



(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**”), refers to its announcement dated 22 August 2012 in respect of the expiry of the right of first refusal (the “**ROFR**”) granted by Parkway Holdings Limited (the “**Sponsor**”) and the request which it received from Singapore Exchange Securities Trading Limited on 27 August 2012 to disclose the following information by 28 August 2012:

- “(i) The Sponsor’s reasons for not extending the ROFR; and
- (ii) The Audit Committee’s proposed measures, which must be sufficient to meet the requirements under Rule 223 of the Listing Manual, to resolve the specific conflict of interest between the REIT and the Sponsor which may arise as a result of the expiry of the ROFR.”

The Manager understands from the Sponsor that the Sponsor declined the extension of the ROFR as it is now wholly-owned by a separately listed entity, IHH Healthcare Berhad, which has a separate board of directors and obligations to its own shareholders.

As the Sponsor has declined to extend the ROFR, the Audit Committee has examined the potential conflicts which may arise as a result of the expiry of the ROFR. The Audit Committee notes that Parkway Life REIT may in the future be competing with the Sponsor in respect of the acquisition of new properties, and this will be one of the factors which the Audit Committee will take into account in the course of reviewing potential acquisitions by Parkway Life REIT in the future, together with all other relevant factors.

Based on the notice of substantial unitholder notification received from the Sponsor, the Audit Committee also notes that the Sponsor currently holds an aggregate of 216,431,386 units in Parkway Life REIT, or 35.774% of the total issued units of Parkway Life REIT, and as a result of the Sponsor’s significant unitholding in Parkway Life REIT, there is in this regard an alignment of interest between the Sponsor and Parkway Life REIT in respect of the growth of Parkway Life REIT.

For the protection of Parkway Life REIT, the Audit Committee will procure that the nominees of the Sponsor to the Board of the Manager do not vote on decisions involving the Sponsor and its related companies.

In addition, for the purpose of resolving the conflict of interest which may arise as a result of the expiry of the ROFR, the Audit Committee will procure the commitment of the nominees of the Sponsor to the Board of the Manager that they will not disclose to the Sponsor information concerning offers to Parkway Life REIT in respect of the potential acquisition of new properties as well as offers made by Parkway Life REIT in respect of the potential acquisition of new properties,

save for properties which the nominees are in a position to confirm that the Sponsor has no intention of acquiring.

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
28 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.