trustee, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer and/or the Share Registrar for any purported acceptance thereof or for any compensation, loss or damages in connection therewith or in relation thereto.

9. **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays (excluding public holidays) between 7.00 a.m. to 9.30 p.m.**

10. Electronic Applications shall close at 9.30 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager).

11. All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application to accept the Units under the Shareholders Tranche shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.

12. The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of the Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.

13. Where an Electronic Application is not accepted, it is expected that the full amount of the subscription monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within 14 days of the closing date of the Shareholders Tranche. An Electronic Application may also be accepted in part, in which case the balance amount of the subscription monies will be refunded on the same terms.

14. In consideration of the Manager arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Shareholders Tranche at 9.30 p.m. on 17 August 2007 (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Manager), and by making and completing an Electronic Application, the Applicant agrees that:

(a) (i) his Electronic Application for acceptance of the Units under the Shareholders Tranche is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document referred to in Section 298 of the SFA is lodged with the Authority);

(ii) he represents and warrants that he is not a U.S. person (within the meaning of Regulation S);

(b) his Electronic Application for acceptance of the Units under the Shareholders Tranche, the acceptance thereof by the relevant Participating Bank and the contract resulting therefrom shall be governed by, and construed in accordance with, the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;

(c) none of CDP, the Manager, the Trustee, the Joint Lead Underwriters, the Co-ordinator for the Singapore Public Offer, the Unit Registrar or the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage, transmission or delivery of data relating to his Electronic Application to the Manager or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 8 above or to any cause beyond their respective control;

(d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of his provisional allocation of Units under the Shareholders Tranche;
in respect of the Units for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager; and

unless expressly provided to the contrary in this Prospectus or the Electronic Application with respect to enforcement against the Applicant, a person who is not a party to any contracts made pursuant to this Prospectus or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

The Applicant should ensure that his personal particulars, as recorded by both CDP and the relevant Participating Banks, are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondences will be sent to his address last registered with CDP.

The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Manager will reject any application by any person acting as nominee.

In the event that the Applicant accepts the provisional allocation of Units under the Shareholders Tranche by way of AFE or by way of Electronic Application through the ATM of a Participating Bank, the provisional allocation of Units will be allocated in such manner as the Manager or CDP may, in their absolute discretion, deem fit and the amount paid on acceptance or the surplus acceptance monies, as the case may be, will be refunded without interest or any share of revenue or other benefit arising therefrom within 14 days of the closing date of the Shareholders Tranche by any one or a combination of the following:

(a) by means of a crossed cheque sent by ORDINARY POST at the Applicant's own risk or in such other manner as the Applicant may have agreed with CDP for the payment of any cash distributions if he accepts through CDP; and

(b) crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts through an ATM of that Participating Bank.

The Applicant hereby acknowledges that, in determining the total number of Units represented by the provisional allocation of Units which he can validly accept under the Shareholders Tranche, the Manager and CDP are entitled and the Applicant hereby authorises the Manager and CDP to take into consideration:

(a) the total number of Units represented by the provisional allocation of Units which the Applicant has validly accepted, whether under the AFE(s) or any other form of application (including Electronic Application through the ATM) for the Units; and

(b) the total number of Units represented by the provisional allocation of Units standing to the credit of the Securities Account of the Singapore Registered Shareholder which is available for acceptance.

The Applicant hereby acknowledges that the determination of CDP or the Manager shall be conclusive and binding on him.

The Applicant irrevocably requests and authorises CDP to accept instructions from or on its behalf from the Participating Bank through whom the Electronic Application is made in respect of the provisional allocation of Units accepted by the Applicant and such instructions shall be binding and conclusive on the Applicant.
PROCEDURES FOR ACCEPTANCE AND PAYMENT BY SINGAPORE REGISTERED SHAREHOLDERS WHOSE PARKWAY HOLDINGS SHARES ARE NOT DEPOSITED WITH CDP

Singapore Registered Shareholders whose Parkway Holdings shares are not deposited with CDP as at 5.00 p.m. on 7 August 2007 (“Entitled Scripholders”) are entitled to receive this Prospectus with the Form of Acceptance (Form A) which is enclosed with, and is deemed to constitute a part of, this Prospectus.

The provisional allocation of Units to Entitled Scripholders is governed by the terms and conditions of this Prospectus and the enclosed PAL. The number of Units provisionally allocated to Entitled Scripholders is indicated in the PAL. Entitled Scripholders may accept their provisional allocations of Units, in full or in part, under the Shareholders Tranche. Full instructions for the acceptance of, and payment for, the Units provisionally allocated to Entitled Scripholders are set out in the PAL.

THE FULL AMOUNT PAYABLE FOR THE RELEVANT NUMBER OF UNITS ACCEPTED FOR WILL BE ROUNDED UP TO THE NEAREST WHOLE CENT, IF APPLICABLE.

Unless expressly provided to the contrary in this Prospectus and/or the PAL, a person who is not a party to any contracts made pursuant to the PAL and/or this Prospectus (other than the CDP, the Manager, the Trustee, the Joint Lead Underwriters, Co-ordinator of the Singapore Public Offer, the Participating Banks and the Unit Registrar) has no right under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

Entitled Scripholders who wish to accept their entire provisional allocations of Units or to accept any part of it and decline the balance should complete the Form of Acceptance of the PAL for the number of Units which they wish to accept and forward the PAL, in its entirety, together with payment in the prescribed manner to PARKWAY TRUST MANAGEMENT LIMITED AS MANAGER OF PARKWAY LIFE REIT C/O THE UNIT REGISTRAR, LIM ASSOCIATES (PTE) LTD AT 3 CHURCH STREET, #08-01 SAMSUNG HUB, SINGAPORE 049483, so as to arrive not later than 4.45 p.m. on 17 August 2007.

Payment in relation to PAL must be made in Singapore currency in the form of a Cashier’s Order or Banker's Draft drawn on a bank in Singapore and made payable to “PARKWAY LIFE UNIT ISSUE ACCOUNT” and crossed “NOT NEGOTIABLE, A/C PAYEE ONLY” with the name and address of the Entitled Scripholder clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft. The completed PAL and payment should be addressed and forwarded, at the sender's own risk, to PARKWAY TRUST MANAGEMENT LIMITED AS MANAGER OF PARKWAY LIFE REIT C/O THE UNIT REGISTRAR, LIM ASSOCIATES (PTE) LTD AT 3 CHURCH STREET, #08-01 SAMSUNG HUB, SINGAPORE 049483, by hand or by post, in the pre-addressed envelope provided (affixed with adequate Singapore postage if despatched by ordinary post) so as to arrive not later than 4.45 p.m. on 17 August 2007. NO OTHER FORMS OF PAYMENT (INCLUDING THE USE OF POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

If acceptance and payment in the prescribed manner as set out in the PAL is not received by 4.45 p.m. on 17 August 2007, the provisional allocations of Shareholders Units will be deemed to have been declined and such provisional allocations not so accepted will be used to satisfy demand for additional Units under the Placement Tranche. The Manager will return all unsuccessful application monies received in connection therewith by ordinary post and at the risk of the Entitled Scripholders without interest or any share of revenue or benefit arising therefrom within 14 Market Days after the close of the Shareholders Tranche.

No acknowledgements or receipts will be issued in respect of any acceptances or remittances.

Entitled Scripholders who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

THE LAST TIME AND DATE FOR ACCEPTANCES AND/OR APPLICATIONS AND PAYMENT FOR THE UNITS IS 4.45 P.M. ON 17 AUGUST 2007 (OR SUCH OTHER TIMES(S) AND/OR DATES(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE MANAGER).
The Units will be listed and quoted on the SGX-ST and will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Units effected through the SGX-ST and/or CDP shall be made in accordance with CDP’s “Terms and Conditions for Operation of Securities Accounts with CDP” and the “Terms and Conditions for CDP to act as Depository for the Units”, as the same may be amended from time to time. Copies of the above are available from CDP.

Singapore Registered Shareholders (not being Depositors) who wish to accept their provisional allocation of Units should open Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts so that the number of Units that may be allocated to them may be credited into their Securities Accounts. Singapore Registered Shareholders (not being Depositors) who wish to accept the Units and have their Units credited to their Securities Accounts must fill in their Securities Accounts numbers and National Registration Identity Card (“NRIC”) or passport numbers (for individuals) or registration numbers (for corporations) in the relevant forms comprised in the PALs. Singapore Registered Shareholders (not being Depositors) who fail to fill in their Securities Account numbers or NRIC or passport numbers (for individuals) or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers or NRIC or passport numbers (for individuals) or registration numbers (for corporations) or whose particulars as provided in the forms comprised in the PALs differ from those particulars in their Securities Accounts currently maintained by CDP will be issued documentary evidence evidencing title to the Units allocated to them. Documentary evidence, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be prima facie evidence of legal title. If the address of a Singapore Registered Shareholder (not being a Depositor) stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letters on successful allotment will be sent to his address last registered with CDP.
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APPENDIX H

LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPs OF DIRECTORS AND EXECUTIVE OFFICERS

Directors of the Manager

Lim Kok Hoong

Current Directorships

- AA-FAS Pte Ltd
- B2C Network Pte Ltd
- Genting International PLC
- Hoe Leong Corporation Ltd
- Oakville Ventures Co., Ltd
- Radical Reviva Associates(S) Pte Ltd
- Singapore Tourism Board

Past Directorships

- AA-BC Pte Ltd
- Behringer Corporation Ltd
- Ernst & Young Asia Pacific Pte Ltd
- Executive Records & Advisory Services Pte Ltd
- GES International Ltd
- International Trade Institute of Singapore Pte Ltd
- SembCorp Logistics Ltd
- Stratech Systems Limited

Dr. Lim Cheok Peng

Current Directorships

- Apollo Gleneagles Hospital Ltd
- Apollo Gleneagles PET-CT Limited
- Asia Renal Care (Katong) Pte Ltd
- Asia Renal Care Mt Elizabeth Pte Ltd
- C-Med Pte Ltd
- Cavendish Clinic Ltd
- Cheras Medical Centre Sdn Bhd
- Clinic CP Lim Pte Ltd
- Drayson Investments Pte Ltd
- East Shore Medical Holdings Pte Ltd
- EHS Health Screeners Pte Ltd
- Elya Impressions Sdn Bhd
- Fomema Sdn Bhd
- Gleneagles Clinical Research International Pte Ltd
- Gleneagles CRC (China) Pte Ltd
- Gleneagles CRC (Thailand) Co Ltd
- Gleneagles CRC Pte Ltd
- Gleneagles Development Pte Ltd
- Gleneagles Dialysis Centre Pte Ltd
- Gleneagles Dialysis International Pte Ltd
- Gleneagles-Heritage Holdings Ltd
- Gleneagles-Heritage Hospital Management Ltd
- Gleneagles-Heritage International Ltd
- Gleneagles Hospital (Kuala Lumpur) Sdn Bhd
- Gleneagles Hospital (UK) Ltd
- Gleneagles International Hospital (Lanka) Ltd
- Gleneagles International Pte Ltd
- Gleneagles JPMC Sdn Bhd
- Gleneagles (Malaysia) Sdn Bhd
- Gleneagles Management Services Pte Ltd
- Gleneagles Maritime Medical Centre (China) Ltd
- Gleneagles Medical Centre (Kuala Lumpur) Sdn Bhd
- Gleneagles Medical Centre Ltd
- Gleneagles Medical Global Care Pte Ltd
- Gleneagles Medical Holdings Ltd

Past Directorships

- Aspac USA
- Avidcrown Ltd
- Blenkirk Ltd
- Charter Asia Behavioural Health Services Pte Ltd
- Development Planning & Management Pte Ltd
- Fantasy Line Ltd
- Gleneagles International Laboratory Services Pte Ltd
- Gleneagles Investment Fujian Pte Ltd
- Harborview Corporation Ltd No. I
- Harborview Corporation Ltd No. II
- Kestrel Properties Pte Ltd
- Khim Medicare Private Limited
- Medechain Pte Ltd
- One-med.com Pte Ltd
- Onemedhub Pte Ltd
- Parkway Development (China) Pte Ltd
- Parkway Healthcare Foundation
- Parkway Information Technologies Pte Ltd
- Parkway Land Pte Ltd
- Parkway Panama Ltd, Inc
- Parkway Swirnow Inc.
- PT Budi Mulia Suryajaya
- PT NusaUtama Medicalindo
- PT Siloam Gleneagles Healthcare tbk
- Thermal International (S) Pte Ltd
- Thermal international Limited
- Tongkah Medivest Sdn Bhd
- Trademart Builders Pte Ltd
- Trademart Management Pte Ltd
- TradeMart Singapore Pte Ltd
- Validhill Ltd
Gleneagles Pharmacy Pte Ltd
Gleneagles Radiology Consultants Pte Ltd
Gleneagles Technologies Services Pte Ltd
Goldlink Investments Pte Ltd
GMMC Maritime Medical Centre Pte Ltd
Hospital Pantai Ayer Keroh Sdn Bhd
Hospital Pantai Indah Sdn Bhd
iXchange Pte Ltd
Karington Holdings Pte Ltd
Ko Djeng Gleneagles Pte Ltd
LifeWatch Ltd
M & P Investments Pte Ltd
Medi Innovations Sdn Bhd
Medi-Rad Associates Ltd
Medical Resources International Pte Ltd
MENA Services Pte Ltd
Merlion Health Care Ltd
Mount Elizabeth Health Care Services Sdn Bhd
Mount Elizabeth Healthcare Holdings Ltd
Mount Elizabeth Medical Holdings Ltd
Nippon Medical Care Pte Ltd
Orifolio Options Sdn Bhd
Paloh Medical Centre Sdn Bhd
Pantai Fomena & Systems Sdn Bhd (formerly known as Pantai Fomema Systems Sdn Bhd)
Pantai Holdings Berhad
Pantai Hospitals Sdn Bhd
Pantai Irama Ventures Sdn Bhd
Pantai Klang Specialist Medical Centre Sdn Bhd
Pantai Medical Centre Sdn Bhd
Pantai Medivest Sdn Bhd
Parkway Group Healthcare Pte Ltd
Parkway-Healthcare (Mauritius) Ltd
Parkway Healthcare Investments Pte Ltd
Parkway Holdings Limited
Parkway Hospitals Singapore Pte Ltd
Parkway Informatics Pte Ltd.
Parkway Investments Pte Ltd
Parkway Laboratory Services Ltd
Parkway Promotions Pte Ltd
Parkway Properties Pte. Ltd
Parkway Shenton International Holdings Pte Ltd
Parkway Shenton Pte Ltd
Parkway Shenton Vietnam Ltd
Positron Tracers Pte Ltd
Pulau Pinang Clinic Sdn Bhd
Radiology Consultants Pte Ltd
Republic Polytechnic
Restorative Life Science Pte Ltd
S.P.I. Pte Ltd
Shanghai Gleneagles International Medical and Surgical Center
Shanghai Rui Hong Clinic Co Ltd
Shanghai Rui Xin Healthcare Co. Ltd
Shanghai Xin Rui Healthcare Co. Ltd
### APPENDIX H

Shenton Family Medical Clinics Pte Ltd  
Shenton Insurance Pte Ltd  
Shenton Medical Centre Pte Ltd  
Shenton Medical Holdings Pte Ltd  
SMG Medical Group Pte Ltd  
Swiss Zone Sdn Bhd  
Syarikat Tunas Pantai Sdn Bhd  
The Heart Hospital Ltd  
The Heart Hospital Properties Ltd  
VCM Technology Singapore (Pte) Ltd  
Weian Investments Pte Ltd  
Westront Pte Ltd  
Worldeyes International Pte Ltd  
Wholebond Ltd  

### Ashish Jaiprakash Shastry

**Current Directorships**  
Advanced Interconnect Technologies Limited  
Advanced Interconnect Technologies Limited  
Advanced Interconnect Technologies II Limited  
Apollo Gleneagles Hospital Ltd  
Fairmont Raffles Holdings International (alternate)  
Gleneagles Medical Holdings Ltd  
Pantai Holdings Berhad  
Parkway Holdings Limited  
Swiss Zone Sdn Bhd  

**Past Directorships**  
Lee Hing Development Ltd  
Matrix Laboratories Limited (alternate)

### Choo Oi Yee

**Current Directorships**  
Apollo Gleneagles Hospital Ltd  
Apollo Gleneagles PET-CT Limited  
Gleneagles JPMC Sdn Bhd  
Medical Resources International Pte Ltd.  
Shanghai Gleneagles International Medical and Surgical Center  
Shanghai Rui Hong Clinic Co. Ltd  
Shanghai Rui Xin Healthcare Co. Ltd  
Shanghai Xin Rui Healthcare Co. Ltd  

**Past Directorships**  
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### Justine Victoria Wingrove

**Current Directorships**  
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**Past Directorships**  
——
Puah Tuan Soon Benson

Current Directorships
Birdlife Conservation Singapore Fund (BCSF)
International Society for the Performing Arts (ISPA)
SISTIC.com Pte Ltd
The Esplanade Co Ltd
Wildlife Conservation Singapore Fund (WCSF)
Wildlife Reserves Singapore Pte Ltd

Past Directorships

Tan Bong Lin

Current Directorships
—

Past Directorships
Citigroup Global Markets Singapore Holdings Pte Ltd
Citigroup Global Markets Singapore Pte Ltd
Citigroup Global Markets Singapore Securities Pte Ltd

Executive Officers of the Manager

Ong Eng Yaw

Current Directorships
Ely Investments (Pte) Ltd

Past Directorships
—

Lim Sze Mei

Current Directorships
—

Past Directorships
—

Chan Fai Tuck

Current Directorships
—

Past Directorships
—
MANAGER OF PARKWAY LIFE REIT
Parkway Trust Management Limited
1 Grange Road
#11-01 Orchard Building
Singapore 239693
Telephone number: (65) 6796-0623
Facsimile number: (65) 6796-0635

SOLE FINANCIAL ADVISER TO THE SPONSOR AND THE MANAGER
UBS AG, acting through its business group, UBS Investment Bank
5 Temasek Boulevard
#18-00 Suntec Tower Five
Singapore 038985

JOINT GLOBAL CO-ORDINATORS, JOINT BOOKRUNNERS AND JOINT LEAD UNDERWRITERS

Citigroup
Global Markets Singapore Pte. Ltd.
3 Temasek Avenue
#12-00 Centennial Tower
Singapore 039190

UBS AG, acting through its business group, UBS Investment Bank
5 Temasek Boulevard
#18-00 Suntec Tower Five
Singapore 038985

CO-ORDINATOR FOR THE SINGAPORE PUBLIC OFFER AND SUB-UNDERWRITER

DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809

UNIT REGISTRAR AND UNIT TRANSFER OFFICE
Lim Associates (Pte) Ltd
3 Church Street
#08-01 Samsung Hub
Singapore 049483

TRUSTEE
HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#14-01 HSBC Building
Singapore 049320

LEGAL ADVISERS

Legal Adviser to the Offering and to the Manager
WongPartnership
One George Street
#20-01
Singapore 049145

Legal Advisers to the Joint Lead Underwriters

White & Case LLP
50 Raffles Place
#30-00 Singapore Land Tower
Singapore 048623

Venture Law LLC
50 Raffles Place
#30-00 Singapore Land Tower
Singapore 048623

Legal Adviser to the Trustee
Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542
INDEPENDENT REPORTING ACCOUNTANTS
KPMG
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

INDEPENDENT TAX ADVISER
KPMG Tax Services Pte Ltd
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

INDEPENDENT VALUER APPOINTED
BY THE MANAGER FOR
THE PROPERTIES
DTZ Debenham Tie Leung (SEA) Pte Ltd
100 Beach Road
#35-00 Shaw Tower
Singapore 189702

INDEPENDENT VALUER APPOINTED
BY THE TRUSTEE FOR
THE PROPERTIES
Jones Lang LaSalle
Property Consultants Pte. Ltd.
9 Raffles Place
#39-00 Republic Plaza
Singapore 048619

INDEPENDENT CONSULTANT
Frost & Sullivan (Singapore) Pte Ltd
100 Beach Road,
#29-01/11, Shaw Tower
Singapore 189702

PRINCIPAL BANKER
Standard Chartered Bank
6 Battery Road
#23-00
Singapore 049909