



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

EXPIRY OF RIGHT OF FIRST REFUSAL

The Board of Directors of Parkway Trust Management Limited ("**PTML**"), as manager of Parkway Life Real Estate Investment Trust ("**Parkway Life REIT**", and as manager of Parkway Life REIT, the "**Manager**"), wishes to announce that the right of first refusal (the "**ROFR**") granted by Parkway Holdings Limited (the "**Sponsor**"), as described in the prospectus of Parkway Life REIT dated 7 August 2007, has expired on 22 August 2012 and will not be extended.

The Audit Committee notes the potential conflict of interest which may arise as a result of the expiry of the ROFR. In addition to the existing internal control system in dealings with conflicts of interest as described in the Manager's corporate governance, the Audit Committee will, during the course of its review of transactions to be entered into by Parkway Life REIT in the future, take into account the expiry of the ROFR together with any other relevant factors that may arise during the assessment process and arrive at its view based on all relevant factors. The existing internal control system in dealings with conflicts of interest will be reviewed periodically to ascertain its effectiveness and suitability and further measures will be considered and implemented to fine-tune the internal control procedures to deal with potential conflicts of interest issues.

It should be noted that the Sponsor has been working in collaboration with and complementing Parkway Life REIT which invests 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 and its interest continues to be aligned with Parkway Life REIT as it holds an interest of 35.77% in Parkway Life REIT as at 16 August 2012.

The Manager wishes to state that in respect of transactions with interested persons such as the Sponsor and its related companies, the Manager intends to fully comply with the relevant rules in respect of such transactions, including those set out in the Listing Manual issued by Singapore Exchange Securities Trading Limited and Appendix 6 (Property Funds) of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore. At the Manager board level, the nominee directors appointed by the Sponsor and/or its subsidiaries to the board to represent its/their interest will not vote in respect of transactions involving the Sponsor and its related companies, and at the unitholder level, the Sponsor and its associates will not vote in respect of transactions which they have a material interest.

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

Yong Yean Chau
Director / Chief Executive Officer
22 August 2012

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.

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.