



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

06 May 2010

To: All Depository Agents and Foreign Non-Individual Unitholders

Dear Sir/Madam,

**PARKWAY LIFE REAL ESTATE INVESTMENT TRUST (“PLIFE REIT”)
BACK-END REFUND FOR INCOME DISTRIBUTION**

1. The purpose of this circular is to explain the mechanism for the back-end refund with respect to income distributions from PLIFE REIT.

Background

2. The changes in the applicable tax rate on distributions made by Real Estate Investment Trusts (“REITs”) listed on the Singapore Exchange to individuals (include both local and foreign individuals) and foreign non-individual investors were announced in the 2004, 2005 and 2010 Budget Statements.

In this regard, we set out the tax rate changes and the implications on the Unitholders of PLIFE REIT as follows:

- a. The Budget Statement 2004 announced that specified Singapore-sourced investment income derived directly by individuals from financial instruments will be exempted from tax with effect from the Year of Assessment 2005. In this respect, all individuals (excluding partnerships) will receive their gross distributions from PLIFE REIT without tax being deducted at source. The tax exemption will only apply to distributions made out of taxable income that was earned by PLIFE REIT from and including 23 August 2007 and is applicable to individuals who receive such distribution as investment income. Individuals who receive such distributions as gains or profits from any trade, business or profession will continue to be taxable and are required to declare such distribution as income in their tax returns.
- b. The Budget Statement 2005 announced that the tax rate applicable to distributions made to foreign non-individual investors during the period from 18 February 2005 to

17 February 2010 will be reduced from 20% to 10%. The details of this tax change can be found in the circular dated 28 February 2005 issued by the Monetary Authority of Singapore ("MAS Circular"). In this respect, foreign non-individual investors will receive their taxable transparent income distributions from PLIFE REIT after tax deduction at source at the reduced rate of 10% from 23 August 2007 to 17 February 2010.

- (c) The deadline of 17 February 2010 has expired and the Budget Statement 2010 proposed that the reduced rate of 10% will be renewed for the period from 18 February 2010 to 31 March 2015 (both dates inclusive). Subject to the proposal being promulgated as law, foreign non-individual investors will continue to receive taxable transparent income distributions from PLIFE REIT after tax deduction at source at the reduced rate of 10% from distributions made by PLIFE REIT from 18 February 2010 to 31 March 2015.

3. A foreign non-individual investor refers to a person (other than an individual) which 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 by that investor to acquire the units in PLIFE REIT are not obtained from that operation.

4. We are pleased to inform you that the abovementioned tax exemption and reduced rate of tax applies to future income distributions as well as the income distributions made to-date by PLIFE REIT in the following periods:

Period	Distribution per unit (cents)	Payment Date	Group Affected
23 August 2007 to 31 December 2007	2.27	24 March 2008	Individuals and foreign non-individuals
01 January 2008 to 31 March 2008	1.62	09 June 2008	Individuals and foreign non-individuals
01 April 2008 to 30 June 2008	1.66	27 August 2008	Individuals and foreign non-individuals
01 July 2008 to 30 September 2008	1.64	05 December 2008	Individuals and foreign non-individuals
01 October 2008 to 31 December 2008	1.58	27 February 2009	Individuals and foreign non-individuals
01 January 2009 to 31 March 2009	1.73	11 June 2009	Individuals and foreign non-individuals
01 April 2009 to 30 June 2009	1.69	11 September 2009	Individuals and foreign non-individuals
01 July 2009 to 30 September 2009	1.73	14 December 2009	Individuals and foreign non-individuals
01 October 2009 to 31 December 2009	1.83	26 February 2010	Individuals and foreign non-individuals

Application of this Circular

5. If tax at the prevailing corporate tax has been deducted from the abovementioned past income distributions in respect of the units held by you in your capacity as a Depository Agent for the benefit of foreign non-individual investor, the Trustee and the Manager of PLIFE REIT have worked out an arrangement with the Inland Revenue Authority of Singapore (IRAS) to facilitate the back-end refund of the tax over-deducted from these income distributions made to you in respect of units that were held by you. The back-end refund will facilitate the return of excess tax withheld from the above-mentioned distributions.
6. If individuals who hold their units through you as a Depository Agent had also received the abovementioned income distribution after tax deduction at the prevailing corporate tax, instead of gross distributions, this back-end refund arrangement will also be extended to process refund of the tax over-deducted to these individuals.
7. Foreign non-individual investors who hold PLIFE REIT units directly and had received the abovementioned income distribution after tax deduction at the prevailing corporate tax instead of 10% can use this back-end refund arrangement to claim the refund of the tax over-deducted.
8. To enable the Trustee of PLIFE REIT to ascertain the tax status of the beneficiaries to the units held by you (i.e. individuals / foreign non-individual investors) before the request for refund can be submitted to the IRAS, you will need to make a declaration in a prescribed form. Samples of the forms are attached. Form R1 is for foreign non-individual investors who hold PLIFE REIT units directly and Form R2 and Annexes are for Depository Agents.
9. We would like to draw your attention to the notes set out in the declaration form. Please read the notes carefully before you complete the form.
10. Your declaration of the status of the beneficial owner or beneficial owners of the units deposited in a particular sub-account (i.e. individuals / foreign non-individual investors) must be properly substantiated. You must ensure that you have appropriate documents to support your declaration. Where the units are held through more than one-tier of nominees, please note that the confirmation must be from the ultimate beneficial owners. You do not need to submit these substantiating documents with the declaration forms. Please also ensure that you keep records of the amount of distributions made to each beneficial owner as the IRAS may require such information.
11. It should be noted that the IRAS may audit the declaration form(s) made by you and may require you to provide evidence to substantiate your declaration. If it is found by the IRAS that

you have not exercised due care and diligence in your declaration or have provided incorrect information, the IRAS may impose penalties as provided under the Singapore Income Tax Act. You may also be excluded from this arrangement thereafter and all future distributions made to you in respect of units held by you in your capacity as a foreign non-individual or Depository Agent will be net of tax deducted at the prevailing corporate tax.

12. Please enclose all original Subsidiary Income Tax Certificates or Annual Distribution Statements issued by The Central Depository (Pte) Ltd in respect of the requests for the refund of tax previously paid at the prevailing corporate tax in respect of units held by foreign non-individuals directly and through Depository Agent, and individuals who hold units through Depository Agent.
13. For Depository Agents, please use the soft copy of the excel spreadsheet (emailed together with this Circular) to furnish the particulars required in the Annexes to the declaration forms. Please indicate clearly and put in separate declaration for the respective income distribution periods. Please staple the original declaration form and the completed Annexes together when you return the completed forms to Boardroom Corporate & Advisory Services Pte. Ltd. Please also email a soft copy of the completed Annexes to Boardroom Corporate & Advisory Services Pte. Ltd. at Victoria.Paul@boardroomlimited.com and Jolene.Ting@boardroomlimited.com.
14. Foreign non-individual investors who hold PLIFE REIT units directly will have to indicate clearly and submit separate declaration for each income distribution period. Please staple the original declaration form and the completed Form R1 together when you return the completed forms to Boardroom Corporate & Advisory Services Pte. Ltd.
15. The Manager of PLIFE REIT will be processing the back-end refund twice a year but reserves the right to end the half-yearly back-end process if it is deemed to be no longer necessary with advance notice.
16. Following from the above, you will have to return the completed declaration form to Boardroom Corporate & Advisory Services Pte. Ltd. within the time limit, currently envisaged to be 5.00 pm on every 15 June and every 15 December of the year. If the stipulated dates happen to fall on a weekend or public holiday, the deadline will be the next working day.
17. Please refer to PLIFE REIT's website at www.plifereit.com to download the relevant forms.
18. The amount of tax over-deducted will be refunded to you only after the IRAS has refunded this amount to the Trustee of PLIFE REIT.

19. For more information, please refer to the list of FAQs accompanying this circular.

By Order of the Board
Parkway Trust Management Limited
(Company registration no. 200706697Z)
As Manager of Parkway Life Real Estate Investment Trust

Tan Ping Ping
Company Secretary
06 May 2010

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 derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as manager of Parkway Life REIT (the "Manager"), or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of 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. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

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 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 the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.