



(Constituted in the Republic of Singapore pursuant to
a trust deed dated 12 July 2007 (as amended))

**EXTRAORDINARY GENERAL MEETING ON 30 SEPTEMBER 2021
RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS**

Parkway Trust Management Limited, as manager of Parkway Life Real Estate Investment Trust (“**Parkway Life REIT**”), and the manager of Parkway Life REIT, the “**Manager**”, refers to:

- (a) Parkway Life REIT's notice of extraordinary general meeting (“**EGM**”) dated 8 September 2021; and
- (b) the accompanying general announcement released on 8 September 2021 setting out, *inter alia*, the alternative arrangements relating to attendance at the EGM via electronic means.

The Manager would like to thank all Unitholders who have submitted their questions in advance of the EGM.

Please refer to the Annex hereto for the Manager's responses to the substantial and relevant questions which have been submitted by Unitholders.

BY ORDER OF THE BOARD
Parkway Trust Management Limited
(Company Registration no. 200706697Z)
As manager of Parkway Life Real Estate Investment Trust

Chan Wan Mei
Company Secretary
29 September 2021

ANNEX

LIST OF SUBSTANTIAL AND RELEVANT QUESTIONS AND RESPONSES

No.	Question	Response
1	Given the ROFR over Mount Elizabeth Novena Hospital, how possible is ParkwayLife in terms of commitment and financial considering the debt headroom to acquire the property. If so, how is the fund raising and also the estimated timeline.	<p>The right of first refusal over the Mount Elizabeth Novena Hospital Property to be granted to Parkway Life REIT (“ROFR”) is in connection with the Proposed Transaction, which is subjected to Unitholders’ approval at the Extraordinary General Meeting on 30 September 2021. The period of which shall be for 10 years and will commence from the date of ROFR agreement. Currently, the parties have yet to initiate any formal discussion and evaluation of the proposed acquisition of the ROFR asset. Proposed timing and decision will be subject to various considerations including but not limited to the financial viability of the deal etc. Regardless, given the high quality attributes of the ROFR asset, Parkway Life REIT is committed to proactively explore the proposed acquisition of the ROFR asset as part of its strategic portfolio expansion. Funding decision will have to accordingly take into account the then prevailing market conditions and Parkway Life REIT will seek out the most optimal available funding options. We will keep the market apprised when there are further developments.</p>
2	The rental renewal is based on either base rent + variable rent or base rent + CPI. Which formula will provide a better yield? Could the management give some highlights on the delta between both and also how often each of the formula was achieved during the previous rental agreement?	<p>The annual rent review formula is based on the higher of $\{(1 + (\text{CPI} + 1\%)) \times \text{total rent payable for the immediately preceding year}\}$ or $\{\text{Base Rent} + \text{Variable Rent}\}$ for the respective properties. Depending on which tabulations provide a higher rent figure i.e. better yield, it will accordingly be adopted as the actual annual rent payable for the respective properties for the particular year.</p> <p>In general, the tabulations under the rent review formula each year are subjected to various attributing factors such as Singapore CPI trends, performance of the hospital operations etc. In terms of the past statistics, we would like to share that with Singapore’s high inflationary trends particularly in the initial few years of the existing 15-year term, the annual rent reviews for the Singapore hospitals were largely dominated by the CPI + 1% tabulation. The $\{\text{Base Rent} + \text{Variable Rent}\}$ tabulation had kicked in for the Gleneagles Hospital and Parkway East Hospital at the start of the 15-year term with Parkway East Hospital property continuing to register variable rent growth in the last few years as well.</p> <p>With the Singapore hospitals continue to be underpinned by the annual rent review formula from Year 4 of the Renewal Term, this will guarantee a minimum rental growth of 1.0% for the Singapore hospitals annually while providing the opportunity for Parkway Life REIT to ride on the variable rent growth following completion of the Renewal Capex Works.</p>

No.	Question	Response
3	<p>The ROFR previously was based on assets over Asia-Pacific Region. Why is the ROFR this time only based on a single Novena property instead of Asia-Pacific or better still based on global assets as the sponsor's assets are present globally?</p>	<p>In line with the key principles in driving the strategic expansion of Parkway Life REIT, we seek to invest in more developed markets with mature healthcare systems. As such, we have selectively negotiated for a ROFR over the high quality Mount Elizabeth Novena Hospital Property in Singapore. Singapore, being a developed country, remains a key market for Parkway Life REIT given its political stability and developed healthcare system. The healthcare sector is poised for strong growth, driven mainly by the rapidly ageing population, the rising number of chronic disease patients and medical tourism.</p>
4	<p>Please highlight the progress of the 3rd mandate as mentioned last year.</p>	<p>We understand that “the 3rd mandate” mentioned in the question here refers to a third key market which Parkway Life REIT could expand into.</p> <p>Parkway Life REIT is continually looking for a suitable third key market to invest, but with the current uncertain external environment, we remain cautious and will only invest into new market when we are sufficiently comfortable with the improvement in the economic environment.</p> <p>We will keep the market apprised when there are further developments.</p>

Important Notice

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Parkway Life Real Estate Investment Trust (“**Parkway Life REIT**” and the units in Parkway Life REIT, the “**Units**”).

The value of the Units and the income from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as manager of Parkway Life REIT (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Parkway Life REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Parkway Life REIT or the Manager is not necessarily indicative of the future performance of Parkway Life REIT or the Manager.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and on the terms necessary to support Parkway Life REIT’s future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.