CIRCULAR DATED 8 SEPTEMBER 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. 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 immediately.

If you have sold or transferred all your units in Parkway Life Real Estate Investment Trust ("**Parkway Life REIT**", and the units in Parkway Life REIT, "**Units**"), you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

ParkwayLife REIT

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

MANAGED BY
PARKWAY TRUST MANAGEMENT LIMITED
(Company Registration Number 200706697Z)

CIRCULAR TO UNITHOLDERS IN RELATION TO THE PROPOSED ENTRY INTO THE NEW MASTER LEASE AGREEMENTS FOR MOUNT ELIZABETH HOSPITAL PROPERTY, GLENEAGLES HOSPITAL PROPERTY AND PARKWAY EAST HOSPITAL PROPERTY AND THE RENEWAL CAPEX AGREEMENT WHICH CONSTITUTES AN INTERESTED PERSON TRANSACTION

Independent Financial Adviser to the Independent Directors and Audit Committee of Parkway Trust Management Limited and HSBC Institutional Trust Services (Singapore) Limited (as trustee of Parkway Life REIT)

Ernst & Young Corporate Finance Pte Ltd
(Company Registration Number 199702967E)

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for pre-registration for Extraordinary General Meeting ("**EGM**")	:	**27 September 2021 (Monday) at 10.00 a.m. (Singapore time)**
Last date and time for lodgement of Proxy Forms	:	**27 September 2021 (Monday) at 10.00 a.m. (Singapore time)**
Date and time of EGM convened and held by way of electronic means	:	**30 September 2021 (Thursday) at 10.00 a.m. (Singapore time)**

Parkway Life Real Estate Investment Trust

Circular dated 8 September 2021

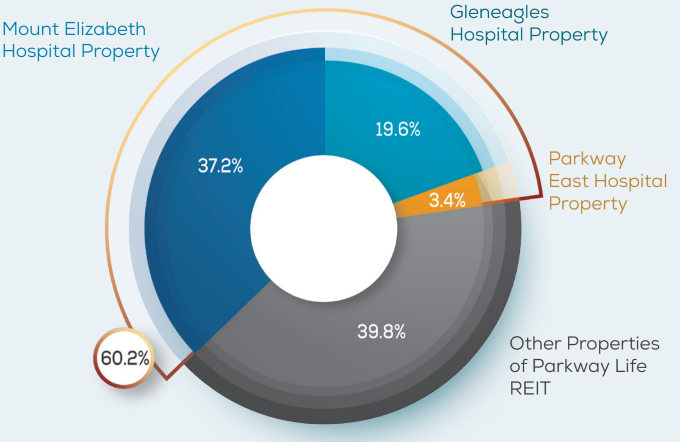
SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from unitholders of Parkway Life REIT ("**Unitholders**") for the proposed entry into the new master lease agreements (the "**New Master Lease Agreements**") in relation to Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property (the "**Properties**") and the Renewal Capex Agreement (collectively, the "**Proposed Transaction**").

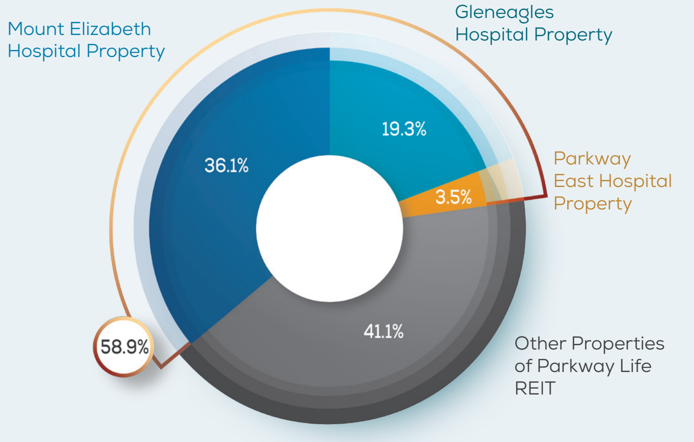
The Properties are key assets of Parkway Life REIT and the initial term of 15 years under the existing master lease agreements is due to expire on 22 August 2022.

In connection with the Proposed Transaction, a wholly-owned subsidiary of the Sponsor shall grant Parkway Life REIT a right of first refusal ("**ROFR**") over Mount Elizabeth Novena Hospital Property.

Asset Value Contribution by the Properties as at 31 December 2020



NPI Contribution by the Properties for the financial year ended 31 December 2020



KEY HIGHLIGHTS

INCOME CERTAINTY WITH LONG LEASE TERM

The New Master Lease Agreements will provide a steady stream of quality rental income for Parkway Life REIT by ensuring 100% committed occupancy for the Properties over a long lease term till 31 December 2042.

WALE of Parkway Life REIT's overall portfolio by gross rent is expected to improve significantly from 5.7 years to 16.6 years as at 31 December 2020.

ORGANIC GROWTH WITH CLEAR RENT STRUCTURE

Fixed rental step-up till FY2025. Annual rent review formula (similar to current formula in the existing master lease agreements) from FY2026 to FY2042 will continue to guarantee a minimum 1% rental growth annually for the Properties and provide the opportunity for Parkway Life REIT to ride on the variable rent growth following completion of the Renewal Capex Works (as defined herein).

The triple-net lease arrangement continues to limit Parkway Life REIT's exposure to escalating operating expenses.

ENHANCEMENT WITH RENEWAL CAPEX WORKS

One-time injection of Renewal Capex Costs of up to S$150 million (exclusive of GST) by Parkway Life REIT to improve and upgrade the Properties (built more than 30 years ago).

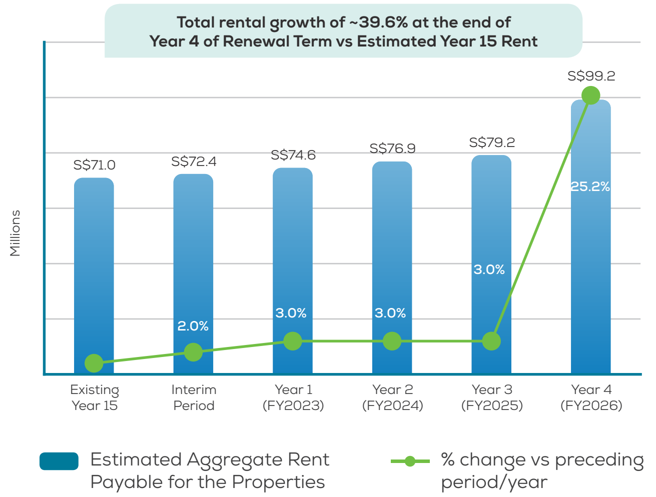
The Renewal Capex Works will enhance the quality positioning and increase competitiveness of Parkway Life REIT and the Master Lessee.

ROFR OVER A QUALITY ASSET

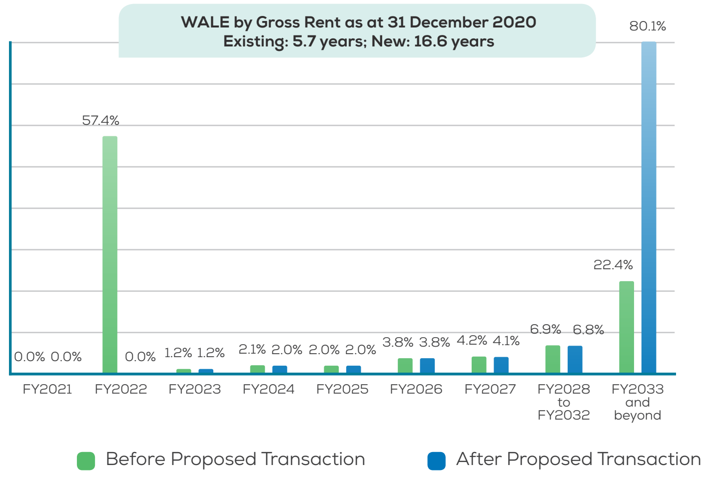
Fresh grant of ROFR over Mount Elizabeth Novena Hospital Property enhances acquisition growth potential of Parkway Life REIT, demonstrates the Sponsor's strong support for Parkway Life REIT and paves the way for potential further collaboration with IHH Healthcare Berhad (one of the world's largest healthcare network).

Note: For terms that are not defined in this section of the Circular, please refer to the Glossary on pages 32 to 38 of this Circular.

Estimated Aggregate Rent Payable for the Properties



Portfolio Lease Expiry (by Gross Rent)



WELL-POSITIONED TO RIDE ON GROWTH POTENTIAL OF SINGAPORE'S HEALTHCARE INDUSTRY

The healthcare sector in Singapore is poised for strong growth, driven mainly by the rapidly ageing population, the rising number of chronic disease patients and medical tourism. Singapore's private healthcare services market generated an estimated revenue of USD6.43 billion in 2020 and is projected to record a compound annual growth rate of 10% from 2021 to 2025. The private hospital market contributed the highest revenue share of 46.5% or USD2.99 billion in 2020[1].

With the Properties under the operations of the Master Lessee (one of the leading providers of private healthcare services in Asia) and coupled with the enhancement of the Properties with the Renewal Capex Works, the Properties will remain well-positioned to ride on the growth potential of the Singapore healthcare industry.

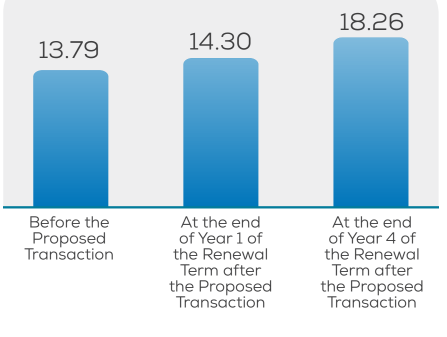
FUNDING AND PRO FORMA FINANCIAL EFFECTS

Based on assessment of prevailing market conditions, the Manager intends to wholly finance the Renewal Capex Costs and related feasibility studies expenses via external borrowings.

Pro Forma financial effects (for illustration only)[2]

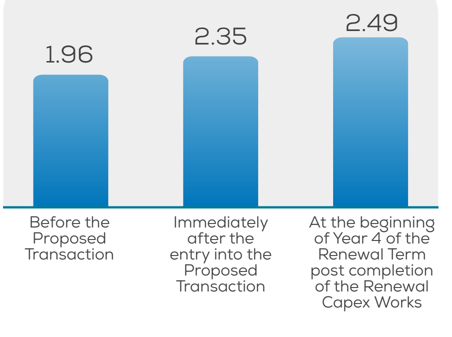
Pro Forma DPU (cents)

(as if the Proposed Transaction was completed on 1 January 2020)



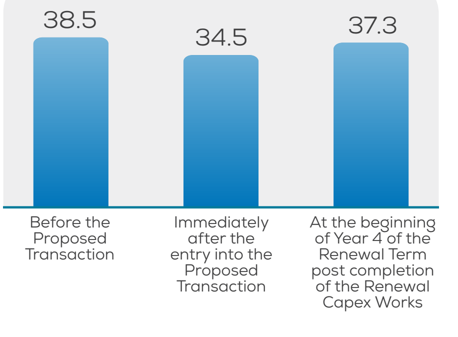
Pro Forma NAV per Unit (S$)

(as if the Proposed Transaction was completed on 31 December 2020)



Pro Forma Gearing (%)

(as if the Proposed Transaction was completed on 31 December 2020)



1 Independent Market Research Report, Frost & Sullivan (S) Pte Ltd.
2 This should be read with the Notes provided under the respective tables in paragraph 2.14 of the Circular.

Overview of Agreements

1. New Master Lease Agreements

Renewal Term

23 August 2022 to 31 December 2042 comprising:

(i) Interim Period (23 August 2022 to 31 December 2022); and

(ii) 20 years (1 January 2023 to 31 December 2042).

Extended Term

Option for Master Lessee to renew for a further term of 10 years (1 January 2043 to 31 December 2052).

Rent Payable for the Renewal Term for all Properties

- Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place from FY2023 to FY2025 (the "**Downtime Period**").
- Rent rebate on a tiered basis totalling approximately S$60.9 million will be granted to the Master Lessee during the Downtime Period due to operational and income disruptions (the "**Downtime Period Rent Rebate**").
- Initial Rent for FY2023 is at S$97.2 million (supported by rental valuations of CBRE and Knight Frank) and will be subject to the Downtime Period Rent Rebate.
- Nonetheless, rents are guaranteed to increase from 23 August 2022 till FY2025 with 2.0% and 3.0% step-up in rent for the Interim Period and the Downtime Period from preceding year/period respectively.
- Annual rent review formula i.e. higher of the {1+(CPI[3]+1%) X total rent payable for the immediately preceding year} or {Base Rent + Variable Rent} shall be applicable for FY2026[4] to FY2042.

2. Renewal Capex Agreement

Key Terms

- Parkway Life REIT will be responsible for a one-time capital expenditure cost of up to S$150 million (exclusive of GST) (the "**Renewal Capex Costs**") to conduct certain capital expenditure works on the applicable Properties (the "**Renewal Capex Works**").
- Physical construction is expected to start by 1 January 2023[5]; Master Lessee may request for Parkway Life REIT to carry out the works in phases due to operational considerations and all Renewal Capex Works are expected to complete no later than 31 March 2028[6].
- Bulk of the works expected to be performed on Mount Elizabeth Hospital Property.

Renewal Capex Works

Substantially based on the following, subject to changes and variations based on the findings of the feasibility studies[7]:

- Future proofing through improvement works of the safety features and utilities infrastructure;
- Enhancing building performance with eco-friendly and sustainability features through Green Mark certification and technological advances such as building management system; and
- Refreshing aesthetic and the experience of the space of the property as well as addressing patient demand and evolving healthcare trends through upgrading and reconfiguration of the hospital space and functions.

3. ROFR

In connection with the Proposed Transaction, Parkway Novena Pte. Ltd. (a wholly-owned subsidiary of the Sponsor) shall grant to Parkway Life REIT, a ROFR in respect of a sale, assignment or transfer of its ownership interest (or any part thereof) of the hospital block of the Mount Elizabeth Novena Hospital development[8] (the "**Mount Elizabeth Novena Hospital Property**") save and except the business and/or other non-real estate assets for a period of 10 years from the date of the ROFR agreement.

Conveniently located in the city fringe district of Singapore, the Mount Elizabeth Novena Hospital Property is a modern hospital which provides tertiary treatments in the comfort of all single bedded rooms and has received Joint Commission International accreditation, the gold seal of approval for quality healthcare

3 CPI refers to 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 the CPI is negative for any given year, the CPI shall be deemed to be zero.

4 The annual rent review formula for FY2026 is based on the higher of {1+(CPI[3]+1%) X Initial Rent} or {Base Rent + Variable Rent}.

5 Subject to completion of feasibility studies, design development, tender and procurement and obtainment of all relevant development, building and regulatory approvals or such other extended date as may be reasonably and mutually agreed in good faith between Parkway Life REIT and the Master Lessee.

6 Or such extended date in accordance with the Renewal Capex Agreement or such other date to be mutually agreed between Parkway Life REIT and the Master Lessee.

7 The feasibility studies conducted by independent consultants appointed by Parkway Life REIT will be completed around October 2021 and further details relating to the Renewal Capex Works shall be disclosed by the Manager in due course.

8 Strata lot U4976A of Town Subdivision 29 comprised in Subsidiary Strata Certificate of Title Volume 1608 of Folio 186 (together with all accessory lots appurtenant thereto) (or any part thereof) at 38 Irrawaddy Road, #01-01 and #01-18, Mount Elizabeth Novena Hospital, Singapore 329563.

Opinion of the IFA and Recommendation

The independent financial adviser (the "**IFA**") is of the opinion that the Proposed Transaction (including the ROFR) is based on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors and the Audit Committee of the Manager can recommend that Unitholders vote in favour of the resolution in connection with the Proposed Transaction to be proposed at the EGM.

The Independent Directors and the Audit Committee of the Manager have considered the relevant factors, including the opinion of the IFA, the rationale of the Proposed Transaction as set out in Paragraph 2.10 of this Circular and believe that the Proposed Transaction (including the ROFR) is based on normal commercial terms and would not be prejudicial to the interests of Parkway Life REIT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit Committee of the Manager recommend that the Unitholders vote in favour of the Ordinary Resolution in relation to the Proposed Transaction.

Steps on Voting

STEP 1

Locate the Proxy Form: This Circular, the Notice of EGM and the instrument appointing the Chairman of EGM as proxy ("**Proxy Form**") will be sent to Unitholders solely by electronic means via publication on Parkway Life REIT's website at the URL https://plifereit.listedcompany.com/egm.html, and will also be made available on the *SGX* website at the URL https://www.sgx.com/securities/company-announcements.

STEP 2

Fill out the Proxy Form: Fill out your particulars and appoint the Chairman of the EGM to vote on your behalf at the EGM if you wish to exercise your voting rights at the EGM. Please be reminded to sign the Proxy Form.

STEP 3

Submit your Completed Proxy Form: The Proxy Form must be submitted to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

a. if submitted by post, be lodged at the office of the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

b. if submitted electronically, be submitted via email to the Unit Registrar at SRS.TeamD@boardroomlimited.com,

in either case, by **10.00 a.m. (Singapore time) on 27 September 2021**, being 72 hours before the time fixed for the EGM.

Please note that the deadline for CPF and SRS investors to submit their votes is by **5.00 p.m. (Singapore time) on 20 September 2021**, being 7 working days before the date of the EGM.

We look forward to the kind support of Unitholders.

Thank you.

TABLE OF CONTENTS

CORPORATE INFORMATION

Directors of Parkway Trust Management Limited (the "Directors")	:	Mr. Ho Kian Guan (Independent Director and Chairman) Dr. Jennifer Lee Gek Choo (Independent Director) Ms. Cheah Sui Ling (Independent Director) Dr. Kelvin Loh Chi-Keon (Non-Executive Director) Mr. Takeshi Saito (Non-Executive Director) Mr. Joerg Ayrle (Non-Executive Director) Mr. Sim Heng Joo Joe (Non-Executive Director) Mr. Yong Yean Chau (Chief Executive Officer and Executive Director)
Registered Office of Parkway Trust Management Limited (the "Manager")	:	80 Robinson Road #02-00 Singapore 068898
Trustee of Parkway Life REIT (the "Trustee")	:	HSBC Institutional Trust Services (Singapore) Limited 10 Marina Boulevard Marina Bay Financial Centre Tower 2, Level 48-01 Singapore 018983
Legal Adviser to the Manager	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Trustee	:	Dentons Rodyk & Davidson LLP 80 Raffles Place #33-00 UOB Plaza 1 Singapore 048624
Independent Financial Adviser to the Independent Directors and Audit Committee of the Manager and to the Trustee (the "IFA")	:	Ernst & Young Corporate Finance Pte Ltd One Raffles Quay North Tower, Level 18 Singapore 048583
Independent Valuers	:	CBRE Pte. Ltd. 2 Tanjong Katong Road #06-01 Paya Lebar Quarter Singapore 437161 Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Independent Market Research Consultant	:	Frost & Sullivan (S) Pte Ltd 78 Shenton Way #32-00 Singapore 079120
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623

SUMMARY

The following summary should be read in conjunction with the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 32 to 38 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

SUMMARY OF APPROVAL SOUGHT

The Manager seeks approval from unitholders of Parkway Life REIT ("**Unitholders**") for the proposed entry into the new master lease agreements (the "**New Master Lease Agreements**") in relation to Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property (each as defined herein, and collectively, the "**Properties**", and each a "**Property**") and the Renewal Capex Agreement (as defined herein) (collectively, the "**Proposed Transaction**").

THE NEW MASTER LEASE AGREEMENTS

The Properties are held by HSBC Institutional Trust Services (Singapore) Limited (as trustee of Parkway Life REIT) (the "**Master Lessor**" or the "**Trustee**"). In connection with the initial public offering of Parkway Life REIT and the listing of its units on the Main Board of the SGX-ST, the Master Lessor had leased the Properties to Parkway Hospitals Singapore Pte. Ltd. (the "**Master Lessee**") pursuant to separate master lease agreements entered into on 23 August 2007 (the "**Existing Master Lease Agreements**"). The Master Lessee is a wholly-owned subsidiary of Parkway Holdings Limited which is the sponsor of Parkway Life REIT (the "**Sponsor**") and its principal activities are private hospitals ownership and management.

The Existing Master Lease Agreements are for an initial term of 15 years from the listing date of Parkway Life REIT (the "**Existing Term**"), with an option to extend the term for another 15 years based on the terms of the Existing Master Lease Agreements. The Existing Master Lease Agreements are due to expire on 22 August 2022.

In view of the foregoing, the Manager is seeking Unitholders' approval for the New Master Lease Agreements and the Renewal Capex Agreement which are proposed to be entered into between the Master Lessor and the Master Lessee. In connection with the Proposed Transaction, the Master Lessor and the Master Lessee have entered into an agreement for lease framework on 14 July 2021 (the "**Agreement for Lease Framework**").

The term of the New Master Lease Agreements (the "**Renewal Term**") shall be for the period from 23 August 2022 to 31 December 2042, comprising:

(i) an interim period from 23 August 2022 to 31 December 2022 (the "**Interim Period**"); and

(ii) 20 years from 1 January 2023 to 31 December 2042.

The Master Lessee has the option to extend each of the New Master Lease Agreements for a further term of 10 years from 1 January 2043 to 31 December 2052 (the "**Extended Term**") upon the expiry of the Renewal Term, by giving a written notice to the Master Lessor at least 18 months prior to the expiry of the Renewal Term, provided that there is no existing breach or non-observance or non-performance of the relevant New Master Lease Agreement by the Master Lessee at the time of serving the written notice.

If the Proposed Transaction is approved, the New Master Lease Agreements shall commence immediately upon the expiry of the Existing Master Lease Agreements.

Rental under the New Master Lease Agreements

The annual rent payable (the "**Rent**"), rental escalation and other conditions under the New Master Lease Agreements were negotiated on an arm's length basis and based on normal commercial terms. The Rent for the first financial year of the Renewal Term (i.e. FY2023) of S$97.2 million (the "**Initial Rent**") for the Properties has been determined based on the then prevailing market rent and a 15.0% cap of the average adjusted hospital revenue of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent is supported by the rental valuations conducted by CBRE Pte. Ltd. ("**CBRE**") and Knight Frank Pte Ltd ("**Knight Frank**" and together with CBRE, the "**Independent Valuers**"). The Rental Valuation Certificates issued by the Independent Valuers are set out in **Appendix A** of this Circular.

The Rent payable for the Renewal Term for all Properties shall be as follows:

Period	Aggregate Rent Payable for the Properties	
	% change from preceding year/period	**Estimated Rent Per Annum[1]**
Interim Period - 23 August 2022 to 31 December 2022[2]	2.0% (Fixed)	Approximately S$72.4 million (to be pro-rated for the relevant period)
Year 1 of the Renewal Term - Financial Year ending 31 December 2023 ("**FY2023**")	3.0% (Fixed)	Approximately S$74.6 million Based on the Initial Rent of S$97.2 million, subject to a Downtime Period Rent Rebate (as defined herein) of approximately S$22.6 million
Year 2 of the Renewal Term - Financial Year ending 31 December 2024 ("**FY2024**")	3.0% (Fixed)	Approximately S$76.9 million Based on the Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$20.3 million
Year 3 of the Renewal Term - Financial Year ending 31 December 2025 ("**FY2025**")	3.0% (Fixed)	Approximately S$79.2 million Based on the Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$18.0 million For the avoidance of doubt, the Initial Rent is inclusive of the base rent of S$64.8 million (the "**Base Rent**") which is calculated to be approximately 66.7% of the Initial Rent as supported by the rental valuations conducted by the Independent Valuers
Year 4 of the Renewal Term - Financial Year ending 31 December 2026 ("**FY2026**")	Percentage of rent escalation will vary. Please see rent calculation.	Approximately S$99.2 million[3] Based on the aggregate of: (a) Base Rent; and (b) 3.8% of the Adjusted Hospital Revenue (as defined herein) for the Properties for the subject financial year (the "**Variable Rent**"), provided always that the Rent payable shall be no less than the equivalent of: {1 + (CPI[4] + 1%)} X Initial Rent
From Year 5 of the Renewal Term until Year 20 of the Renewal Term - Financial Year ending 31 December 2027 until the Financial Year ending 31 December 2042 ("**FY2027** until **FY2042**")	Percentage of rent escalation will vary. Please see rent calculation.	Based on the aggregate of: (a) Base Rent; and (b) Variable Rent, provided always that the Rent payable shall be no less than the equivalent of: {1 + (CPI[4] + 1%)} X total Rent payable for the immediately preceding year

Notes:

(1) The Rent per annum for the Interim Period and Year 1 to Year 3 of the Renewal Term as set out in this Circular is an estimation based on the latest available information and projections of the minimum guaranteed rents based on the CPI + 1% rental revision calculations for Year 14 (23 August 2020 to 22 August 2021) and Year 15 (23 August 2021 to 22 August 2022) of the Existing Term. The actual final Rent for the Interim Period and Year 1 to Year 3 of the Renewal Term may vary subject to the determination of the actual rent paid for Year 14 (the "**Actual Year 14 Rent**") and Year 15 (the "**Actual Year 15 Rent**") of the Existing Term. Pursuant to the annual rent review formula under the Existing Master Lease Agreements, the Actual Year 14 Rent and Actual Year 15 Rent are expected to be finalised latest by mid-November 2021 and mid-November 2022 respectively. Adjustments will be accordingly made to compute the actual final Rent of the Interim Period and Year 1 to Year 3 of the Renewal Term in accordance with the terms of the New Master Lease Agreements. Along with the adjustments, the actual final Downtime Period Rent Rebate for Year 1 to Year 3 of the Renewal Term will be accordingly established. Please refer to paragraph 2.3 of this Circular for further information on rental under the Existing Master Lease Agreements.

(2) For the avoidance of doubt, the applicable preceding period of the Interim Period is Year 15 (23 August 2021 to 22 August 2022) of the Existing Term and the Rent of the Interim Period is to be applied on a *pro-rata* basis.

(3) Estimated based on {1 + (CPI + 1%)} x Initial Rent of S$97.2 million, where CPI is assumed to be 1.0%.

(4) "**CPI**" shall mean 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 given year, the CPI shall be deemed to be zero.

As indicated above, the Rent during the Interim Period shall be at a 2.0% step-up compared to the estimated expiring rent for Year 15 of the Existing Term of S$71.0 million[1] (the "**Estimated Year 15 Rent**") and is to be pro-rated for the relevant period from 23 August 2022 to 31 December 2022.

The Renewal Capex Works (as defined herein) are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term (i.e. FY2023 to FY2025) (the "**Downtime Period**"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis will be granted to the Master Lessee for the Downtime Period (the "**Downtime Period Rent Rebate**"). The total amount of Downtime Period Rent Rebate will be approximately S$60.9 million. Nonetheless, the Rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period.

An annual rent review formula shall be applicable for Year 4 to Year 20 of the Renewal Term (i.e. FY2026 to FY2042) and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements. At the end of Year 4 of the Renewal Term, the Rent will reflect total rental growth of approximately 39.6% as compared to the Estimated Year 15 Rent.

Extended Term

The revised Rent for the Extended Term shall be 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 New Master Lease Agreements for each of the Properties save that there shall be no further option to extend the lease term beyond the Extended Term, and provided that the revised Rent for the first year of the Extended Term shall not exceed the amount equivalent to 15.0% of the average Adjusted Hospital Revenue of the applicable Property for the immediate 10-year period that is two years prior to the expiry of the Renewal Term (i.e. the financial year ending 31 December 2030 to the financial year ending 31 December 2039). A rent cap was also agreed as part of the terms under the Existing Master Lease Agreements which provide, among others, that the revised rent for the first year of the extended term under the Existing Master Lease Agreements shall not exceed the amount equivalent to 15.0% of the Adjusted Hospital Revenue for the financial year ending 31 December 2021. Please refer to paragraph 2.2 of this Circular for more details on the Existing Master Lease Agreements.

[1] An estimation based on the latest available information and projections of the minimum guaranteed rent based on the CPI + 1% rental revision calculations for Year 15 (23 August 2021 to 22 August 2022) of the Existing Term. Please refer to paragraph 2.3 of this Circular for further information on rental under the Existing Master Lease Agreements.

In the event of any dispute on the revised Rent for the Extended Term, the Master Lessee may, with 30 days' prior written notice to the Master Lessor, withdraw its option to renew (even if the exercise of such option to renew constitutes an agreement for lease at law) prior to the execution of any definitive lease documents for the Extended Term. Without prejudice to the right of the Master Lessee to withdraw its exercise of the option to renew the New Master Lease Agreements, in the event of any dispute on the revised Rent for the Extended Term, an independent expert shall be jointly appointed by the Master Lessor and the Master Lessee to determine the final outcome and associated costs shall be apportioned equally between both parties.

THE RENEWAL CAPEX AGREEMENT

Key Terms

As part of the Proposed Transaction, the Master Lessor shall be responsible for a one-time capital expenditure cost of up to S$150.0 million (exclusive of goods and services tax ("**GST**")) (the "**Renewal Capex Costs**") to conduct certain capital expenditure works on the applicable Properties (the "**Renewal Capex Works**").

Under the terms of the Renewal Capex Agreement, the Renewal Capex Works shall be substantially based on an agreed scope. However, such scope shall be subject to changes and variations based on the findings of the feasibility studies conducted by independent consultants as appointed by the Master Lessor, and with the written agreement of the Master Lessee (such agreement not to be unreasonably withheld or delayed) having regard to the operational requirements of the Master Lessee. The feasibility studies are expected to be completed around October 2021 and further details relating to the Renewal Capex Works shall be disclosed by the Manager in due course.

The Master Lessor will be responsible for undertaking and completing the Renewal Capex Works, including appointing the building contractor in accordance with its procurement policies, with due regard to the ongoing operations of the Master Lessee (and its occupiers) at the Properties (where applicable). The appointment of the building contractor will also be subject to prior written agreement of the Master Lessee (such agreement not to be unreasonably withheld or delayed).

Renewal Capex Costs

The Renewal Capex Costs shall be for the total value of the Renewal Capex Works which includes construction costs, consultancy fees, submission to any local authorities and applicable taxes, any costs whatsoever that may be incurred in connection with the Renewal Capex Agreement and a contingency amount (which shall be mutually agreed between the Master Lessor and Master Lessee) to cover potential costs over-run and agreed variations to the Renewal Capex Works.

In the event of any costs over-run in respect of the Renewal Capex Works (including conditions or additional costs imposed by the relevant laws and/or required by the relevant authorities), the Master Lessor and the Master Lessee shall negotiate in good faith with a view of agreeing on appropriate measures to contain the costs within the Renewal Capex Costs.

Any unutilised part of the Renewal Capex Costs shall be used to carry out capital expenditure works at any of the Properties as may be mutually agreed between the Master Lessor and the Master Lessee within the agreed Renewal Capex Timeline (as defined below) or such extended timeline as mutually agreed in writing by the Master Lessor and the Master Lessee.

Timeline of the Renewal Capex Works

The Master Lessor and Master Lessee agree in good faith to work towards the commencement of the physical construction of Renewal Capex Works by no later than 1 January 2023 (subject to completion of feasibility studies, design development, tender and procurement and obtainment of all relevant development, building and regulatory approvals) or such other extended date as may be reasonably and mutually agreed in good faith between the Master Lessor and the Master Lessee.

The Renewal Capex Works are estimated to take three years to complete but the Master Lessee may request for the Master Lessor to carry out the works in phases due to operational considerations of the Master Lessee provided that the completion of all Renewal Capex Works shall be no later than 31 March 2028 or such extended date in accordance with the Renewal Capex Agreement or such other date to be mutually agreed between the Master Lessor and the Master Lessee (the "**Renewal Capex Timeline**").

Method of Financing

Based on the Manager's assessment of the prevailing market conditions, the intention is to wholly finance the Renewal Capex Costs and related feasibility studies expenses via external borrowings.

RIGHT OF FIRST REFUSAL

In connection with the Proposed Transaction, Parkway Novena Pte. Ltd. (the "**ROFR Grantor**"), which is a wholly-owned subsidiary of the Sponsor, shall grant to Parkway Life REIT, a right of first refusal ("**ROFR**") in respect of a sale, assignment or transfer of the ROFR Grantor's ownership interest (or any part thereof) of the strata lot U4976A of Town Subdivision 29 comprised in Subsidiary Strata Certificate of Title Volume 1608 of Folio 186 (together with all accessory lots appurtenant thereto) (or any part thereof) which is the hospital block of the Mount Elizabeth Novena Hospital development (the "**Mount Elizabeth Novena Hospital Property**") currently owned by the ROFR Grantor at 38 Irrawaddy Road, #01-01 and #01-18, Mount Elizabeth Novena Hospital, Singapore 329563 save and except the business and/or other non-real estate assets, on the terms set out in the ROFR agreement for a period of 10 years from the date of the ROFR agreement, for so long as (i) Parkway Life REIT is listed on and quoted on the Main Board of the SGX-ST; (ii) Parkway Trust Management Limited remains the manager of Parkway Life REIT; and (iii) the ROFR Grantor and/or any of its related corporations, alone or in aggregate, remains as a Controlling Shareholder (as defined herein) of Parkway Trust Management Limited.

RATIONALE FOR THE PROPOSED TRANSACTION

The Manager believes that the Proposed Transaction will be beneficial to Parkway Life REIT and its Unitholders for the following reasons:

(a) the New Master Lease Agreements will provide long-term income certainty, stability and sustainable occupancy for Parkway Life REIT;

(b) the clear rent structure of the New Master Lease Agreements underpins the organic growth of Parkway Life REIT;

(c) the Renewal Capex Works will enhance the operational performance and asset values of the existing high quality Properties;

(d) the New Master Lease Agreements will ensure that the Properties remain well-positioned to ride on the growth potential of the Singapore healthcare industry; and

(e) the ROFR over a high quality healthcare property in Singapore further enhances Parkway Life REIT's growth potential and demonstrates the Sponsor's strong support for Parkway Life REIT and the alignment of interest between the Sponsor and unitholders of Parkway Life REIT.

INTERESTED PERSON TRANSACTION[1]

As at the Latest Practicable Date, the Manager has a direct interest in 1,881,886 Units (comprising 0.31% of the total number of issued Units).

The Manager is a direct, wholly-owned subsidiary of the Sponsor. The Sponsor directly and/or through its subsidiaries and through its interest in the Manager, has deemed interests of (i) approximately 35.56% in Parkway Life REIT and (ii) 100% in the Manager, and is therefore regarded as a "**Controlling Unitholder**"[2] of Parkway Life REIT and a "**Controlling Shareholder**"[3] of the Manager, respectively, under the listing manual of the SGX-ST (the "**Listing Manual**").

The Master Lessee is a wholly-owned subsidiary of the Sponsor. Accordingly, for the purpose of Chapter 9 of the Listing Manual, the Master Lessee is an Interested Person[4] of Parkway Life REIT.

As such, the Proposed Transaction will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual, for which Unitholders' approval is required. Accordingly, the approval of Unitholders is sought for the Proposed Transaction.

IFA OPINION

The IFA is of the opinion that the Proposed Transaction (including the ROFR) is on normal commercial terms and not prejudicial to the interests of Parkway Life REIT and its minority unitholders. (See paragraph 3 of the Circular.)

---

1 "**Interested Person Transaction**" means a transaction between an entity at risk and an Interested Person (as defined herein).

2 "**Controlling Unitholder**" means a person who:

(a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or

(b) in fact exercises control over the property fund.

3 "**Controlling Shareholder**" means a person who:

(a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or

(b) in fact exercises control over a company.

4 As defined in the Listing Manual, means:

(a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of Parkway Life REIT; or

(b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of Parkway Life REIT.

INDICATIVE TIMETABLE

The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager's absolute discretion. Any changes (including any determination of the relevant dates) to the timetable below will be announced.

Event		**Date and Time**
Last date and time for pre-registration for EGM	:	27 September 2021 (Monday) at 10.00 a.m. (Singapore time)
Last date and time for lodgement of Proxy Forms	:	27 September 2021 (Monday) at 10.00 a.m. (Singapore time)
Last date and time for Unitholders to submit questions	:	27 September 2021 (Monday) at 10.00 a.m. (Singapore time)
Date and time of the EGM to be held by way of electronic means	:	30 September 2021 (Thursday) at 10.00 a.m. (Singapore time)
If approval for the Proposed Transaction is obtained at the EGM:		
Commencement of the New Master Lease Agreements	:	23 August 2022

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

Directors of the Manager	**Registered Office**
Mr. Ho Kian Guan (Independent Director and Chairman) Dr. Jennifer Lee Gek Choo (Independent Director) Ms. Cheah Sui Ling (Independent Director) Dr. Kelvin Loh Chi-Keon (Non-Executive Director) Mr. Takeshi Saito (Non-Executive Director) Mr. Joerg Ayrle (Non-Executive Director) Mr. Sim Heng Joo Joe (Non-Executive Director) Mr. Yong Yean Chau (Chief Executive Officer and Executive Director)	80 Robinson Road #02-00 Singapore 068898

8 September 2021

To: Unitholders of Parkway Life REIT

Dear Sir/Madam

1. SUMMARY OF APPROVAL SOUGHT

The Manager is convening the extraordinary general meeting of Unitholders ("**EGM**") to seek Unitholders' approval for the Proposed Transaction (i.e. the entry into the New Master Lease Agreements and the Renewal Capex Agreement) which constitutes an interested person transaction (Ordinary Resolution).

The EGM will be held by way of electronic means on 30 September 2021, Thursday at 10.00 a.m. (Singapore time).

2. THE PROPOSED ENTRY INTO THE NEW MASTER LEASE AGREEMENTS AND RENEWAL CAPEX AGREEMENT

2.1 Description of the Properties[1]

The Properties are held by HSBC Institutional Trust Services (Singapore) Limited (as trustee of Parkway Life REIT).

Mount Elizabeth Hospital Property

Mount Elizabeth Hospital Property comprises Mount Elizabeth Hospital which has 345 licensed beds, 30 medical centre units and 363 carpark lots. Mount Elizabeth Hospital is made up of a 10-storey block and a five-storey block as well as carpark lots. Mount Elizabeth Medical Centre comprises a 17-storey medical and retail block with a total of 232 medical centre units and a carpark.

Mount Elizabeth Hospital Property comprised approximately 37.2% of the total portfolio of Parkway Life REIT by asset value as at 31 December 2020 and the net property income of Mount Elizabeth Hospital Property comprised approximately 36.1% of the total portfolio of Parkway Life REIT for the financial year ended 31 December 2020.

[1] Based on available information as at June 2021.

Gleneagles Hospital Property

Gleneagles Hospital Property comprises Gleneagles Hospital which has 257 licensed beds, 10 medical centre units and 121 carpark lots. Gleneagles Hospital is made up of a 10-storey block with two basements and a five-storey annex block as well as carpark lots. Gleneagles Medical Centre comprises a 10-storey block with three basements and comprises 164 medical centre units from the 2nd to 10th storey.

Gleneagles Property comprised approximately 19.6% of the total portfolio of Parkway Life REIT by asset value as at 31 December 2020 and the net property income of Gleneagles Hospital Property comprised approximately 19.3% of the total portfolio of Parkway Life REIT for the financial year ended 31 December 2020.

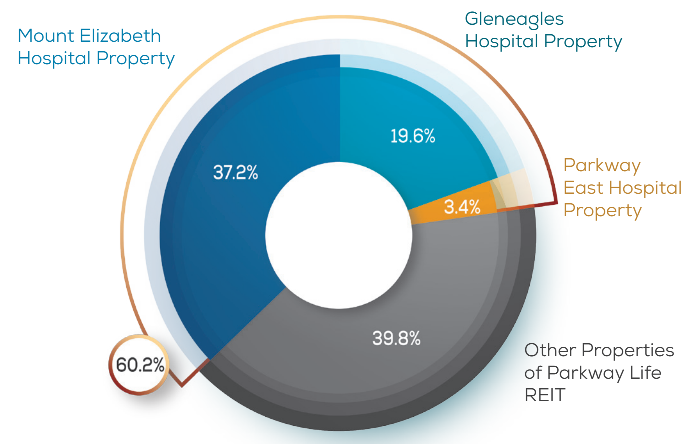
Parkway East Hospital Property

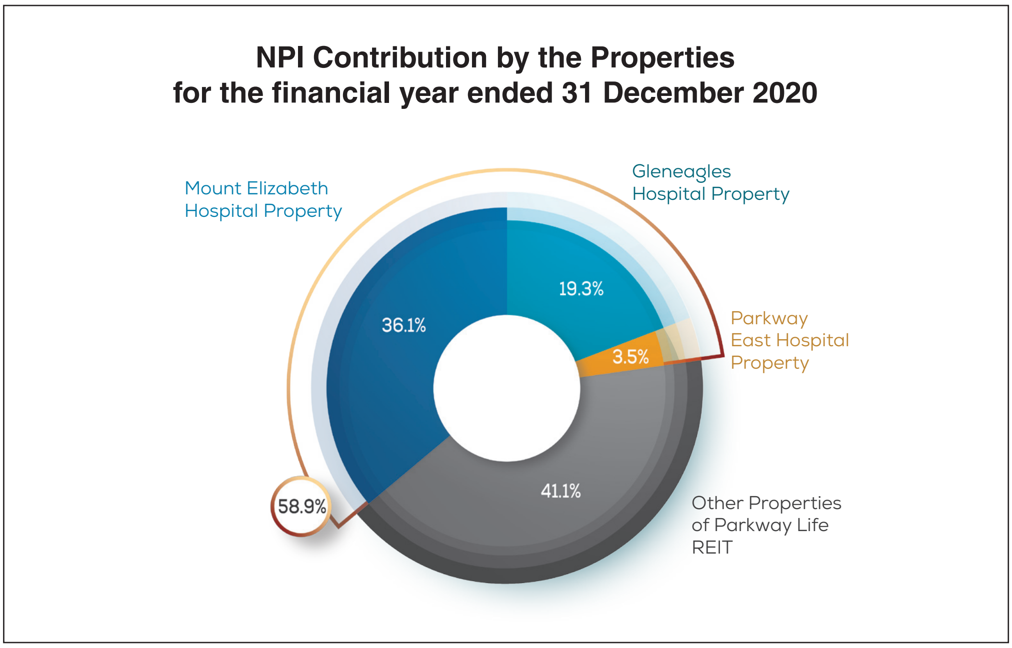
Parkway East Hospital Property comprises Parkway East Hospital which has 143 licensed beds. Parkway East Hospital is made up of a four-storey block as well as carpark lots, and a medical centre comprising a five-storey block with a total of 28 medical centre units.

Parkway East Hospital Property comprised approximately 3.4% of the total portfolio of Parkway Life REIT by asset value as at 31 December 2020 and the net property income of Parkway East Hospital Property comprised approximately 3.5% of the total portfolio of Parkway Life REIT for the financial year ended 31 December 2020.

Collectively, the Properties comprised approximately 60.2% by asset value as at 31 December 2020 and approximately 58.9% by net property income ("**NPI**") for the financial year ended 31 December 2020, of the total portfolio of Parkway Life REIT.

Asset Value Contribution by the Properties as at 31 December 2020





2.2 Existing Master Lease Agreements

The Properties are currently leased to the Master Lessee under the Existing Master Lease Agreements. The Existing Master Lease Agreements were entered into on 23 August 2007 in connection with the initial public offering of Parkway Life REIT and the listing of its units on the Main Board of the SGX-ST.

The Existing Master Lease Agreements are for an initial term of 15 years from the listing date of Parkway Life REIT with an option to extend the term for another 15 years based on the terms of the Existing Master Lease Agreements which provide, among others, 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 the financial year ending 31 December 2021. The Existing Master Lease Agreements are due to expire on 22 August 2022.

In view of the foregoing, the Manager is seeking Unitholders' approval for the proposed entry into the New Master Lease Agreements and the Renewal Capex Agreement. In connection with the Proposed Transaction, the Master Lessor and the Master Lessee have entered into the Agreement for Lease Framework on 14 July 2021 which states, among others, that the Master Lessor shall use commercially reasonable endeavours to obtain the approval of the SGX-ST of the circular to be issued to Unitholders in relation to the Proposed Transaction and Unitholders' approval for the Proposed Transaction. The Master Lessor shall within 10 business days deliver to the Master Lessee the New Master Lease Agreements and the Renewal Capex Agreement duly executed by the Master Lessor, following which, the Master Lessee shall execute the New Master Lease Agreements and the Renewal Capex Agreement within 14 business days from the date of receipt of the New Master Lease Agreements and the Renewal Capex Agreement from the Master Lessor and shall promptly submit the New Master Lease Agreements for registration by the Singapore Land Authority. The Master Lessee shall within 10 business days of the same deliver to the Master Lessor the ROFR agreement duly executed by the ROFR Grantor and the Master Lessor shall execute the ROFR agreement within 14 business days from the date of receipt of the ROFR agreement.

2.3 Rental under the Existing Master Lease Agreements

The rent payable under the Existing Master Lease Agreements is as follows:

Year	Rent payable per annum		
	Mount Elizabeth Hospital Property	**Gleneagles Hospital Property**	**Parkway East Hospital Property**
1st year of the Existing Term	The aggregate of: (a) S$19.8 million (the "**Existing Mount Elizabeth Base Rent**"); and (b) the higher of (i) 3.8% of Adjusted Hospital Revenue of Mount Elizabeth Hospital Property for the current financial year (the "**Existing Mount Elizabeth Variable Rent**") or (ii) S$9.9 million.	The aggregate of: (a) S$8.7 million (the "**Existing Gleneagles Base Rent**"); and (b) the higher of (i) 3.8% of Adjusted Hospital Revenue of Gleneagles Hospital Property for the current financial year (the "**Existing Gleneagles Variable Rent**") or (ii) S$4.3 million.	The aggregate of: (a) S$1.5 million (the "**Existing Parkway East Base Rent**"); and (b) the higher of (i) 3.8% of Adjusted Hospital Revenue of Parkway East Hospital Property for the current financial year (the "**Existing Parkway East Variable Rent**") or (ii) S$0.8 million.
2nd year till final year of the Existing Term	The aggregate of: (a) the Existing Mount Elizabeth Base Rent; and (b) the Existing Mount Elizabeth Variable Rent, provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[1] + 1.0%)} x total rent payable for the immediately preceding year. Where CPI is negative for any given year, then CPI shall be deemed to be zero.	The aggregate of: (a) the Existing Gleneagles Base Rent; and (b) the Existing Gleneagles Variable Rent, provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[1] + 1.0%)} x total rent payable for the immediately preceding year. Where CPI is negative for any given year, then CPI shall be deemed to be zero.	The aggregate of: (a) the Existing Parkway East Base Rent; and (b) the Existing Parkway East Variable Rent, provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[1] + 1.0%)} x total rent payable for the immediately preceding year. Where CPI is negative for any given year, then CPI shall be deemed to be zero.

"**Adjusted Hospital Revenue**" in respect of each Property shall mean the sum of:

(a) 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 valued 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:

(i) inpatient revenue, including lodger revenue;

(ii) outpatient revenue;

(iii) 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 and Medi-Rad Associates Ltd ("**Medi-Rad**") (if applicable));

---

1 Refers to 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 the CPI is negative for any given year, the CPI shall be deemed to be zero.

(iv) carpark revenue;

(v) retail pharmacy revenue and amounts paid in connection therewith, if applicable; and

(vi) food and beverage revenue from the staff cafeteria and doctors' lounge;

(b) 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 the 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 Adjusted Hospital Revenue.

2.4 Key Terms of the New Master Lease Agreements

The key terms of the New Master Lease Agreements are as follows:

2.4.1 The Renewal Term under the New Master Lease Agreements comprises the Interim Period which will commence from 23 August 2022 to 31 December 2022 and 20 years from 1 January 2023 to 31 December 2042.

The Interim Period has been introduced commencing from the expiry of the Existing Term on 23 August 2022 to 31 December 2022, to realign each subsequent lease period to the respective financial year end of Parkway Life REIT and the Master Lessee ending on 31 December.

2.4.2 The Master Lessee shall have an option to extend the lease of each of the Properties for an Extended Term of 10 years from 1 January 2043 to 31 December 2052 upon the expiry of the Renewal Term, by giving a written notice to the Master Lessor at least 18 months prior to the expiry of the Renewal Term, provided that there is no existing breach or non-observance or non-performance of the relevant New Master Lease Agreement by the Master Lessee at the time of serving the written notice.

2.4.3 The revised rent for the Extended Term shall be 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 New Master Lease Agreement for each of the Properties save that there shall be no further option to extend the lease term beyond the Extended Term, provided that the revised rent for the first year of the Extended Term shall not exceed the amount equivalent to 15.0% of the average Adjusted Hospital Revenue of the applicable Property for the immediate 10-year period that is two years prior to the expiry of the Renewal Term. For the avoidance of doubt, the referred 10-year period shall mean the financial year ending 31 December 2030 to the financial year ending 31 December 2039.

2.4.4 In the event of any dispute on the revised Rent for the Extended Term, the Master Lessee may, with 30 days' prior written notice to the Master Lessor, withdraw its option to renew (even if the exercise of such option to renew constitutes an agreement for lease at law) prior to the execution of any definitive lease documents for the Extended Term. Without prejudice to the right of the Master Lessee to withdraw its exercise of the option to renew, in the event of any dispute on the revised Rent for the Extended Term, an independent expert shall be jointly appointed by the Master Lessor and the Master Lessee to determine the final outcome and associated costs shall be apportioned equally between both parties.

2.4.5 Upon signing of the New Master Lease Agreements, the Master Lessee shall furnish to the Master Lessor for each of the Properties, a security deposit of three months of the Base Rent of the respective Property, calculated on a monthly basis in the form of a cash deposit or an irrevocable banker's guarantee (form of which is attached in the New Master Lease Agreements) and/or a corporate guarantee (form of which is attached in the New Master Lease Agreements) to be issued by Parkway Pantai Limited (as guarantor) to secure the security deposit.

2.4.6 The Master Lessor shall be responsible for a one-time Renewal Capex Costs incurred in relation to the Renewal Capex Works to be performed on the applicable Properties based on the terms of the Renewal Capex Agreement. Further details relating to the Renewal Capex Agreement are being disclosed in paragraph 2.7 of this Circular.

2.4.7 Save for the revised key terms as described in this paragraph 2.4, the terms of Rent as described in paragraph 2.5 to 2.6 of this Circular and the terms of the Renewal Capex Agreement as described in paragraph 2.7 of this Circular, the other remaining terms of the New Master Lease Agreements are substantially similar to the terms in the Existing Master Lease Agreements.

2.5 Rent payable under the New Master Lease Agreements for all Properties

The Rent, rental escalation and other conditions under the New Master Lease Agreements were negotiated on an arm's length basis and based on normal commercial terms. The Initial Rent for the Properties has been determined based on the then prevailing market rent and a 15.0% cap of the average adjusted hospital revenue of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent is supported by the rental valuations conducted by the Independent Valuers. The Rental Valuation Certificates issued by the Independent Valuers are set out in **Appendix A** of this Circular.

The Rent payable for the Renewal Term for all Properties shall be as follows:

Period	Aggregate Rent Payable for the Properties	
	% change from preceding year / period	**Estimated Rent per annum[1]**
Interim Period (23 August 2022 to 31 December 2022[2])	2.0% (Fixed)	Approximately S$72.4 million (to be pro-rated for the relevant period)
Year 1 of the Renewal Term (FY2023)	3.0% (Fixed)	Approximately S$74.6 million Based on the Initial Rent of S$97.2 million, subject to a Downtime Period Rent Rebate of approximately S$22.6 million
Year 2 of the Renewal Term (FY2024)	3.0% (Fixed)	Approximately S$76.9 million Based on the Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$20.3 million
Year 3 of the Renewal Term (FY2025)	3.0% (Fixed)	Approximately S$79.2 million Based on the Initial Rent subject to a Downtime Period Rent Rebate of approximately S$18.0 million
Year 4 of the Renewal Term (FY2026)	Percentage of rent escalation will vary. Please see rent calculation.	Approximately S$99.2 million[3]; Based on the aggregate of: (a) Base Rent; and (b) Variable Rent of 3.8% of the Adjusted Hospital Revenue[4] for the respective Properties for the subject financial year, provided always that the Rent payable shall be no less than the equivalent of: {1 + (CPI[5] + 1%)} X Initial Rent
From Year 5 of the Renewal Term until Year 20 of the Renewal Term (FY2027 until FY2042)	Percentage of rent escalation will vary. Please see rent calculation.	Based on the aggregate of: (a) Base Rent; and (b) Variable Rent, provided always that the Rent payable shall be no less than the equivalent of: {1 + (CPI[5] + 1%)} X total Rent payable for the immediately preceding year

Notes:

(1) The Rent per annum for the Interim Period and Year 1 to Year 3 of the Renewal Term as set out in this Circular is an estimation based on the latest available information and projections of the minimum guaranteed rents based on CPI + 1% rental revision calculations for Year 14 (23 August 2020 to 22 August 2021) and Year 15 (23 August 2021 to 22 August 2022) of the Existing Term. The actual final Rent for the Interim Period and Year 1 to Year 3 of the Renewal Term may vary subject to the determination of the Actual Year 14 Rent and the Actual Year 15 Rent. Pursuant to the annual rent review formula under the Existing Master Lease Agreements, the Actual Year 14 Rent and Actual Year 15 Rent are expected to be finalised latest by mid-November 2021 and mid-November 2022 respectively. Adjustments will be accordingly made to compute the actual final Rent of the Interim Period and Year 1 to Year 3 of the Renewal Term in accordance with the terms of the New Master Lease Agreements. Along with the adjustments, the actual final Downtime Period Rent Rebate for Year 1 to Year 3 of the Renewal Term will be accordingly established. Please refer to paragraph 2.3 of this Circular for further information on rental under the Existing Master Lease Agreements.

(2) For the avoidance of doubt, the applicable preceding period of the Interim Period is Year 15 (23 August 2021 to 22 August 2022) of the Existing Term and the Rent of the Interim Period is to be applied on a *pro-rata* basis.

(3) Estimated based on {1 + (CPI + 1%)} x Initial Rent of S$97.2 million, where CPI is assumed to be 1.0%.

(4) The term “**Adjusted Hospital Revenue**” shall have the same meaning as the term used in the Existing Master Lease Agreements as set out under paragraph 2.3 of this Circular.

(5) “**CPI**” shall mean 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 given year, the CPI shall be deemed to be zero.

As indicated above, the Rent during the Interim Period shall be at a 2.0% step-up from the Estimated Year 15 Rent and is to be pro-rated for the relevant period from 23 August 2022 to 31 December 2022.

The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the Downtime Period comprising the first three full financial years of the Renewal Term (i.e. FY2023 to FY2025). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, a total of approximately S$60.9 million of Downtime Period Rent Rebate will be granted to the Master Lessee for the Downtime Period. Nonetheless, the Rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year / period.

An annual rent review formula shall be applicable for Year 4 to Year 20 of the Renewal Term (i.e. FY2026 to FY2042) and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements. At the end of Year 4 of the Renewal Term, the Rent will reflect total rental growth of approximately 39.6% as compared to the Estimated Year 15 Rent.

2.6 Rent payable under the New Master Lease Agreements for each Property

The Rent payable for the Renewal Term for each Property shall be as follows:

	Estimated Rent per annum[1]		
Period	**Mount Elizabeth Hospital Property**	**Gleneagles Hospital Property**	**Parkway East Hospital Property**
Interim Period (23 August 2022 to 31 December 2022)[2]	S$44.9 million (to be pro-rated for the relevant period)	S$23.4 million (to be pro-rated for the relevant period)	S$4.1 million (to be pro-rated for the relevant period)
Year 1 of the Renewal Term (FY2023)	Approximately S$42.2 million Based on the initial rent of S$60.3 million (the “**Mount Elizabeth Initial Rent**”), subject to a Downtime Period Rent Rebate of approximately S$18.1 million. For the avoidance of doubt, the New Mount Elizabeth Initial Rent is inclusive of the Base Rent of S$40.2 million (the “**Mount Elizabeth Base Rent**”).	Approximately S$27.7 million Based on the initial rent of S$31.1 million (the “**Gleneagles Initial Rent**”), subject to a Downtime Period Rent Rebate of approximately S$3.4 million. For the avoidance of doubt, the New Gleneagles Initial Rent is inclusive of the Base Rent of S$20.7 million (the “**Gleneagles Base Rent**”).	Approximately S$4.7 million Based on the initial rent of S$5.8 million (the “**Parkway East Initial Rent**”), subject to a Downtime Period Rent Rebate of approximately S$1.1 million. For the avoidance of doubt, the New Parkway East Initial Rent is inclusive of the Base Rent of S$3.9 million (the “**Parkway East Base Rent**”).
Year 2 of the Renewal Term (FY2024)	Approximately S$44.0 million Based on the Mount Elizabeth Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$16.3 million.	Approximately S$28.1 million Based on the Gleneagles Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$3.0 million.	Approximately S$4.8 million Based on the Parkway East Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$1.0 million.

Period	Estimated Rent per annum[1]		
	Mount Elizabeth Hospital Property	**Gleneagles Hospital Property**	**Parkway East Hospital Property**
Year 3 of the Renewal Term (FY2025)	Approximately S$45.9 million Based on the Mount Elizabeth Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$14.4 million.	Approximately S$28.4 million Based on the Gleneagles Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$2.7 million.	Approximately S$4.9 million Based on the Parkway East Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$0.9 million.
Year 4 of the Renewal Term (FY2026)	Approximately S$61.5 million[3] Based on the aggregate of: (a) Mount Elizabeth Base Rent; and (b) 3.8% of Adjusted Hospital Revenue[4] for the subject financial year (the "**Mount Elizabeth Variable Rent**"), provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[5]+1.0%)} X Mount Elizabeth Initial Rent.	Approximately S$31.7 million[3] Based on the aggregate of: (a) Gleneagles Base Rent; and (b) 3.8% of Adjusted Hospital Revenue[4] for the subject financial year (the "**Gleneagles Variable Rent**"), provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[5]+1.0%)} X Gleneagles Initial Rent.	Approximately S$6.0 million[3] Based on the aggregate of: (a) Parkway East Base Rent; and (b) 3.8% of Adjusted Hospital Revenue[4] for the subject financial year (the "**Parkway East Variable Rent**"), provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[5]+1.0%)} X Parkway East Initial Rent.
Year 5 of the Renewal Term until Year 20 of the Renewal Term (FY2027 to FY2042)	Based on the aggregate of: (a) Mount Elizabeth Base Rent; and (b) Mount Elizabeth Variable Rent, provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[5]+1.0%)} X total Rent payable for the immediately preceding year	Based on the aggregate of: (a) Gleneagles Base Rent; and (b) Gleneagles Variable Rent, provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[5]+1.0%)} X total Rent payable for the immediately preceding year	Based on the aggregate of: (a) Parkway East Base Rent; and (b) Parkway East Variable Rent, provided always that the rent payable shall be no less than the equivalent of: {1 + (CPI[5]+1.0%)} X total Rent payable for the immediately preceding year

Notes:

(1) The Rent per annum for the Interim Period and Year 1 to Year 3 of the Renewal Term as set out in this Circular is an estimation based on the latest available information and projections of the minimum guaranteed rents based on CPI + 1% rental revision calculations for Year 14 (23 August 2020 to 22 August 2021) and Year 15 (23 August 2021 to 22 August 2022) of the Existing Term. The actual final Rent for the Interim Period and Year 1 to Year 3 of the Renewal Term may vary subject to the determination of the actual rent paid for the Actual Year 14 Rent and the Actual Year 15 Rent of the Existing Term. Pursuant to the annual rent review formula under the Existing Master Lease Agreements, the Actual Year 14 Rent and Actual Year 15 Rent are expected to be finalised latest by mid-November 2021 and mid-November 2022 respectively. Adjustments will be accordingly made to compute the actual final Rent of the Interim Period and Year 1 to Year 3 of the Renewal Term in accordance with the terms of the New Master Lease Agreements. Along with the adjustments, the actual final Downtime Period Rent Rebate for Year 1 to Year 3 of the Renewal Term will be accordingly established. Please refer to paragraph 2.3 of this Circular for further information on rental under the Existing Master Lease Agreements.

(2) For the avoidance of doubt, the applicable preceding period of the Interim Period is Year 15 (23 August 2021 to 22 August 2022) of the Existing Term and the Rent of the Interim Period is to be applied on a *pro-rata* basis.

(3) Estimated based on {1 + (CPI + 1%)} X Initial Rent of the respective Properties, where CPI is assumed to be 1.0%.

(4) The term "**Adjusted Hospital Revenue**" shall have the same meaning as the term used in the Existing Master Lease Agreements as set out under paragraph 2.3 of this Circular.

(5) "**CPI**" shall mean 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 given year, the CPI shall be deemed to be zero.

2.7 The Renewal Capex Agreement

2.7.1 Key Terms

As part of the Proposed Transaction, the Master Lessor shall be responsible for a one-time Renewal Capex Costs of up to S$150.0 million (exclusive of GST) to conduct Renewal Capex Works on the applicable Properties.

Under the terms of the Renewal Capex Agreement, the Renewal Capex Works shall be substantially based on the following agreed scope:

(i) future proofing through improvement works of the safety features and utilities infrastructure;

(ii) enhancing building performance with eco-friendly and sustainability features through Green Mark certification and technological advances such as building management system; and

(iii) refreshing aesthetic and the experience of the space of the property as well as addressing patient demand and evolving healthcare trends through upgrading and reconfiguration of the hospital spaces and functions,

but such scope shall be subject to changes and variations based on the findings of the feasibility studies conducted by independent consultants as appointed by the Master Lessor, and with the written agreement of the Master Lessee (such agreement not to be unreasonably withheld or delayed) having regard to the operational requirements of the Master Lessee. Bulk of the Renewal Capex Works is expected to be performed on Mount Elizabeth Hospital Property. The feasibility studies are expected to be completed around October 2021 and further details relating to the Renewal Capex Works shall be disclosed by the Manager in due course.

The Master Lessor will be responsible for undertaking and completing the Renewal Capex Works, including appointing the building contractor in accordance with its procurement policies, with due regard to the ongoing operations of the Master Lessee (and its occupiers) at the Properties (where applicable). The appointment of the building contractor will also be subject to prior written agreement of the Master Lessee (such agreement not to be unreasonably withheld or delayed).

The Master Lessor and the Master Lessee shall establish a joint committee to:

(a) ensure that the Master Lessee's involvement (by way of feedback or input where required) in the procurement and tendering process of the building contractor which shall be in accordance with the Master Lessor's procurement policies;

(b) discuss and agree in good faith action and arrangements required for implementing the Renewal Capex Agreement and the Renewal Capex Works; and

(c) consider ways from time to time to further enhance co-operation to facilitate the completion of the Renewal Capex Works in a timely manner and to ensure minimal disruption to the operations at the Properties and/or to address any complaints of the occupiers at the Properties as a result of the Renewal Capex Works.

2.7.2 Renewal Capex Costs

The Renewal Capex Costs shall be for the total value of the Renewal Capex Works which includes construction costs, consultancy fees, submission to any local authorities and applicable taxes, any costs whatsoever that may be incurred in connection with the Renewal Capex Agreement and a contingency amount (which shall be mutually agreed between the Master Lessor and Master Lessee) to cover potential costs over-run and agreed variations to the Renewal Capex Works.

In the event of any costs over-run in respect of the Renewal Capex Works (including conditions or additional costs imposed by the relevant laws and/or required by the relevant authorities), the Master Lessor and the Master Lessee shall negotiate in good faith with a view of agreeing on appropriate measures to contain the costs within the Renewal Capex Costs.

Any unutilised part of the Renewal Capex Costs shall be used to carry out capital expenditure works at any of the Properties as may be mutually agreed between the Master Lessor and the Master Lessee within the agreed Renewal Capex Timeline or such extended timeline as mutually agreed in writing by the Master Lessor and the Master Lessee.

2.7.3 Timeline of the Renewal Capex Works

The Master Lessor and Master Lessee agree in good faith to work towards the commencement of the physical construction of Renewal Capex Works by no later than 1 January 2023 (subject to completion of feasibility studies, design development, tender and procurement and obtainment of all relevant development, building and regulatory approvals) or such other extended date as may be reasonably and mutually agreed in good faith between the Master Lessor and the Master Lessee.

The Master Lessor and the Master Lessee, shall no later than one month prior to the commencement of the Renewal Capex Works, mutually agree (acting reasonably and in good faith) on (i) the finalised and detailed list of Renewal Capex Works; (ii) a breakdown of the Renewal Capex Costs against each of the finalised and detailed items of the Renewal Capex Works; and (iii) the division of replacement responsibilities of the items of the Renewal Capex Works between the Master Lessor and the Master Lessee, failing which the Master Lessor shall in its sole discretion determine such matters.

The Renewal Capex Works are estimated to take three years to complete but the Master Lessee may request for the Master Lessor to carry out the works in phases due to operational considerations of the Master Lessee provided that the completion of all Renewal Capex Works shall be no later than 31 March 2028 or such extended date in accordance with the Renewal Capex Agreement or such other date to be mutually agreed between the Master Lessor and the Master Lessee.

The timeline of the Renewal Capex Works shall be automatically extended by such period of extension / delay without any liability on the Master Lessor (for breach or failure to perform any obligation(s) under the Renewal Capex Agreement) in the event of any of the following:

(i) extension of time granted under the building contract to the building contractor to complete the Renewal Capex Works (or any part thereof) pursuant to any measures, directives, regulations, legislations, orders, guidelines, rules, the law and/or requirements of the relevant authorities from time to time; or

(ii) period of delay in the Renewal Capex Works commencement date for any reason whatsoever; or

(iii) period of delay attributable to any action taken by the Master Lessee to implement measures, directives, regulations, orders, guidelines or rules that will directly or indirectly restrict access (in respect of the Properties or any part thereof) to the

Master Lessor, the Master Lessor's workmen agents, successors and assigns, the building contractor, the consultants and all such other parties authorised by the Master Lessor; or

(iv) period of delay attributable to the Master Lessee (including but not limited to any delay in unreasonable agreement by the Master Lessee to the Renewal Capex Works and/or appointment of the building contractor and/or the commencement or completion of the Renewal Capex Works and/or request for delay / extension of time by the Master Lessee).

2.8 Method of Financing

The Manager does not foresee an immediate need to fund the Renewal Capex Costs in full after entry into the Renewal Capex Agreement as payments for the Renewal Capex Works are expected to be incurred progressively over the Downtime Period.

Based on the Manager's assessment of the prevailing market conditions, the intention is to wholly finance the Renewal Capex Costs and related feasibility studies expenses via external borrowings.

Notwithstanding the Manager's intention to fully debt-fund the Renewal Capex Costs, the Manager would continue to evaluate various fund raising options including equity fund raisings and/or a combination of debt and equity financing to fund the Renewal Capex Costs. The final decision regarding the mode of financing to be employed will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions.

2.9 Right of First Refusal

On 17 July 2007, the Sponsor had granted a ROFR to Parkway Life REIT over sales of assets that is used, or primarily used, for healthcare and/or healthcare-related purposes located in the Asia-Pacific region (including Singapore) by the Sponsor and any of its subsidiaries (the "**IPO Sponsor ROFR**"). The IPO Sponsor ROFR has since expired in 2012.

In connection with the Proposed Transaction, the ROFR Grantor, Parkway Novena Pte. Ltd. (a wholly-owned subsidiary of the Sponsor), shall grant to Parkway Life REIT a ROFR in respect of a sale, assignment or transfer of its ownership interest (or any part thereof) of Mount Elizabeth Novena Hospital Property (i.e. strata lot U4976A of Town Subdivision 29 comprised in Subsidiary Strata Certificate of Title Volume 1608 of Folio 186 (together with all accessory lots appurtenant thereto)) (or any part thereof) which is currently owned by the ROFR Grantor at 38 Irrawaddy Road, #01-01 and #01-18, Mount Elizabeth Novena Hospital, Singapore 329563 save and except the business and/or other non-real estate assets, on the terms set out in the ROFR agreement for a period of 10 years from the date of the ROFR agreement, for so long as (i) Parkway Life REIT is listed on and quoted on the Main Board of the SGX-ST; (ii) Parkway Trust Management Limited remains the manager of Parkway Life REIT; and (iii) the ROFR Grantor and/or any of its related corporations, alone or in aggregate, remains as a Controlling Shareholder of Parkway Trust Management Limited.

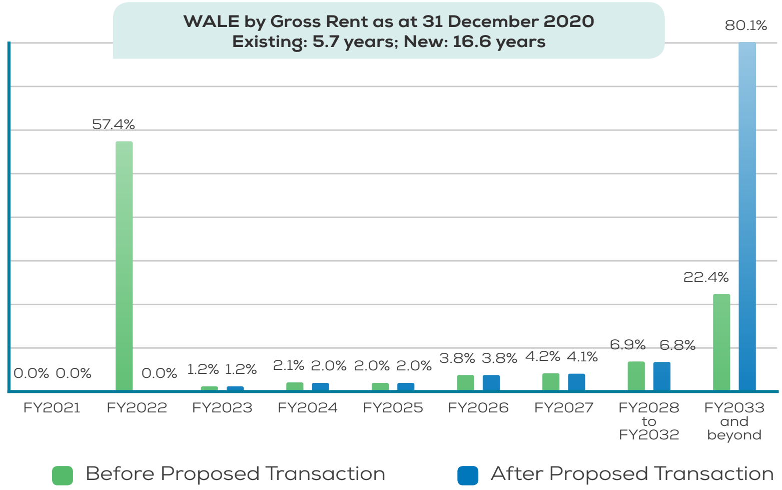
2.10 Rationale for the Proposed Transaction

The Proposed Transaction is recommended based on the following rationale:

2.10.1 The New Master Lease Agreements will provide long-term income certainty, stability and sustainable occupancy for Parkway Life REIT

Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property are key assets in Parkway Life REIT's portfolio, contributing approximately 60.2% of the total asset value as at 31 December 2020 and approximately 58.9% of the total NPI for the financial year ended 31 December 2020. Further, the Existing Master Lease Agreements will be expiring on 22 August 2022. The New Master Lease Agreements will provide a steady stream of quality rental income for Parkway Life REIT by ensuring a 100.0% committed occupancy for the Properties over a long lease term till 31 December 2042 and subject to the Master Lessee's option to renew for a further 10 years. With the New Master Lease Agreements, the weighted average lease expiry ("**WALE**") of Parkway Life REIT's overall portfolio by gross rent is expected to improve significantly from 5.7 years to 16.6 years as at 31 December 2020. In addition, not more than 2.0% of the total existing leases of Parkway Life REIT (by gross rent) will be due for expiry in any one year over the 5-year period (FY2021 to FY2025).

Portfolio Lease Expiry (by Gross Rent)

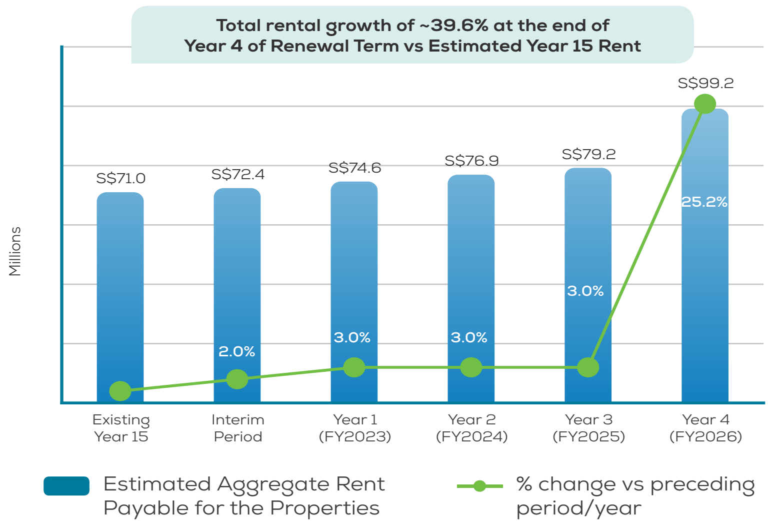


2.10.2 The clear rent structure of the New Master Lease Agreements underpins the organic growth of Parkway Life REIT

The New Master Lease Agreements will provide locked-in organic growth in Parkway Life REIT's cash flow. With fixed rental step-up during the Interim Period and the Downtime Period, Parkway Life REIT can be assured of organic growth even during the expected duration of the Renewal Capex Works. The annual rent review formula (i.e. the higher of either {1 + (CPI[4] + 1%)} X Initial Rent or (Base Rent + Variable Rent)) used in the Existing Master Lease Agreements continues to feature in the New Master Lease Agreements and will apply to calculation of Rent from Year 4 of the Renewal Term onwards. At the end of Year 4 of the Renewal Term, the estimated Rent payable for the Properties reflects total rental growth of approximately 39.6% as compared to the Estimated Year 15 Rent. The annual rent review formula will continue to guarantee a minimum 1.0% rental growth annually for the Properties and provide the opportunity for Parkway Life REIT to ride on the variable rent growth following completion of the Renewal Capex Works.

In addition, the triple-net lease arrangement of the New Master Lease Agreements continues to limit Parkway Life REIT's exposure to escalating operating expenses.

Estimated Aggregate Rent Payable for the Properties



2.10.3 The Renewal Capex Works will enhance the operational performance and asset values of the existing high quality Properties

The Renewal Capex Works present an opportunity to revamp the Properties. The Properties were built more than 30 years ago with no major infrastructure upgrades since. The Renewal Capex Works shall serve to enhance the overall performance, operations and architectural design of the existing high quality Properties. The Renewal Capex Works will allow the Properties and the Master Lessee to improve utilisation of available space and resources and allow the hospitals to meet with patient demand and better serve the community in need as well as to address emerging and evolving healthcare trends. The renewed Properties will be able to enhance the quality positioning and increase competitiveness of Parkway Life REIT and the Master Lessee (as operator of the hospitals).

2.10.4 The New Master Lease Agreements will ensure that the Properties remain well-positioned to ride on the growth potential of the Singapore healthcare industry

The healthcare sector in Singapore is poised for strong growth, driven mainly by three key factors – the rapidly ageing population, the rising number of chronic disease patients and medical tourism. However, with the surge in healthcare demand, the Singapore Government increasingly faces a shortage of healthcare professionals and limited resources. The Singapore Government, therefore, looks towards the private sector to ease the burden on public healthcare services, which could boost demand in the private hospital industry. Singapore's private healthcare services market generated an estimated revenue of USD6.43 billion in 2020 and is projected to record a compound annual growth rate of 10% from 2021 to 2025. The private hospital market contributed the highest revenue share of 46.5% or USD2.99 billion in 2020, followed by general practitioner clinics (45.1%) and dental clinics (8.4%). Medical tourism is a crucial opportunity for the private hospital market. Singapore has a well-established medical tourism market due to its excellent quality of care, availability of technologically advanced and complex treatments and government initiatives supporting the industry's growth. Despite losing some share to more affordable neighbouring nations, Singapore is expected to retain its position as the preferred destination for complex treatments and affluent patients willing to pay for high-quality healthcare services. Private health insurance represents another opportunity for the private healthcare sector, with the growth of the affluent mass segment who seek high-end services while seeking to minimise high out-of-pocket health spending[1].

The Master Lessee, a wholly-owned subsidiary of the Sponsor, is one of the leading providers of private healthcare services in Asia with over 40 years of experience in hospital development and operation. Given the differentiated profiles and value proposition of Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property[2], the Properties capture various segments of the healthcare market. Upholding Singapore's reputation for delivering world class medical services, the Properties are all accredited by Joint Commission International, the gold seal of approval for quality healthcare. Coupled with the enhancement of the Properties with the Renewal Capex Works, the Properties under the operations of the Master Lessee, will remain well-positioned to ride on the growth potential of the Singapore healthcare industry.

2.10.5 The ROFR over a high quality healthcare asset in Singapore further enhances Parkway Life REIT's growth potential and demonstrates the Sponsor's strong support for Parkway Life REIT and the alignment of interest between the Sponsor and Unitholders of Parkway Life REIT.

Conveniently located in the city fringe district of Singapore, Mount Elizabeth Novena Hospital Property is a modern hospital which provides tertiary medical treatments in the comfort of all single bedded rooms and has also received accreditation by Joint Commission International. The ROFR over Mount Elizabeth Novena Hospital Property further enhances the acquisition growth potential of Parkway Life REIT.

[1] Independent Market Research Report issued by the Independent Market Research Consultant.

[2] Section 3 (Hospital Profiles) of the Independent Market Research Report issued by the Independent Market Research Consultant.

With the expiration of the IPO Sponsor ROFR in 2012, the fresh grant of ROFR over a quality healthcare asset in Singapore, demonstrates the Sponsor's strong support for Parkway Life REIT and the alignment of interest between the Sponsor and Unitholders. Given that the Sponsor is a wholly-owned subsidiary of IHH Healthcare Berhad ("**IHH**"), which is one of the world's largest healthcare network with more than 15,000 licensed beds across 80 hospitals in 10 countries worldwide, this also paves the way for potential further collaboration with IHH.

2.11 REQUIREMENT FOR UNITHOLDERS' APPROVAL

2.11.1 Interested Person Transaction

Under Chapter 9 of the Listing Manual, where Parkway Life REIT proposes to enter into a transaction with an Interested Person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000 with the same Interested Person during the same financial year) is equal to or exceeds 5.0% of Parkway Life REIT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

Based on the audited consolidated financial statements of Parkway Life REIT for the financial year ended 31 December 2020 (the "**FY2020 Audited Consolidated Financial Statements**"), the NTA of Parkway Life REIT was S$1,183.6 million as at 31 December 2020. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Parkway Life REIT with an Interested Person is, either in itself or in aggregate with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same Interested Person during the current financial year, equal to or in excess of S$59.2 million, such a transaction would be subject to Unitholders' approval.

As at the Latest Practicable Date, the Manager has a direct interest in 1,881,886 Units (comprising 0.31% of the total number of issued Units).

The Manager is a direct, wholly-owned subsidiary of the Sponsor. The Sponsor directly and/or through its subsidiaries and through its interest in the Manager, has deemed interests of (i) approximately 35.56% in Parkway Life REIT and (ii) 100% in the Manager, and is therefore regarded as a "**Controlling Unitholder**"[1] of Parkway Life REIT and a "**Controlling Shareholder**"[2] of the Manager, respectively, under the Listing Manual.

The Master Lessee is a wholly-owned subsidiary of the Sponsor. Accordingly, for the purpose of Chapter 9 of the Listing Manual, the Master Lessee is an Interested Person[3] of Parkway Life REIT.

Given that the value of the Proposed Transaction, comprising the total amount of Rent under the New Master Lease Agreements (including the total amount of Downtime Period Rent Rebate and rent payable for the Extended Term) and the Renewal Capex Costs, of

---

1 "**Controlling Unitholder**" means a person who:

(a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or

(b) in fact exercises control over the property fund.

2 "**Controlling Shareholder**" means a person who:

(a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or

(b) in fact exercises control over a company.

3 As defined in the Listing Manual, means:

(a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of Parkway Life REIT; or

(b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of Parkway Life REIT.

S$4.5 billion is approximately 381% of the NTA of Parkway Life REIT as at 31 December 2020, the value of the transaction will exceed 5.0% of Parkway Life REIT's latest audited NTA. As such, the Proposed Transaction will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual for which Unitholders' approval is required. Accordingly, the approval of Unitholders is sought for the Proposed Transaction.

Should such approval be obtained, the Proposed Transaction shall not be subject to aggregation or further Unitholders' approval requirements under Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent changes to the terms, rental, rates and/or basis of the fees charged thereunder which will adversely affect Parkway Life REIT.

As at the Latest Practicable Date, Parkway Life REIT has not entered into any interested person transactions with the Sponsor and/or its associates during the course of the current financial year.

2.12 Interests of Directors and Substantial Unitholders

2.12.1 Interests of the Directors of the Manager

As at the Latest Practicable Date, the details of the unitholdings of the Directors are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total no. of Units held	%[1]
	No. of Units	%[1]	No. of Units	%[1]		
Ho Kian Guan	–	–	–	–	–	–
Dr. Jennifer Lee Gek Choo	–	–	–	–	–	–
Cheah Sui Ling	–	–	–	–	–	–
Dr. Kelvin Loh Chi-Keon	120,000	0.02	–	–	120,000	0.02
Takeshi Saito	–	–	–	–	–	–
Joerg Ayrle	–	–	–	–	–	–
Sim Heng Joo Joe	–	–	–	–	–	–
Yong Yean Chau	119,000	0.02	731,700	0.12	850,700	0.14

Note:

(1) The percentage interest is based on total issued Units of 605,002,386 as at the Latest Practicable Date.

As at the Latest Practicable Date, (i) Dr. Kelvin Loh Chi-Keon is the Managing Director and Chief Executive Officer of IHH; (ii) Mr. Sim Heng Joo Joe is the Group Chief Operating Officer of IHH; (iii) Mr. Joerg Ayrle is the Group Chief Financial Officer of IHH; and (iv) Mr. Takeshi Saito is a Non-Independent and Non-Executive Director of IHH. IHH indirectly wholly-owns the Sponsor which in turn wholly-owns the Manager. Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors have an interest, direct or indirect, in the Proposed Transaction.

2.12.2 Interests of the Substantial Unitholders

Based on the Register of Substantial Unitholders maintained by the Manager as at the Latest Practicable Date, the details of the unitholdings of the Substantial Unitholders are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	%[1]
	No. of Units	%[1]	No. of Units	%[1]		
Mitsui & Co., Ltd. [2]	–	–	215,358,101	35.60	215,358,101	35.60
MBK Healthcare Management Pte Ltd[3]	–	–	215,358,101	35.60	215,358,101	35.60
Khazanah Nasional Berhad[4]	–	–	215,358,101	35.60	215,358,101	35.60
Pulau Memutik Ventures Sdn. Bhd. [5]	–	–	215,358,101	35.60	215,358,101	35.60
IHH [6]	–	–	215,358,101	35.60	215,358,101	35.60
Integrated Healthcare Holdings Limited[7]	219,215	0.04	215,138,886	35.56	215,358,101	35.60
Parkway Pantai Limited[8]	–	–	215,138,886	35.56	215,138,886	35.56
Parkway Holdings Limited[9]	–	–	215,138,886	35.56	215,138,886	35.56
Parkway Investments Pte Ltd	213,257,000	35.25	–	–	213,257,000	35.25
Cohen & Steers, Inc. [10]	–	–	48,024,178	7.94	48,024,178	7.94
Cohen & Steers Capital Management, Inc.[11]	–	–	42,224,222	6.98	42,224,222	6.98

Notes:

(1) The percentage is based on total issued Units of 605,002,386 as at the Latest Practicable Date.

(2) Mitsui & Co., Ltd. ("**Mitsui**"), through its wholly-owned subsidiary, MBK Healthcare Management Pte Ltd ("**MBKHM**"), holds more than 20% of the total issued share capital of IHH. Accordingly, Mitsui has deemed interest in units held by IHH.

(3) MBKHM has a deemed interest in units held by IHH by virtue of holding more than 20% of the total issued share capital of IHH.

(4) Integrated Healthcare Holdings Limited ("**IHHL**") is a wholly-owned subsidiary of IHH. Khazanah Nasional Berhad ("**Khazanah**"), through its wholly-owned subsidiary, Pulau Memutik Ventures Sdn Bhd ("**PMVSB**"), holds more than 20% of the total issued share capital of IHH. Accordingly, Khazanah has a deemed interest in units held by IHHL.

(5) IHHL is a wholly-owned subsidiary of IHH. PMVSB has a deemed interest in units held by IHH by virtue of holding more than 20% of the total issued share capital of IHH. Accordingly, PMVSB has a deemed interest in units held by IHHL.

(6) IHHL is a wholly-owned subsidiary of IHH. Accordingly, IHH has a deemed interest in units held by IHHL.

(7) Parkway Pantai Limited ("**PPL**") is a wholly-owned subsidiary of IHHL. Accordingly, IHHL has a deemed interest in units held by PPL.

(8) Parkway Holdings Limited ("**PHL**") is a wholly-owned subsidiary of PPL. Accordingly, PPL has a deemed interest in units held by PHL.

(9) Deemed interest in Parkway Investments Pte Ltd ("**PIPL**") and Parkway Trust Management Limited ("**PTML**"), both wholly-owned subsidiaries of PHL. PIPL and PTML are registered holders of 213,257,000 units and 1,881,886 units respectively.

(10) Cohen & Steers, Inc. is deemed interested in the units held by its wholly-owned subsidiary, Cohen & Steers Capital Management, Inc. Neither Cohen & Steers, Inc nor any of its affiliates is the registered holder of the units.

(11) Cohen & Steers, Inc. is deemed interested in the units held by its wholly-owned subsidiary, Cohen & Steers Capital Management, Inc. Neither Cohen & Steers, Inc nor any of its affiliates is the registered holder of the units.

As at the Latest Practicable Date, the Sponsor holds an aggregate interest of approximately 35.56% in Parkway Life REIT and is deemed to be a Controlling Unitholder of Parkway Life REIT.

2.13 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in relation to the Proposed Transaction or any other transactions contemplated in relation to the Proposed Transaction.

2.14 Pro Forma Financial Information

2.14.1 Pro Forma Financial Effects of the Proposed Transaction

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma financial effects of the Proposed Transaction presented below are **strictly for illustrative purposes only** and were prepared based on the FY2020 Audited Consolidated Financial Statements.

2.14.2 Financial Year ended 31 December 2020

Pro Forma Distribution Per Unit ("DPU") and Distribution Yield

The pro forma financial effects of the Proposed Transaction on the DPU and distribution yield for the financial year ended 31 December 2020 ("**FY2020**"), as if the Proposed Transaction was completed on 1 January 2020, are as follows:

		FY2020	
	Before the Proposed Transaction(1)	**At the end of Year 1 of the Renewal Term after the Proposed Transaction**(2)	**At the end of Year 4 of the Renewal Term after the Proposed Transaction**(3)
Distributable Income (S$'000)	83,409	86,539	110,456
DPU (cents)(4)	13.79	14.30	18.26
Annualised distribution yield(5)	3.56%	3.70%	4.72%

Notes:

(1) Based on the FY2020 Audited Consolidated Financial Statements.

(2) Based on the Initial Rent of S$97.2 million, subject to the Downtime Period Rent Rebate of approximately S$22.6 million. For the avoidance of doubt, the estimated professional fees of S$0.6 million incurred in FY2021 in connection with the entry into the New Master Lease Agreements are excluded in the computation. The Renewal Capex Costs of S$150.0 million has been assumed to be incurred over Year 1 to Year 3 of the Renewal Term, and together with the one-time related feasibility studies expenses and corresponding funding costs, that will be capitalised are also excluded in the computation.

(3) Based on the estimated Rent of approximately S$99.2 million for Year 4 of the Renewal Term and when the Downtime Period Rent Rebate no longer applies.

(4) In computing the DPU, the number of units in issue as at the Latest Practicable Date of 605,002,386 is used.

(5) Based on the DPU divided by the closing price on 31 December 2020 of S$3.87 per Unit.

Pro Forma Net Asset Value ("NAV") per Unit and Gearing

The pro forma financial effects of the Proposed Transaction on the NAV per Unit and gearing as at 31 December 2020, as if the Proposed Transaction was completed on 31 December 2020, are as follows:

		As at 31 December 2020	
	Before the Proposed Transaction[(1)]	**Immediately after the entry into the Proposed Transaction**	**At the beginning of Year 4 of the Renewal Term post completion of the Renewal Capex Works[(2)]**
NAV (S$'000)	1,183,615	1,423,815	1,508,515
NAV per Unit (S$)[(3)]	1.96	2.35	2.49
Asset Valuation (S$'000)	1,213,800	1,454,000[(4)]	1,692,500[(5)]
Gearing (%)	38.5%	34.5%[(6)]	37.3%[(7)]

Notes:

(1) Based on the FY2020 Audited Consolidated Financial Statements.

(2) Assumed external borrowings were fully drawn down to finance the Renewal Capex Works and related feasibility studies expenses, as well as the corresponding borrowing costs that were capitalised during the period of Renewal Capex Works.

(3) In computing the NAV, the number of units in issue as at the Latest Practicable Date of 605,002,386 is used.

(4) Assumed asset valuation of the Properties is based on the average market values of the Properties as determined by the Independent Valuers, subject to the terms of the Proposed Transaction, as at material date of valuation on 30 June 2021. For the avoidance of doubt, the total amount of Downtime Period Rent Rebate has been taken into account and the Renewal Capex Costs of S$150.0 million has been assumed to be incurred and capitalised over Year 1 to Year 3 of the Renewal Term. Please refer to Appendix A of this Circular for the Asset Valuation Certificates issued by the Independent Valuers.

(5) Assumed asset valuation of the Properties is based on the average market values of the Properties as determined by the Independent Valuers, subject to the terms of the Proposed Transaction, as at material date of valuation on 31 December 2025. For the avoidance of doubt, the total amount of Downtime Period Rent Rebate does not apply to Year 4 of the Renewal Term and that the Renewal Capex Costs of S$150.0 million has been assumed to be incurred and capitalised over Year 1 to Year 3 of the Renewal Term. Please refer to Appendix A of this Circular for the Asset Valuation Certificates issued by the Independent Valuers.

(6) As at 31 December 2020, Parkway Life REIT has a gearing of 38.5%. Upon entry into the Proposed Transaction, Parkway Life REIT's gearing is expected to improve to 34.5% from 38.5% taking into account the uplift in asset valuations. Please refer to Appendix A of this Circular for the Asset Valuation Certificates issued by the Independent Valuers.

(7) As at 31 December 2025, Parkway Life REIT's gearing is expected to be at approximately 37.3% taking into account further uplift in asset valuations upon completion of the Renewal Capex Works and when the Downtime Period Rent Rebate no longer applies. Please refer to Appendix A of this Circular for the Asset Valuation Certificates issued by the Independent Valuers.

3. OPINION OF THE INDEPENDENT FINANCIAL ADVISER

The Manager has appointed Ernst & Young Corporate Finance Pte Ltd as the IFA to advise the independent Directors (the "**Independent Directors**"), the audit committee of the Manager (the "**Audit Committee**") and the Trustee in relation to the Proposed Transaction (including the ROFR). A copy of the letter from the IFA to the Independent Directors, the Audit Committee and the Trustee (the "**IFA Letter**"), containing its advice in full in relation to the Proposed Transaction (including the ROFR), is set out in **Appendix B** of this Circular. Unitholders are advised to read the IFA Letter in its entirety carefully.

Having considered the factors and made the assumptions set out in the IFA Letter, and subject to the qualifications set out therein, the IFA is of the opinion that the Proposed Transaction (including the ROFR) is based on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and its minority Unitholders.

The IFA is of the opinion that the Independent Directors and the Audit Committee can recommend that Unitholders vote in favour of the resolution in connection with the Proposed Transaction to be proposed at the EGM.

4. RECOMMENDATION

The Independent Directors and the Audit Committee of the Manager (comprising Ms. Cheah Sui Ling, Mr. Ho Kian Guan, and Dr. Jennifer Lee Gek Choo) have considered the relevant factors, including:

(i) the opinion of the IFA that the Proposed Transaction (including the ROFR) is on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and its minority Unitholders (the IFA's opinion on the Proposed Transaction (including the ROFR) is set out in the IFA Letter in **Appendix B** of this Circular); and

(ii) the rationale for the Proposed Transaction as set out in Paragraph 2.10 of this Circular,

and believe that the Proposed Transaction (including the ROFR) is based on normal commercial terms and would not be prejudicial to the interests of Parkway Life REIT and its minority Unitholders.

Accordingly, the Independent Directors and the Audit Committee recommend that Unitholders vote in favour of the Ordinary Resolution in relation to the Proposed Transaction.

5. EXTRAORDINARY GENERAL MEETING

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 which was gazetted on 13 April 2020, and the Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation in relation to Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation issued on 1 October 2020, which sets out the alternative arrangements in respect of, *inter alia*, general meetings of real estate investment trusts, the EGM will be held by way of electronic means on 30 September 2021 (Thursday) at 10.00 a.m. (Singapore time) for the purpose of considering and, if thought fit, passing with or without modification, the Ordinary Resolution in the Notice of Extraordinary General Meeting, which is set out on pages D-1 to D-3 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the resolution.

Approval by way of an Ordinary Resolution is required in respect of the resolution.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**") as at 72 hours before the time fixed for the EGM.

6. ABSTENTIONS FROM VOTING

6.1 Relationship between the Sponsor and the Manager

As at the Latest Practicable Date, the Manager is a direct, wholly-owned subsidiary of the Sponsor and the Sponsor holds an aggregate interest of approximately 35.56% in Parkway Life REIT and is deemed to be a Controlling Unitholder of Parkway Life REIT.

6.2 Abstention from Voting

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested. Given that the Proposed Transaction constitutes an Interested Person Transaction under Chapter 9 of the Listing Manual and as such, the Sponsor and the Manager (i) will abstain, and will procure that their associates will abstain, from voting at the EGM on the Proposed Transaction; and (ii) will not, and will procure that their associates will not, accept appointments as proxies in relation to the Proposed Transaction unless specific instructions as to voting are given.

7. ACTION TO BE TAKEN BY UNITHOLDERS

7.1 Notice of EGM and Proxy Form

This Circular, the Notice of EGM and the instrument appointing the Chairman of EGM as proxy ("**Proxy Form**") will be sent to Unitholders solely by electronic means via publication on Parkway Life REIT's website at the URL https://plifereit.listedcompany.com/egm.html and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

Unitholders may request for a printed copy of the Circular by completing the Request Form provided on Parkway Life REIT's website at the URL https://plifereit.listedcompany.com/egm.html or on the SGX website at the URL https://www.sgx.com/securities/company-announcements, and sending the same in hardcopy by post to the office of Parkway Life REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or electronically via email to SRS.TeamD@boardroomlimited.com, no later than 14 September 2021. A Unitholder who wishes to submit the form must first download, complete and sign the form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

7.2 No personal attendance at EGM

Due to the current COVID-19 situation in Singapore, Unitholders will not be able to attend the EGM in person.

7.3 Alternate arrangements for participation at the EGM

Unitholders may participate at the EGM by:

(i) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream;

(ii) submitting questions in advance of the EGM; and

(iii) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM.

7.4 Key Dates and Times

The table below sets out the key dates/deadlines for Unitholders to note:

Key dates	Actions
8 September 2021 (Wednesday)	Unitholders may begin to pre-register at the URL https://plifereit.listedcompany.com/egmregistration/ for live audio-visual webcast or live audio-only stream of the EGM proceedings.
5.00 p.m. 20 September 2021 (Monday)	Deadline for CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
10.00 a.m. on 27 September 2021 (Monday)	Deadline for Unitholders to: ● pre-register for live audio-visual webcast or live audio-only stream of the EGM proceedings; ● submit questions in advance; and ● submit proxy forms.
10.00 a.m. on 29 September 2021 (Wednesday)	Authenticated Unitholders will receive an email which will contain user ID and password details, as well as instructions on how to access the live audio-visual webcast and a toll-free telephone number to access the live audio-only stream of the EGM proceedings (the "**Confirmation Email**"). Unitholders who do not receive the Confirmation Email by **10.00 a.m. on 29 September 2021**, but have registered by the **27 September 2021** deadline should contact Parkway Life REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email to **SRS.TeamD@boardroomlimited.com** or call at **+65 6230 9768 / 6230 9586**.
10.00 a.m. on 30 September 2021 (Thursday)	● Click on the link in the Confirmation Email and enter the user ID and password to access the live audio-visual webcast of the EGM proceedings; or ● Call the toll-free telephone number in the Confirmation Email to access the live audio-only stream of the EGM proceedings.

7.5 Important Reminder

Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change our arrangements for the EGM at short notice. Unitholders should check the SGX website at the URL https://www.sgx.com/securities/company-announcements and Parkway Life REIT's website at the URL www.plifereit.com for the latest updates on the status of the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transaction (including the ROFR), Parkway Life REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

9. CONSENTS

Each of the IFA, the Independent Valuers, and the Independent Market Research Consultant has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and respectively the IFA Letter, the Rental Valuation Certificates and Asset Valuation Certificates and the Independent Market Research Report, and all references thereto, in the form and context in which they are included in this Circular.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection during normal business hours at the registered office of the Manager at 80 Robinson Road #02-00 Singapore 068898 from the date of this Circular up to and including the date falling three months after the date of this Circular:

(i) the Agreement for Lease Framework;

(ii) the form of the New Master Lease Agreements;

(iii) the form of the Renewal Capex Agreement;

(iv) the form of the ROFR agreement;

(v) the Rental Valuation Reports;

(vi) the Asset Valuation Reports;

(vii) the FY2020 Audited Consolidated Financial Statements;

(viii) the IFA Letter; and

(ix) the Independent Market Research Report.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Parkway Life REIT continues to be in existence.

Yours faithfully

Parkway Trust Management Limited
(as manager of Parkway Life REIT)
(Company Registration No. 200706697Z)

Yong Yean Chau
Executive Director and Chief Executive Officer

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Parkway Life REIT in Singapore or any other jurisdictions. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, the Trustee, or any of their affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on 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 is not indicative of the future performance of Parkway Life REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Circular 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 from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), 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 on future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

%	:	Per centum or percentage
Adjusted Hospital Revenue	:	In respect of each Property, the sum of:

(a) 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 valued 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:

(i) inpatient revenue, including lodger revenue;

(ii) outpatient revenue;

(iii) 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 and Medi-Rad (if applicable));

(iv) carpark revenue;

(v) retail pharmacy revenue and amounts paid in connection therewith, if applicable; and

(vi) food and beverage revenue from the staff cafeteria and doctors' lounge;

(b) 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 the 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 Adjusted Hospital Revenue
Audit Committee	:	The audit committee of the Manager, comprising Ms. Cheah Sui Ling, Mr. Ho Kian Guan and Dr. Jennifer Lee Gek Choo
Base Rent	:	The base rent of S$64.8 million for all Properties under the New Master Lease Agreements
CDP	:	The Central Depository (Pte) Limited
Circular	:	This circular to Unitholders dated 8 September 2021
Controlling Shareholder	:	A person who: (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or (b) in fact exercises control over a company
Controlling Unitholder	:	A person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or (b) in fact exercises control over the property 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. Where CPI is negative for any given year, the CPI shall be deemed to be zero
Directors	:	The directors of the Manager
Downtime Period	:	The first three full financial years of the Renewal Term (i.e. FY2023 to FY2025)
Downtime Period Rent Rebate	:	Rent rebate on a tiered basis granted to the Master Lessee for the Downtime Period which amounts to a total of approximately S$60.9 million
DPU	:	Distribution per Unit

EGM	:	The extraordinary general meeting of Unitholders to be convened and held on 30 September 2021, at 10.00 a.m. (Singapore time) by way of electronic means, to approve the matters set out in the Notice of Extraordinary General Meeting on pages D-1 and D-3 of this Circular
Estimated Year 15 Rent	:	The estimated expiring rent for Year 15 of the Existing Term of S$71.0 million
Existing Gleneagles Base Rent	:	The base rent of S$8.7 million for Gleneagles Hospital Property under the Existing Master Lease Agreement
Existing Gleneagles Variable Rent	:	The variable rent of 3.8% of the Adjusted Hospital Revenue of Gleneagles Hospital Property for the current financial year
Existing Master Lease Agreements	:	The master lease agreements entered into on 23 August 2007 between the Master Lessor and the Master Lessee in relation to the Properties
Existing Mount Elizabeth Base Rent	:	The base rent of S$19.8 million for Mount Elizabeth Hospital Property under the Existing Master Lease Agreement
Existing Mount Elizabeth Variable Rent	:	The variable rent of 3.8% of the Adjusted Hospital Revenue of Mount Elizabeth Hospital Property for the current financial year
Existing Term	:	The initial term of the Existing Master Lease Agreements of 15 years from the listing date of Parkway Life REIT
Existing Parkway East Base Rent	:	The base rent of S$1.5 million for Parkway East Hospital Property under the Existing Master Lease Agreement
Existing Parkway East Variable Rent	:	The variable rent of 3.8% of the Adjusted Hospital Revenue of Parkway East Hospital Property for the current financial year
Extended Term	:	A further term of 10 years from 1 January 2043 to 31 December 2052, which the Master Lessee has the option to extend each of the New Master Lease Agreements for upon the expiry of the Renewal Term
FY2020	:	The financial year ended 31 December 2020
FY2021	:	The financial year ending 31 December 2021
FY2023	:	The financial year ending 31 December 2023
FY2024	:	The financial year ending 31 December 2024
FY2025	:	The financial year ending 31 December 2025
FY2026	:	The financial year ending 31 December 2026
FY2027	:	The financial year ending 31 December 2027
FY2042	:	The financial year ending 31 December 2042
FY2020 Audited Consolidated Financial Statements	:	The audited consolidated financial statements of Parkway Life REIT for FY2020

Gleneagles Base Rent	:	The base rent of S$20.7 million for Gleneagles Hospital Property under the New Master Lease Agreement
Gleneagles Hospital Property	:	Gleneagles Hospital Property comprising Gleneagles Hospital and Gleneagles Medical Centre which includes medical centre units, retail units and car park lots, located at: (a) 6 Napier Road #02-09, #02-12, #02-08, #02-07, #02-06, #02-03, #02-02, #02-01, #10-03 and #02-20 Singapore; and (b) 6A Napier Road, Singapore
Gleneagles Initial Rent	:	The initial rent of S$31.1 million for Gleneagles Hospital Property under the New Master Lease Agreement
Gleneagles Variable Rent	:	The variable rent of 3.8% of the Adjusted Hospital Revenue of Gleneagles Hospital Property for the current financial year
GST	:	Goods and Services Tax
IFA	:	Ernst & Young Corporate Finance Pte Ltd
IFA Letter	:	The letter from the IFA to the Independent Directors and Audit Committee and the Trustee containing its advice as set out in Appendix B of this Circular
IHH	:	IHH Healthcare Berhad
IHHL	:	Integrated Healthcare Holdings Limited
Independent Directors	:	The independent Directors of the Manager, being Mr. Ho Kian Guan, Dr. Jennifer Lee Gek Choo and Ms. Cheah Sui Ling
Independent Market Research Consultant	:	Frost & Sullivan (S) Pte Ltd
Independent Valuers	:	CBRE Pte. Ltd. and Knight Frank Pte Ltd
Initial Rent	:	The Rent for the first financial year of the Renewal Term (i.e. FY2023)
Interested Person	:	As stated in the Listing Manual, in the case of a real estate investment trust, has the meaning defined in the Code on Collective Investment Schemes issued by the MAS. Therefore, interested person means: (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of the property fund; or (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of the property fund
Interested Person Transaction	:	A transaction between an entity at risk and an Interested Person
Interim Period	:	The period from 23 August 2022 to 31 December 2022

IPO Sponsor ROFR	:	A ROFR granted by the Sponsor to Parkway Life REIT on 17 July 2007, and that expired in 2012, over sales of assets that is used, or primarily used, for healthcare and/or healthcare-related purposes located in the Asia-Pacific region (including Singapore) by the Sponsor and any of its subsidiaries
Khazanah	:	Khazanah Nasional Berhad
Latest Practicable Date	:	31 August 2021, being the latest practicable date prior to the date of this Circular
Listing Manual	:	The listing manual of the SGX-ST
Manager	:	Parkway Trust Management Limited, in its capacity as manager of Parkway Life REIT
MAS	:	Monetary Authority of Singapore
Master Lessee	:	Parkway Hospitals Singapore Pte. Ltd.
MBKHM	:	MBK Healthcare Management Pte Ltd
Medi-Rad	:	Medi-Rad Associates Ltd
Mitsui	:	Mitsui & Co., Ltd.
Mount Elizabeth Base Rent	:	The base rent of S$40.2 million for Mount Elizabeth Hospital Property under the New Master Lease Agreement
Mount Elizabeth Hospital Property	:	Mount Elizabeth Hospital Property comprising Mount Elizabeth Hospital and Mount Elizabeth Medical Centre which includes medical centre units, retail units and car park lots, located at: (a) 3 Mount Elizabeth, Singapore; and (b) 3 Mount Elizabeth, Singapore, #01-01 to #01-06, #02-01 to #02-12, #04-02, #08-06, #10-09, #11-09, #11-10, #11-13, #11-14, #11-15, #12-10, #14-04, #14-10 Singapore
Mount Elizabeth Initial Rent	:	The initial rent of S$60.3 million for Mount Elizabeth Hospital Property under the New Master Lease Agreement
Mount Elizabeth Novena Hospital Property	:	Strata lot U4976A of Town Subdivision 29 comprised in Subsidiary Strata Certificate of Title Volume 1608 of Folio 186 (together with all accessory lots appurtenant thereto) which is the hospital block of the Mount Elizabeth Novena Hospital development
Mount Elizabeth Variable Rent	:	The variable rent of 3.8% of the Adjusted Hospital Revenue of Mount Elizabeth Hospital Property for the current financial year
NAV	:	Net asset value
New Master Lease Agreements	:	The proposed master lease agreements in relation to the Properties
NPI	:	Net property income
NTA	:	Net tangible assets

Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Parkway East Base Rent	:	The base rent of S$3.9 million for Parkway East Hospital Property under the New Master Lease Agreement
Parkway East Hospital Property	:	Parkway East Hospital Property comprising Parkway East Hospital and which includes medical centre units, a retail unit and car park lots located at: (a) 321 Joo Chiat Place, Singapore; and (b) 319 Joo Chiat Place, Singapore
Parkway East Initial Rent	:	The initial rent of S$5.8 million for Parkway East Hospital Property under the New Master Lease Agreement
Parkway East Variable Rent	:	The variable rent of 3.8% of the Adjusted Hospital Revenue of Parkway East Hospital Property for the current financial year
Parkway Life REIT	:	Parkway Life Real Estate Investment Trust
PHL	:	Parkway Holdings Limited
PIPL	:	Parkway Investments Pte Ltd
PMVSB	:	Pulau Memutik Ventures Sdn Bhd
PPL	:	Parkway Pantai Limited
Properties	:	Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property
Proposed Transaction	:	The entry into the New Master Lease Agreements and the Renewal Capex Agreement
REIT	:	Real Estate Investment Trust
Rent	:	The annual rent payable under the New Master Lease Agreements
Renewal Capex Agreement	:	The renewal capital expenditure agreement for the Renewal Capex Works
Renewal Capex Costs	:	One-time capital expenditure costs of up to S$150.0 million (exclusive of GST) for the Renewal Capex Works
Renewal Capex Timeline	:	The agreed timeline for the Renewal Capex Works to be fully completed no later than 31 March 2028 or such extended date in accordance with the Renewal Capex Agreement or such other date to be mutually agreed between the Master Lessor and Master Lessee
Renewal Capex Works	:	The renewal capital expenditure works to be conducted on the applicable Properties
Renewal Term	:	The term of lease under the New Master Lease Agreements

ROFR	:	A right of first refusal
ROFR Grantor	:	Parkway Novena Pte. Ltd.
SGX-ST	:	Singapore Exchange Securities Trading Limited
Sponsor	:	Parkway Holdings Limited
Substantial Unitholder	:	A Unitholder with an interest in more than 5.0% of all Units in issue
Trust Deed	:	The trust deed dated 12 July 2007 entered into between the Trustee and the Manager constituting Parkway Life REIT (as amended, restated or supplemented from time to time)
Trustee or Master Lessor	:	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Parkway Life REIT
Unit	:	A unit representing an undivided interest in Parkway Life REIT
Unitholders	:	Unitholders of Parkway Life REIT
USD	:	United States Dollars
Variable Rent	:	3.8% of the Adjusted Hospital Revenue for the Properties for the subject financial year
WALE	:	Weighted average lease expiry

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Unless otherwise stated in this Circular, where applicable, figures and percentages are rounded to one decimal place.

RENTAL VALUATION CERTIFICATES

CBRE Pte. Ltd.

2 Tanjong Katong Road #06-01
Paya Lebar Quarter
Singapore 437161
T (65) 6224 8181
F (65) 6225 1987

www.cbre.com.sg

Co. Reg. No.: 197701161R
Agency License No.: L3002163I

Our Ref.: 19-SGL-0164-1 to 3

1 July 2021

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Parkway Life Real Estate Investment Trust)
10 Marina Boulevard
#48-01 Marina Bay Financial Centre
Tower 2
Singapore 018983

and

Parkway Trust Management Limited
(as Manager of Parkway Life Real Estate Investment Trust)
101 Thomson Road #28-03 United Square
Singapore 307591

Dear Sirs,

VALUATION OF THE FOLLOWING PROPERTIES:
1) MOUNT ELIZABETH HOSPITAL, 30 STRATA UNITS WITHIN MOUNT ELIZABETH MEDICAL CENTRE & 363 CAR PARK LOTS ("MOUNT ELIZABETH HOSPITAL PROPERTY")
2) GLENEAGLES HOSPITAL, 10 STRATA UNITS WITHIN GLENEAGLES MEDICAL CENTRE & 121 CAR PARK LOTS ("GLENEAGLES HOSPITAL PROPERTY")
3) PARKWAY EAST HOSPITAL & MEDICAL CENTRE ("PARKWAY EAST HOSPITAL PROPERTY")

Instructions

We refer to instructions issued by Parkway Trust Management Limited (as Manager of Parkway Life Real Estate Investment Trust) ("Manager") and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life Real Estate Investment Trust) ("Trustee") being the instructing parties to this valuation, requesting a Valuation Summary Letter with Valuation Certificates for inclusion in the Circular, and full Valuation Report of 3 hospital properties, namely Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property (collectively referred to as "the Properties"), for lease renewal purposes. Our opinion of the prevailing Market Rental Values of the Properties is based on the new Master Lease Agreement ("new MLA") and taking into consideration the Proposed Lease Renewal Terms.

We have prepared a comprehensive formal Full Valuation Report ("Report") in accordance with the requirements of our instructions. In accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines and International Valuation Standards, the definition of Market Rent is as follows:

"Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

For the specific purposes of this Circular, we provide a summary of the Report outlining key factors that have been considered in arriving at our opinions of value. The value conclusion reflects all information known by the valuers of CBRE Pte. Ltd. ("CBRE") who worked on the valuation in respect to the Properties, market conditions and available data.

This summary of valuation and report is a condensed version of our Report dated 30 June 2021. We recommend that this Valuation Summary Letter is accordingly be read in conjunction with that aforementioned Report. Our instructions were to assess the prevailing Annual Market Value of the Properties on the basis of Market Rent as at the valuation date in accordance with the terms of engagement entered into between CBRE and the addressee(s) dated 9 September 2019.

Reliance on This Letter

For the purposes of this Circular, we have prepared this Valuation Summary Letter which summarises our Report and outlines key factors which have been considered in arriving at our opinion of value. This letter alone does not contain the necessary data and support information included in our Report. For further information to that contained herein, reference should be made to the Report, copies of which are held by the Manager and the Trustee.

CBRE has provided the Manager and the Trustee with a Report for the Properties. The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- The conclusions within the valuation report as to the estimated value are based upon the factual information set forth in that Report. Whilst CBRE has endeavored to assure the accuracy of the factual information, it has not independently verified all information provided by the Manager (primarily the leases and financial information with respect to the Properties). CBRE believes that every investor, before making an investment in Parkway Life Real Estate Investment Trust, should review the Report to understand the complexity of the methodology and the many variables involved.
- The primary methodology used by CBRE in valuing the Property is the Profits Method. The method assumes the rental value of each property is related to the profit derived from the use of the property and gross receipts and expenses are analysed to deduce rental values of the Properties. The valuation methodology is summarized in the Valuation Rationale section of this letter. The basic assumption utilized for the Properties is summarized in the Valuation Rationale section of this letter.

The Report will be relied on by the Trustee and Manager in regard to lease renewal of the Properties and such other party(ies) that should enter into a reliance letter with us.

No reliance may be placed upon the contents of this Valuation Summary Letter by any party for any purpose other than in connection with the Purpose of Valuation.

Sources of Information

We have relied on updated information provided in June 2021 by the Manager in relation to such matters as the Proposed Lease Renewal Terms of the new MLA, Adjusted Hospital Revenue ("AHR"), operating expenses and capital expenditures etc. All information provided is treated as correct and CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions and reserves the right to change our opinion of value if any other information provided were to materially change.

Brief Property Description

Mount Elizabeth Hospital Property
3 Mount Elizabeth
Singapore 228510

The Mount Elizabeth Hospital development, erected on a site legally known as Lot 858T of Town Subdivision 27, comprises Mount Elizabeth Hospital, a medical centre and car parks. Mount Elizabeth Hospital is made up of a 10-storey block and a 5-storey block as well as car park lots. The medical centre comprises a 17-storey medical and retail block with a total of 232 strata units and a car park on the 4th to 8th storey. Parkway Life Real Estate Investment Trust owns 56.71% of the total share value of the strata lots in Mount Elizabeth Hospital development, representing the Mount Elizabeth Hospital which has 345 beds, 30 strata units within Mount Elizabeth Medical Centre and 363 car park lots, giving a total strata floor area of 58,139.0 square metres (includes total accessory area of 2,603.0 square metres), i.e. Mount Elizabeth Hospital Property.

The interest held by the Trustee is leasehold for a period of 67 years commencing from 23 August 2007. The remaining unexpired lease term is approximately 53.1 years.

Gleneagles Hospital Property
6A & 6 Napier Road
Singapore 258500/258499

The Gleneagles Hospital development, erected on a site legally known as Lot 1345A of Town Subdivision 25, with accompanying Lot 1346K of Town Subdivision 25, comprises Gleneagles Hospital, a medical centre and car parks. 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 strata units from the 2nd to 10th storey. The car parks with a total of 402 car park lots are located at Basement 2 to 1st storey of the hospital building and Basement 3 to 1st storey of the medical centre. Parkway Life Real Estate Investment Trust owns 69.05% of the total share value of the strata lots in Gleneagles Hospital development, representing the Gleneagles Hospital which has 257 beds, 10 strata units within Gleneagles Medical Centre and 121 car park lots within the hospital building, giving a total strata floor area of 49,003.0 square metres (includes a total accessory area of 65.0 square metres), i.e. Gleneagles Hospital Property.

The interest held by the Trustee is leasehold for a period of 75 years commencing from 23 August 2007. The remaining unexpired lease term is approximately 61.1 years.

Parkway East Hospital Property
321/319 Joo Chiat Place
Singapore 427990/427989

The Parkway East Hospital Property, erected on a site legally known as Lot 6912P of Mukim 26, comprises the Parkway East Hospital, a medical centre and car parks. Parkway East Hospital is a 4-storey block and the medical centre is a 5-storey block. The 1st and 5th storey of the medical centre are linked to the 1st and 4th storey of the hospital block. The car park lots are located on the 1st storey of the medical centre block as well as surface lots within the compound. The total floor area of the property is 10,993.6 square metres.

The interest held by the Trustee is leasehold for a period of 75 years commencing from 23 August 2007. The remaining unexpired lease term is approximately 61.1 years.

Occupational Details of the Properties

Existing Master Lease Agreement

The Properties are currently are leased by the Trustee ("Master Lessor"), to Parkway Hospitals Singapore Pte Ltd ("Master Lessee") under a Master Lease arrangement.

The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"), with an option to renew the lease for a further term of 15 years upon expiry of the initial term. The rental payable by the Master Lessee from 2nd year of the term till the final year of the term comprises a base rent component of S$30.0 million and a variable rent component computed at 3.8% of AHRs for the current financial year 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.

The Master Lessee bears all property expenses, including property tax, insurance expenses and all outgoings and expenses to be incurred in respect of the Properties while the Master Lessor bears all expenses in relation to land rent, maintenance charges and sinking fund to the relevant Management Corporation (if any).

Proposed Lease Renewal Terms for the New Master Lease Agreement

We have been informed on the Proposed Lease Renewal Terms for the new MLA. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an interim period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.

Immediately upon expiry of the Existing Term, the rent for the interim period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively.

As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to S$150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The

Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/ period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and all information necessary to enable us to arrive at the rental value of the Properties. We have primarily utilised the Profits Method in undertaking our assessment to arrive at the prevailing Market Rental Value of the Properties. For avoidance of doubt, the prevailing Market Rental Value of the Properties shall be for the first full financial year of the Renewal Term.

Profits Method

The Profits Method has been adopted as there is no comparable rental evidences similar to the existing use of the Properties. Furthermore, we are of the opinion that the Properties falls into the category under trade related properties, where it refers to any type of real property designed for a specific type of business where the property value reflects the trading potential for that business.

The approach assumes that the rental value of each property is related to the profit derived from the use of the property. It involves ascertaining historical gross receipts of the business from which cost of purchases and working expenses are deducted. The remainder is the divisible balance, which is to be shared between the hypothetical landlord and hypothetical tenant. A tenant's share, which is equivalent to the return or reward due to the hypothetical tenant for his enterprise, risk and capital, is deducted from the divisible balance to arrive at the prevailing Market Rental Value.

Our adopted annual prevailing Market Rental Value involves analysing the growth trends and relativity ratios to arrive at forward projections of receipts and expenditures. The EBITDAR (excluding depreciation) (also known as the divisible balance in the Profits Method) is forecasted at the year of Lease Renewal. It is to be shared between the hypothetical landlord and hypothetical tenant as rents and tenant's share respectively. We have then applied a suitable tenant share proportion to arrive at the proposed prevailing Market Rental Value for the Properties.

Having considered the prevailing market conditions and other relevant factors, the proposed Market Rental Values of the Properties based on the Profits Method is S$105,479,000.

Benchmarking Analysis

When considering the prevailing market rent, it is necessary to benchmark the comparable rents being paid in the market. However, rental information of hospitals is not readily available for direct benchmarking or referencing in Singapore. Due to the specialised nature of the properties, it is inappropriate to use rental information of other asset classes in Singapore to compare as the underlying usage is very different and any direct comparison will not be meaningful. Henceforth, we have extended the benchmarking coverage in the form of rental metrics to overseas markets where there are other private hospitals under a rental structure.

The rental metrics adopted as part of the benchmarking analysis are Rent Over Total Revenue, Rent over Earnings Before Interest, Depreciation, Amortization and Rent (EBITDAR) and Rent Cover Ratio. These metrics provides some indications on the level of earnings that an operator of a property generates to cover the rental payments to operate a sustainable business. We also understand that these ratios are commonly used to determine rental rates for such trade related properties. Based on the above, the benchmarking analysis allows us to ascertain if the derived rental metrics are in line with the market norms.

According to the Proposed Lease Renewal Terms in the new MLA, we understand that the Initial Rent is estimated to be S$97,207,000. We have undertaken a benchmarking analysis to ascertain the reasonableness of the Initial Rent based on rental metrics and opine that this amount is well within market benchmarks and is considered to be a fair and reasonable level to be adopted as Market Rent.

Critical Assumptions

We have made certain critical assumptions which collectively have a material impact upon our valuation.

- Our assessment addresses the proposed prevailing Market Rental Value of the Properties, taking into consideration the new MLA and the Proposed Lease Renewal Terms. While the new MLA has yet to be finalised, we understand from the Manager that there has been some agreement between the Master Lessee and Master Lessor on the Proposed Lease Renewal Terms. We have perused these commercial terms provided to us and relied on it for this valuation exercise.
- We have not examined the new lease documentation, indicating the variations, for the new MLA.
- Our assessment of rental value is provided on the assumption that the new MLA is executed or will be executed and that the lease provisions are in accordance with the terms provided by the Manager.
- Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at 30 June 2021.

Assessment of Value

Based on the new MLA and taking into consideration the Proposed Lease Renewal Terms, our opinion of prevailing Market Rental Value of the Properties as at 30 June 2021, is:

Aggregate prevailing Market Rental Value of Properties as at 30 June 2021: S$97,207,000 (Singapore Dollars: Ninety Seven Million Two Hundred And Seven Thousand Dollars Only)

No	Property	Proposed Annual Base Rent	Proposed Annual Variable Rent	Total Proposed Annual Market Rent
1	Mount Elizabeth Hospital Property	S$40,178,893	S$20,089,447	S$60,268,340
2	Gleneagles Hospital Property	S$20,737,493	S$10,368,747	S$31,106,240
3	Parkway East Hospital Property	S$3,888,280	S$1,944,140	S$5,832,420
	Total	**S$64,804,667**	**S$32,402,333**	**S$97,207,000**

The key details and valuation of the Properties are detailed in the Valuation Certificates attached.

1 July 2021

Disclaimer

Mr Png Poh Soon, Ms Wee Ting Ting and CBRE have prepared this Valuation Summary Letter which appears in this Circular and, to the extent permitted by law, specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within the aforementioned Report and this Valuation Summary Letter. Mr Png Poh Soon, Ms Wee Ting Ting and CBRE do not make any warranty or representation as to the accuracy of the information in any other part of the prospectus other than as expressly made or given by CBRE in this Valuation Summary Letter.

CBRE has relied upon property data supplied by the Manager which we assume to be true and accurate. CBRE takes no responsibility for 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 is our personal, unbiased professional analyses, opinions and conclusions. CBRE, Mr Png Poh Soon and Ms Wee Ting Ting have no present or prospective interest in the Property and have no personal interest or bias with respect to the party(ies) involved.

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 (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorized to practice as valuers.

None of the information in this Valuation Summary Letter or our Report constitutes advice as to the merits of entering into any form of transaction. Furthermore, none of the information in this Summary Valuation Letter or our Report constitutes financial product advice.

This Summary Valuation Letter and the Report are strictly limited to the matters contained within those documents and are not to be read as extending, by implication or otherwise, to any other matter in the Circular. To the extent permitted by law, CBRE specifically disclaims any liability in respect of the use of or reliance on this Summary Valuation Letter to any person in the event of any omission or false or misleading statement other than to the Addressees or such other party that has entered into a reliance letter with us. CBRE does not give any warranty or representation as to the accuracy of the information in any other part of the Circular.

Yours sincerely
CBRE PTE. LTD.

PNG POH SOON	**WEE TING TING**
MSc (Real Est) MSISV	BSc (Real Est) MSISV
Appraiser's License No. AD041-2009900J	Appraiser's License No. AD041-2010069M
Executive Director	Assistant Manager
Valuation & Advisory Services	Valuation & Advisory Services

Valuation Certificate – Mount Elizabeth Hospital Property

Property:	Mount Elizabeth Hospital, 30 strata units within Mount Elizabeth Medical Centre & 363 Car Park Lots 3 Mount Elizabeth Singapore 228510
Client:	Parkway Trust Management Limited (as Manager of Parkway Life Real Estate Investment Trust) and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life Real Estate Investment Trust)
Trust:	Parkway Life REIT
Purpose:	Lease Renewal
Basis of Valuation:	Prevailing Market Rent, taking into consideration the new Master Lease Agreement and the Proposed Lease Renewal Terms
Registered Owner:	HSBC Institutional Trust Services (Singapore) Limited (Held in Trust)
Land Area:	15,204.0 square metres
Master Plan 2019:	"Health & Medical Care"

Brief Description:

Mount Elizabeth Hospital development comprises Mount Elizabeth Hospital, a medical centre and car parks. Mount Elizabeth Hospital is made up of a 10-storey block and a 5-storey block as well as car park lots. The medical centre comprises a 17-storey medical and retail block with a total of 232 strata units and a car park on the 4th to 8th storey. All blocks are linked by common podium with basement car park. The Mount Elizabeth Hospital Property owned by Parkway Life REIT accounts for 56.71% of the total share value of the strata lots at Mount Elizabeth Hospital development.

The hospital building was completed in 1979 whilst the medical centre was completed over two phases; in 1979 and 1992. Renovation and reconfiguration works have been carried out within the development over the years. We understand that the renovation works carried out in 2016 and 2017 include renovation to Magnetic Resonance Imaging located on Level 2 of Block A, wards, HASCTC, admission counter and andology lab. Other upgrading works include installation of partition wall at plant room entrance, BMS System; replacement of medical gas system, vacuum system, standby generator and fan coil units at Block B and Block C and boiler at Block B; upgrading of surgical lights and pendant for operating theatres, converting ICU waiting area to meeting room and waterproofing to roof of Block B and Block C. Further renovation works have been carried out to the discharge lounge, ward 10 and changing the carpet of the administration office, lift lobbies and corridors in 2018.

Tenancy Profile:

The Mount Elizabeth Hospital Property is leased to Parkway Hospitals Singapore Pte Ltd (as "Master Lessee"), for a term of 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to renew for another 15 years upon expiry of the initial term.

Under the new Master Lease Agreement, based on the proposed lease renewal terms, the original lease renewal option period of 15 years will be extended. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an interim period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.

Lease Condition:

Based on the existing Master Lease Agreement, for the first year, the aggregate rent is $19.8 million (Base Rent) and the higher of (i) 3.8% of Adjusted Hospital Revenue ("AHR") for the current financial year (Variable Rent) or (ii) $9.9 million. From the second year till final year of the lease term, the aggregate rent is $19.8 million (Base Rent) and 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 shall mean 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 given year, then CPI shall be deemed to be zero.

Under the new Master Lease Agreement, based on the proposed lease renewal terms, immediately upon expiry of the Existing Term, the rent for the interim period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively. Taking into consideration of the rental renewal cap, the initial rent for Mount Elizabeth Hospital Property is estimated to be $60.3 million for the first financial year i.e. FY2023, with $40.2 million as base rent and $20.1 million as variable rent.

As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to $150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately $60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year / period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.

Strata Floor Area (sqm):	58,139.0
Valuation Approach:	Profits Method
Date of Valuation:	30 June 2021
Assessed Prevailing Annual Market Rent:	$60,268,340 — This valuation is exclusive of GST.

(Sixty Million Two Hundred Sixty Eight Thousand Three Hundred Forty Dollars)
(Taking into consideration the new Master Lease Agreement and the Proposed Lease Renewal Terms)

Assumptions, Disclaimers, Limitations & Qualifications

This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By: **CBRE Pte. Ltd.**

Per: Png Poh Soon MSc (Real Est) Hons MSISV Appraiser's License No. AD041-2009900J Executive Director - Valuation & Advisory Services	Per: Wee Ting Ting BSc (Real Est) Hons MSISV Appraiser's License No. AD041-2010069M Assistant Manager - Valuation & Advisory Services

Valuation Certificate – Gleneagles Hospital Property

Property:	Gleneagles Hospital, 10 strata units within Gleneagles Medical Centre & 121 Car Park Lots 6A & 6 Napier Road Singapore 258500/258499
Client:	Parkway Trust Management Limited (as Manager of Parkway Life Real Estate Investment Trust) and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life Real Estate Investment Trust)
Trust:	Parkway Life REIT
Purpose:	Lease Renewal
Basis of Valuation:	Prevailing Market Rent, taking into consideration the new Master Lease Agreement and the Proposed Lease Renewal Terms
Registered Owner:	HSBC Institutional Trust Services (Singapore) Limited (Held in Trust)
Land Area:	14,947.3 square metres where the subject development is built on (with accompanying lot of 37.6 square metres)
Master Plan 2019:	"Health & Medical Care"
Brief Description:	Gleneagles Hospital development comprises Gleneagles Hospital, a medical centre and car parks. 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 strata units from the 2nd to 10th storey. The car parks with a total of 402 car park lots are located at Basement 2 to 1st storey of the hospital building and Basement 3 to 1st storey of the medical centre. The Gleneagles Hospital Property owned by Parkway Life REIT accounts for 69.05% of the total share value of the strata lots at Gleneagles Hospital development. The hospital building was completed in phases between 1991 and 1993; the annexe block in 1979 and the medical centre also completed in phases between 1991 and 1993. We understand that between 2009 to 2014, renovation or minor improvement works were carried out to the wards, neonatal intensive care unit (NICU) and some of the operating theatres. Between 2015 to 2017, renovation and minor works were carried out to some of the operating theatres, theatre sterile supplies unit, lounge, endoscopy unit, ward 5/NICU, A&E area and admission/front office/TACT office/ATS room. Further renovation and minor works were carried to ward 6, A&E area, toilets in annex block and reducing the rehabilitation area in 2018.
Tenancy Profile:	The Gleneagles Hospital Property is leased to Parkway Hospitals Singapore Pte Ltd (as "Master Lessee"), for a term of 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to renew for another 15 years upon expiry of the initial term. Under the new Master Lease Agreement, based on the proposed lease renewal terms, the original lease renewal option period of 15 years will be extended. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an interim period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.
Lease Condition:	Based on the existing Master Lease Agreement, for the first year, the aggregate rent is \$8.7 million (Base Rent) and the higher of (i) 3.8% of Adjusted Hospital Revenue ("AHR") for the current financial year (Variable Rent) or (ii) \$4.3 million. From the second year till final year of the lease term, the aggregate rent is \$8.7 million (Base Rent) and 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 shall mean 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 given year, then CPI shall be deemed to be zero. Under the new Master Lease Agreement, based on the proposed lease renewal terms, immediately upon expiry of the Existing Term, the rent for the interim period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively. Taking into consideration of the rental renewal cap, the initial rent for Gleneagles Hospital Property is estimated to be \$31.1 million for the first financial year i.e. FY2023, with \$20.7 million as base rent and \$10.4 million as variable rent. As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to \$150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately \$60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year / period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.
Strata Area (sqm):	49,003.0
Valuation Approach:	Profits Method
Date of Valuation:	30 June 2021
Assessed Prevailing Annual Market Rent:	**\$31,106,240** This valuation is exclusive of GST. **(Thirty One Million One Hundred Six Thousand Two Hundred Forty Dollars)** **(Taking into consideration the new Master Lease Agreement and the Proposed Lease Renewal Terms)**
Assumptions, Disclaimers, Limitations & Qualifications	*This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
Prepared By:	CBRE Pte. Ltd.

Per: Png Poh Soon MSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009900J
Executive Director - Valuation & Advisory Services

Per: Wee Ting Ting BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2010069M
Assistant Manager - Valuation & Advisory Services

Valuation Certificate – Parkway East Hospital Property

Property: Parkway East Hospital & Medical Centre
321/319 Joo Chiat Place
Singapore 427990/427989

Client: Parkway Trust Management Limited (as Manager of Parkway Life Real Estate Investment Trust) and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life Real Estate Investment Trust)

Trust: Parkway Life REIT

Purpose: Lease Renewal

Basis of Valuation: Prevailing Market Rent, taking into consideration the new Master Lease Agreement and the Proposed Lease Renewal Terms

Registered Owner: HSBC Institutional Trust Services (Singapore) Limited (Held in Trust)

Land Area: 6,203.0 square metres

Master Plan 2019: "Health & Medical Care"

Brief Description: Parkway East Hospital Property comprises the Parkway East Hospital, a medical centre and car parks. Parkway East Hospital is a 4-storey block and the medical centre is a 5-storey block. The 1st and 5th storey of the medical centre are linked to the 1st and 4th storey of the hospital block. The car park lots are located on the 1st storey of the medical centre block as well as surface lots within the compound.

The hospital building was completed in 1982 whilst the medical centre was completed in 1987.

Tenancy Profile: The Parkway East Hospital Property is leased to Parkway Hospitals Singapore Pte Ltd (as "Master Lessee"), for a term of 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to renew for another 15 years upon expiry of the initial term.

Under the new Master Lease Agreement, based on the proposed lease renewal terms, the original lease renewal option period of 15 years will be extended. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an interim period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.

Lease Condition: Based on the existing Master Lease Agreement, for the first year, the aggregate rent is $1.5 million (Base Rent) and the higher of (i) 3.8% of Adjusted Hospital Revenue for the current financial year (Variable Rent) or (ii) $0.8 million. From the second year till final year of the lease term, the aggregate rent is $1.5 million (Base Rent) and 3.8% of Adjusted Hospital Revenue ("AHR") 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 shall mean 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 given year, then CPI shall be deemed to be zero.

Under the new Master Lease Agreement, based on the proposed lease renewal terms, immediately upon expiry of the Existing Term, the rent for the interim period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively. Taking into consideration of the rental renewal cap, the initial rent for Parkway East Hospital Property is estimated to be $5.8 million for the first financial year i.e. FY2023, with $3.9 million as base rent and $1.9 million as variable rent.

As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to $150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately $60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year / period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.

Total Floor Area (sqm): 10,993.6

Valuation Approach: Profits Method

Date of Valuation: 30 June 2021

Assessed Prevailing Annual Market Rent: **$5,832,420**

This valuation is exclusive of GST.

(Five Million Eight Hundred Thirty Two Thousand Four Hundred Twenty Dollars)
(Taking into consideration the new Master Lease Agreement and the Proposed Lease Renewal Terms)

Assumptions, Disclaimers, Limitations & Qualifications: *This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*

Prepared By: CBRE Pte. Ltd.

Per: Png Poh Soon MSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009900J
Executive Director - Valuation & Advisory Services

Per: Wee Ting Ting BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2010069M
Assistant Manager - Valuation & Advisory Services

1 July 2021

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Parkway Life Real Estate Investment Trust)
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983

Parkway Trust Management Limited
(as Manager of Parkway Life Real Estate Investment Trust)
101 Thomson Road
#28-03 United Square
Singapore 307591

Dear Sirs

RENTAL VALUATION OF 3 SINGAPORE HOSPITALS

(1) 3 MOUNT ELIZABETH "MOUNT ELIZABETH HOSPITAL", 363 CAR PARK LOTS AND 30 STRATA UNITS WITHIN "MOUNT ELIZABETH MEDICAL CENTRE" SINGAPORE 228510 ("MOUNT ELIZABETH HOSPITAL PROPERTY")

(2) 6A NAPIER ROAD "GLENEAGLES HOSPITAL", 121 CAR PARK LOTS AND 10 STRATA UNITS WITHIN "GLENEAGLES MEDICAL CENTRE" AT 6 NAPIER ROAD SINGAPORE 258500/258499 ("GLENEAGLES HOSPITAL PROPERTY")

(3) 321/319 JOO CHIAT PLACE "PARKWAY EAST HOSPITAL AND MEDICAL CENTRE" AND 75 CAR PARK LOTS SINGAPORE 427990/427989 ("PARKWAY EAST HOSPITAL PROPERTY")

Instructions

We refer to your instructions for a formal valuation to be carried out in respect of Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property (collectively the "Properties") leased by HSBC Institutional Trust Services (Singapore) Limited [as Trustee of Parkway Life Real Estate Investment Trust (Parkway Life REIT)] (the "Master Lessor") to Parkway Hospitals Singapore Pte Ltd (the "Master Lessee") for lease renewal purposes.

We have specifically been instructed to provide our opinion of the prevailing Market Rent of the Properties, taking into consideration the New Master Lease Agreements and the proposed lease renewal terms and conditions, for a lease term from 23 August 2022 to 31 December 2042 ("Renewal Term"), for lease renewal purposes. The prevailing Market Rent of the Properties shall be for the first financial year of the Renewal Term.

We have, in accordance with the instructions, prepared a formal comprehensive Valuation Report and this Valuation Summary Letter in accordance with the terms of engagement entered into between Knight Frank Pte Ltd and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) dated 13 February 2019.

Our valuation is our opinion of the Market Rent, which we would define as follows:

"Market Rent is the estimate amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg
Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

In preparing this valuation, we have relied on information provided by Parkway Trust Management Limited, as Manager of Parkway Life REIT (the “Manager”), particularly in respect of such matters as proposed lease renewal terms and conditions, existing Master Lease Agreements, site and floor areas, etc. We have relied upon this information as being accurate and complete. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

All works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

Unless otherwise stated, all valuation figures herein are stated on a net of GST basis.

We have inspected the Properties on 30 December 2020, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to unitholders of Parkway Life REIT (the "Circular"). The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuation in respect to the Properties, market conditions and available data.

As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Properties under frequent review.

For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Reliance on This Letter

We have prepared this letter which outlines key factors which have been considered in arriving at our opinion of the prevailing Market Rents of the Properties, for inclusion in, and/or to be made available for inspection under, the Circular. This letter alone does not contain all the necessary data and support information included in our Valuation Report. Knight Frank Pte Ltd has provided HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) and Parkway Trust Management Limited (as Manager of Parkway Life REIT) a comprehensive Valuation Report for the Properties. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

(a) The estimated prevailing Market Rents of the Properties are based upon the factual information provided by the Manager. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by the Manager or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every recipient of the Circular, should review the Valuation Report to understand the complexity of the methodology and the many variables involved.

(b) The primary methodology used by Knight Frank Pte Ltd in valuing the Properties is the Profits Method. The valuation methodology is summarised in the Valuation Rationale section of this letter.

(c) The Valuation Report was undertaken based upon information available as of June 2021. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

The Valuation Report, Valuation Summary Letter and Valuation Certificates may only be relied upon by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) and Parkway Trust Management Limited (as Manager of Parkway Life REIT) for lease renewal purposes.

The Properties

The Properties comprise Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property.

Mount Elizabeth Hospital Property

The Mount Elizabeth Hospital Development comprises Mount Elizabeth Hospital, Mount Elizabeth Medical Centre and car park. Mount Elizabeth Hospital comprises a 10-storey block, a 5-storey block and car park. Mount Elizabeth Medical Centre comprises a 17-storey block accommodating 232 strata titled shops and medical suites and a car park from the 4th to 8th storeys. The car park has a total of 363 lots. The hospital block has 1 major operating theatre with a total of 13 operating rooms. Parkway Life REIT owns 56.71% of the total share value of the strata lots in the Mount Elizabeth Hospital Development, representing the Mount Elizabeth Hospital which has 345 beds, 30 strata units and 363 car park lots (i.e. Mount Elizabeth Hospital Property).

Gleneagles Hospital Property

The Gleneagles Hospital Development comprises Gleneagles Hospital, Gleneagles Medical Centre and car park. Gleneagles Hospital comprises a 10-storey block with 2 basements and a 5-storey annex block. Gleneagles Medical Centre comprises a 10-storey block with 3 basements accommodating 164 medical suites from the 2nd to 10th storeys. The car park has a total of 402 lots, located at basement 2 to 1st storey of the hospital building and basement 3 to 1st storey of the medical centre building. The 10-storey hospital block has 1 major operating theatre with a total of 12 operating rooms. Parkway Life REIT owns 69.05% of the total share value of the strata lots in the Gleneagles Hospital Development, representing the Gleneagles Hospital which has 257 beds, 10 strata units and 121 car park lots (i.e. Gleneagles Hospital Property).

Parkway East Hospital Property

Parkway East Hospital Property comprises Parkway East Hospital, a medical centre and car park. Parkway East Hospital comprises a 4-storey block with 143 beds. The medical centre is a 5-storey block accommodating 32 medical centre units. The 1st and 5th storeys of the medical centre block are linked to the 1st and 4th storeys of the hospital block. The car park lots are located on the 1st storey deck and within the compound of the Property. The hospital block has 1 operating theatre with 5 operating rooms.

Existing Master Lease Agreements

The Properties are each leased by the Master Lessor to the Master Lessee pursuant to the Master Lease Agreements.

The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to extend the lease for a further term of 15 years 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.

The Master Lessee shall pay an annual rent comprising a Base Rent and a Variable Rent. The total Base Rent of the Properties is S$30,000,000. The Variable Rent is based on 3.8% of Adjusted Hospital Revenue (AHR) for the current financial year. Provided always that the rent payable shall be no less than the equivalent of {1+(CPI + 1.0%)} x total rent payable for the immediately preceding year.

Proposed Lease Renewal Terms and Conditions

The Master Lessee is seeking to enter into the New Master Lease Agreements in relation to the Properties for lease renewal purposes. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the “Renewal Term”), comprising an Interim Period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.

Immediately upon expiry of the Existing Term, the rent for the Interim Period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively.

As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to S$150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.

Valuation Rationale

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

As there is a dearth of rental evidence of hospitals which is leased to a Master Lessee in Singapore, we have valued the Properties by the Profits Method. The Profits Method is used in cases where it is not practical or possible to obtain direct rental evidence from comparable properties.

Profits Method

The Profits Method is based on the principle that the amount of rent a hypothetical tenant is prepared to pay will depend on the profits he can reasonably make from the use of business premises.

The Profits Method seeks to arrive at the estimated annual rent of a property by reference to the profits that may be expected to be generated by the business which occupies the property. It assumes that the value of property is related to the profit derived from the use of the property.

The Profits Method involves ascertaining gross receipts of the business from which cost of purchases and working expenses are deducted. The remainder is the divisible balance, which is to be shared between the hypothetical landlord and hypothetical tenant. A tenant's share, which is the profit or return or interest due to the hypothetical tenant for his undertaking shall be deducted from the divisible balance. What remains after the deduction of the tenant's share is the landlord's share and this is the estimated rent for the property.

The derived Market Rent of the Properties based on the Profits Method is S$104,397,000.

Benchmarking analysis

In arriving at our opinion of the prevailing Market Rent of the Properties, for lease renewal purposes, we have made relevant research of other healthcare REITs and carried out our analysis, as a cross check.

Given the absence of direct comparable evidence within the direct Singapore market, we have made reference to the publicly available operation ratios of healthcare REITs in other regions such as the United States, Europe, Australia and Malaysia. Rent Coverage Ratio i.e. the ratio of (EBITDAR/Initial Rent) and Occupancy Cost Ratio i.e. the ratio of (Rent/AHR) of healthcare REITs in other regions have been utilised for benchmarking analysis. For the purpose of our analysis, we have computed the Rent Coverage Ratio and Occupancy Cost Ratio of the Properties and compared with the publicly available operation ratios of healthcare REITs in other regions.

We have perused the key commercial terms of the New Master Lease Agreements. Based on publicly available information, the Initial Rent of S$97,207,000 is within market benchmarks and in our opinion is considered fair and reasonable.

Market Rent

Having regard to the foregoing, we are of the opinion that the prevailing Market Rent (exclusive of GST) of the Properties, taking into consideration the New Master Lease Agreements and the proposed lease renewal terms and conditions, for a lease term from 23 August 2022 to 31 December 2042, for lease renewal purposes, at the valuation date, is:

S$97,207,000 (Singapore Dollars Ninety-Seven Million Two Hundred And Seven Thousand Only)

The prevailing Market Rent of the Properties to be re-distributed among the three hospitals based on the following:

Property	% of Total	Renewal Rent for Year 1
Mount Elizabeth Hospital Property	62%	S$60,268,340
Gleneagles Hospital Property	32%	S$31,106,240
Parkway East Hospital Property	6%	S$ 5,832,420
Total	**100%**	**S$97,207,000**

The breakdown of prevailing Market Rent of the Properties between Base Rent and Variable Rent based on IPO ratio is as follows:

Property	Base Rent (67%)	Variable Rent (33%)
Mount Elizabeth Hospital Property	S$40,178,893	S$20,089,447
Gleneagles Hospital Property	S$20,737,493	S$10,368,747
Parkway East Hospital Property	S$ 3,888,280	S$ 1,944,140
Total	**S$64,804,667**	**S$32,402,333**

Note: The individual numbers do not add up to the total shown due to rounding.

Disclaimer

We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter and the enclosed Valuation Certificates. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary Letter or in the Valuation Certificates.

Knight Frank Pte Ltd has relied upon property data supplied by Parkway Trust Management Limited (as Manager of Parkway Life REIT), which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by Parkway Trust Management Limited (as Manager of Parkway Life REIT) 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 Properties and have no personal interest or bias with respect to the party or parties involved. 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 certify that our valuers undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser's Licence No. AD 041-2008950C
For and on behalf of Knight Frank Pte Ltd

Knight Frank

Valuation Certificate

Property	:	3 Mount Elizabeth "Mount Elizabeth Hospital", 363 car park lots and 30 strata units within "Mount Elizabeth Medical Centre" Singapore 228510 ("Mount Elizabeth Hospital Property")
Instructing Parties/Relying Parties	:	HSBC Institutional Trust Services (Singapore) Limited [as Trustee of Parkway Life Real Estate Investment Trust (Parkway Life REIT)] and Parkway Trust Management Limited (as Manager of Parkway Life REIT)
Purpose of Valuation	:	Lease Renewal
Basis of Valuation	:	Prevailing Market Rent taking into consideration the New Master Lease Agreement and the proposed lease renewal terms and conditions
Registered Owner	:	HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT)
Master Plan 2019	:	"Health & Medical Care"
Land Area	:	15,204.0 sm (subject development)
Strata Area	:	58,139.0 sm (including Accessory Lot Area)
Brief Description	:	The Mount Elizabeth Hospital Development comprises Mount Elizabeth Hospital, Mount Elizabeth Medical Centre and car park. Parkway Life REIT owns 56.71% of the total share value of the strata lots in the Mount Elizabeth Hospital Development, representing the Mount Elizabeth Hospital which has 345 beds, 30 strata units and 363 car park lots (i.e. Mount Elizabeth Hospital Property).
Existing Master Lease Agreement	:	The Property is leased by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) (the "Master Lessor") to Parkway Hospitals Singapore Pte Ltd (the "Master Lessee") pursuant to the Master Lease Agreement. The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to extend the lease for a further term of 15 years 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 Master Lease Agreement at the time of the notice. The Master Lessee shall pay an annual rent comprising a Base Rent and a Variable Rent. The Base Rent is S$19,800,000. The Variable Rent is based on 3.8% of Adjusted Hospital Revenue (AHR) for the current financial year. Provided always that the rent payable shall be no less than the equivalent of {1+(CPI + 1.0%)} x total rent payable for the immediately preceding year.
Proposed Lease Renewal Terms and Conditions	:	The Master Lessee is seeking to enter into the New Master Lease Agreement in relation to the Property for lease renewal purposes for the Renewal Term from 23 August 2022 to 31 December 2042. There will be a further option to renew for 10 years from 1 January 2043 to 31 December 2052. Immediately upon expiry of the Existing Term, the rent for the Interim Period will commence based on 2.0% step-up from the expiring rent for Year 15 of the Existing Term (to be accordingly prorated). Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Property shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the Property for the 10-year period from FY2010 to FY2019. The Initial Rent is estimated to be S$60,268,340 comprising Base Rent of S$40,178,893 and Variable Rent of S$20,089,447. The Master Lessor shall be responsible for a one-time Renewal Capex Costs of up to S$150.0 million (exclusive of GST). Rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period. Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042.
Valuation Approach	:	Profits Method
Valuation Date	:	30 June 2021
Market Rent (For the First Financial Year of the Renewal Term)	:	**S$60,268,340** This valuation is exclusive of GST. **(Singapore Dollars Sixty Million Two Hundred Sixty-Eight Thousand Three Hundred And Forty Only)**
Material Valuation Uncertainty	:	As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review. For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the letter. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon B.Sc.(Estate Management) Hons.,FSISV Deputy Group Managing Director Head, Valuation & Advisory Appraiser's Licence No. AD 041-2003752I	Sherri Fong B.Sc.(Estate Management) Hons.,MSISV Senior Director Valuation & Advisory Appraiser's Licence No. AD 041-2008950C

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg
Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Newmark Knight Frank

Valuation Certificate

Property	:	6A Napier Road "Gleneagles Hospital", 121 car park lots and 10 strata units within "Gleneagles Medical Centre" at 6 Napier Road Singapore 258500/258499 ("Gleneagles Hospital Property")
Instructing Parties/Relying Parties	:	HSBC Institutional Trust Services (Singapore) Limited [as Trustee of Parkway Life Real Estate Investment Trust (Parkway Life REIT)] and Parkway Trust Management Limited (as Manager of Parkway Life REIT)
Purpose of Valuation	:	Lease Renewal
Basis of Valuation	:	Prevailing Market Rent taking into consideration the New Master Lease Agreement and the proposed lease renewal terms and conditions
Registered Owner	:	HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT)
Master Plan 2019	:	"Health & Medical Care"
Land Area	:	14,947.3 sm (subject development)
Strata Area	:	49,003.0 sm (including Accessory Lot Area)
Brief Description	:	The Gleneagles Hospital Development comprises Gleneagles Hospital, Gleneagles Medical Centre and car park. Parkway Life REIT owns 69.05% of the total share value of the strata lots in the Gleneagles Hospital Development, representing the Gleneagles Hospital which has 257 beds, 10 strata units and 121 car park lots (i.e. Gleneagles Hospital Property).
Existing Master Lease Agreement	:	The Property is leased by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) (the "Master Lessor") to Parkway Hospitals Singapore Pte Ltd (the "Master Lessee") pursuant to the Master Lease Agreement. The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to extend the lease for a further term of 15 years 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 Master Lease Agreement at the time of the notice. The Master Lessee shall pay an annual rent comprising a Base Rent and a Variable Rent. The Base Rent is S$8,700,000. The Variable Rent is based on 3.8% of Adjusted Hospital Revenue (AHR) for the current financial year. Provided always that the rent payable shall be no less than the equivalent of {1+(CPI + 1.0%)} x total rent payable for the immediately preceding year.
Proposed Lease Renewal Terms and Conditions	:	The Master Lessee is seeking to enter into the New Master Lease Agreement in relation to the Property for lease renewal purposes for the Renewal Term from 23 August 2022 to 31 December 2042. There will be a further option to renew for 10 years from 1 January 2043 to 31 December 2052. Immediately upon expiry of the Existing Term, the rent for the Interim Period will commence based on 2.0% step-up from the expiring rent for Year 15 of the Existing Term (to be accordingly pro-rated). Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Property shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the Property for the 10-year period from FY2010 to FY2019. The Initial Rent is estimated to be S$31,106,240 comprising Base Rent of S$20,737,493 and Variable Rent of S$10,368,747. The Master Lessor shall be responsible for a one-time Renewal Capex Costs of up to S$150.0 million (exclusive of GST). Rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period. Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042.
Valuation Approach	:	Profits Method
Valuation Date	:	30 June 2021
Market Rent (For the First Financial Year of the Renewal Term)	:	**S$31,106,240** This valuation is exclusive of GST. **(Singapore Dollars Thirty-One Million One Hundred Six Thousand Two Hundred And Forty Only)**
Material Valuation Uncertainty	:	As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review. For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the letter. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser's Licence No. AD 041-2008950C

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg
Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Valuation Certificate

Property	:	321/319 Joo Chiat Place "Parkway East Hospital and Medical Centre" and 75 car park lots Singapore 427990/427989 ("Parkway East Hospital Property")
Instructing Parties/Relying Parties	:	HSBC Institutional Trust Services (Singapore) Limited [as Trustee of Parkway Life Real Estate Investment Trust (Parkway Life REIT)] and Parkway Trust Management Limited (as Manager of Parkway Life REIT)
Purpose of Valuation	:	Lease Renewal
Basis of Valuation	:	Prevailing Market Rent taking into consideration the New Master Lease Agreement and the proposed lease renewal terms and conditions
Registered Owner	:	HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT)
Master Plan 2019	:	"Health & Medical Care"
Land Area	:	6,203.0 sm
Gross Floor Area	:	10,993.6 sm
Brief Description	:	The Parkway East Hospital Property comprises Parkway East Hospital which has 143 beds, a medical centre accommodating 32 medical centre units and car park.
Existing Master Lease Agreement	:	The Property is leased by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) (the "Master Lessor") to Parkway Hospitals Singapore Pte Ltd (the "Master Lessee") pursuant to the Master Lease Agreement. The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to extend the lease for a further term of 15 years 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 Master Lease Agreement at the time of the notice. The Master Lessee shall pay an annual rent comprising a Base Rent and a Variable Rent. The Base Rent is S$1,500,000. The Variable Rent is based on 3.8% of Adjusted Hospital Revenue (AHR) for the current financial year. Provided always that the rent payable shall be no less than the equivalent of {1+(CPI + 1.0%)} x total rent payable for the immediately preceding year.
Proposed Lease Renewal Terms and Conditions	:	The Master Lessee is seeking to enter into the New Master Lease Agreement in relation to the Property for lease renewal purposes for the Renewal Term from 23 August 2022 to 31 December 2042. There will be a further option to renew for 10 years from 1 January 2043 to 31 December 2052. Immediately upon expiry of the Existing Term, the rent for the Interim Period will commence based on 2.0% step-up from the expiring rent for Year 15 of the Existing Term (to be accordingly pro-rated). Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Property shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the Property for the 10-year period from FY2010 to FY2019. The Initial Rent is estimated to S$5,832,420, comprising Base Rent of S$3,888,280 and Variable Rent of S$1,944,140. The Master Lessor shall be responsible for a one-time Renewal Capex Costs of up to S$150.0 million (exclusive of GST). Rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period. Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042.
Valuation Approach	:	Profits Method
Valuation Date	:	30 June 2021
Market Rent (For the First Financial Year of the Renewal Term)	:	**S$5,832,420** This valuation is exclusive of GST. **(Singapore Dollars Five Million Eight Hundred Thirty-Two Thousand Four Hundred And Twenty Only)**
Material Valuation Uncertainty	:	As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review. For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the letter. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon B.Sc.(Estate Management) Hons.,FSISV Deputy Group Managing Director Head, Valuation & Advisory Appraiser's Licence No. AD 041-2003752I	Sherri Fong B.Sc.(Estate Management) Hons.,MSISV Senior Director Valuation & Advisory Appraiser's Licence No. AD 041-2008950C

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg
Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

General Terms of Business for Valuations

These General Terms of Business and our Terms of Engagement letter together form the agreement between us ("Agreement"). The following General Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the Terms of Engagement letter and so stated within the main body of the valuation summary letter, the valuation report and/or certificate.

1. Knight Frank Pte Ltd ("the company")

Knight Frank Pte Ltd is a privately owned company with registration number 198205243Z. Any work done by an individual is in the capacity as an employee of the Company.

Our GST registration number is M2-0058829-X.

2. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

3. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

4. Our Fees

If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 1.5% per month. If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

If before the valuation is concluded :-
(a) you end this instruction, we will charge abortive fees; or
(b) you delay the instruction by more than [1] month or materially alter the instruction so that additional work is required at any stage we will charge additional fees,

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred.

Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

5. Valuation Standards

Valuations and appraisals will be carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism will be met.

6. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

7. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoings, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property.

8. Disposal Costs and Liabilities

No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any GST that may become chargeable. Properties are valued disregarding any mortgages or other charges.

9. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

10. Boundaries

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

11. Planning and Other Statutory Regulations

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

12. Property Insurance

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

13. Building Areas and Age

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

14. Structural Condition

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

15. Ground Conditions

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

16. Environmental Issues

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

17. Leases

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

18. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

19. Loan Security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

20. Build Cost Information

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

21. Reinstatement Assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

22. Attendance in Court

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

ASSET VALUATION CERTIFICATES

CBRE Pte. Ltd.

2 Tanjong Katong Road #06-01
Paya Lebar Quarter
Singapore 437161
T (65) 6224 8181
F (65) 6225 1987

www.cbre.com.sg

Co. Reg. No.: 197701161R
Agency License No.: L3002163I

Our Ref.: 21-SGL-0034-1 to 3

1 July 2021

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Parkway Life Real Estate Investment Trust)
10 Marina Boulevard
#48-01 Marina Bay Financial Centre
Tower 2
Singapore 018983

and

Parkway Trust Management Limited
(as Manager of Parkway Life Real Estate Investment Trust)
101 Thomson Road #28-03 United Square
Singapore 307591

Dear Sirs,

VALUATION OF THE FOLLOWING PROPERTIES:
1) MOUNT ELIZABETH HOSPITAL, 30 STRATA UNITS WITHIN MOUNT ELIZABETH MEDICAL CENTRE & 363 CAR PARK LOTS ("MOUNT ELIZABETH HOSPITAL PROPERTY")
2) GLENEAGLES HOSPITAL, 10 STRATA UNITS WITHIN GLENEAGLES MEDICAL CENTRE & 121 CAR PARK LOTS ("GLENEAGLES HOSPITAL PROPERTY")
3) PARKWAY EAST HOSPITAL & MEDICAL CENTRE ("PARKWAY EAST HOSPITAL PROPERTY")

Instructions

We refer to instructions issued by Parkway Trust Management Limited (as Manager of Parkway Life Real Estate Investment Trust) ("Manager") and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life Real Estate Investment Trust) ("Trustee") being the instructing parties to this valuation, requesting a Valuation Summary Letter with Valuation Certificates for inclusion in the Circular, and full Valuation Reports of 3 hospital properties, namely Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property (collectively referred to as "the Properties"), for lease renewal purposes. We have specifically been instructed to provide our opinion of values of the Properties, on the following bases:

(i) The Assessed Value as at 30 June 2021 subject to the existing Master Lease Agreement ("existing MLA") expiring 22 August 2022 and based on the new Master Lease Agreement ("new MLA") and taking into consideration the Proposed Lease Renewal Terms, and assuming satisfactory completion of the proposed renewal capital expenditure works.

(ii) The Proposed Likely Value as at 31 December 2025 based on the new MLA and taking into consideration the Proposed Lease Renewal Terms, and assuming satisfactory completion of the proposed renewal capital expenditure works.

Our opinion of Market Value as at the respective bases is subject to the existing MLA expiring 22 August 2022 and it is also based on the new MLA and taking into consideration the Proposed Lease Renewal Terms, and assuming satisfactory completion of the proposed renewal capital expenditure works.

We have prepared comprehensive formal Full Valuation Reports ("Reports") in accordance with the requirements of our instructions. In accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines and International Valuation Standards, the definition of Market Value is as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

For the specific purposes of this Circular, we provide a summary of the Reports outlining key factors that have been considered in arriving at our opinions of value. The value conclusion reflects all information known by the valuers of CBRE Pte. Ltd. ("CBRE") who worked on the valuation in respect to the Properties, market conditions and available data.

This summary of valuation and report is a condensed version of our Reports dated 30 June 2021. We recommend that this Valuation Summary Letter is accordingly be read in conjunction with the aforementioned Reports. Our instructions were to assess the market values of the Properties on the basis of Market Value as at the respective valuation dates in accordance with the terms of engagement entered into between CBRE and the addressee(s) dated 8 February 2021.

Reliance on This Letter

For the purposes of this Circular, we have prepared this Valuation Summary Letter which summarises our Reports and outlines key factors which have been considered in arriving at our opinion of value. This letter alone does not contain the necessary data and support information included in our Reports. For further information to that contained herein, reference should be made to the Reports, copies of which are held by the Manager and the Trustee.

CBRE has provided the Manager and the Trustee with the Reports for the Properties. The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- The conclusions within the valuation reports as to the estimated value are based upon the factual information set forth in that Reports. Whilst CBRE has endeavored to assure the accuracy of the factual information, it has not independently verified all information provided by the Manager (primarily the leases and financial information with respect to the Properties). CBRE believes that every investor, before making an investment in Parkway Life Real Estate Investment Trust, should review the Reports to understand the complexity of the methodology and the many variables involved.

- The primary methodologies used by CBRE in valuing the Property – the Capitalisation Method and Discounted Cash Flow Analysis – are based upon estimates of future results and are not predictions. These valuation methodologies are summarized in the Valuation Rationale section of this letter. Each methodology begins with a set of assumptions as to income and expenses of the Property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate, but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. The basic assumption utilized for the Properties is summarized in the Valuation Rationale section of this letter.

The Reports will be relied on by the Manager and the Trustee in regard to lease renewal of the Properties and such other party(ies) that should enter into a reliance letter with us.

No reliance may be placed upon the contents of this Valuation Summary Letter by any party for any purpose other than in connection with the Purpose of Valuation.

Sources of Information

We have relied on updated information provided in May 2021 by the Manager in relation to such matters as the Proposed Lease Renewal Terms of the new MLA, Adjusted Hospital Revenue ("AHR"), operating expenses and capital expenditures etc. All information provided is treated as correct and CBRE accepts no responsibility for subsequent changes in information as to income, expenses or market conditions and reserves the right to change our opinion of value if any other information provided were to materially change.

Brief Property Description

Mount Elizabeth Hospital Property
3 Mount Elizabeth
Singapore 228510

The Mount Elizabeth Hospital development, erected on a site legally known as Lot 858T of Town Subdivision 27, comprises Mount Elizabeth Hospital, a medical centre and car parks. Mount Elizabeth Hospital is made up of a 10-storey block and a 5-storey block as well as car park lots. The medical centre comprises a 17-storey medical and retail block with a total of 232 strata units and a car park on the 4th to 8th storey. Parkway Life Real Estate Investment Trust owns 56.71% of the total share value of the strata lots in Mount Elizabeth Hospital development, representing the Mount Elizabeth Hospital which has 345 beds, 30 strata units within Mount Elizabeth Medical Centre and 363 car park lots, giving a total strata floor area of 58,139.0 square metres (includes total accessory area of 2,603.0 square metres), i.e. Mount Elizabeth Hospital Property.

The interest held by the Trustee is leasehold for a period of 67 years commencing from 23 August 2007. The remaining unexpired lease term is approximately 53.1 years as at 30 June 2021.

Gleneagles Hospital Property
6A & 6 Napier Road
Singapore 258500/258499

The Gleneagles Hospital development, erected on a site legally known as Lot 1345A of Town Subdivision 25, with accompanying Lot 1346K of Town Subdivision 25, comprises Gleneagles Hospital, a medical centre and car parks. 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 strata units from the 2nd to 10th storey. The car parks with a total of 402 car park lots are located at Basement 2 to 1st storey of the hospital building and Basement 3 to 1st storey of the medical centre. Parkway Life Real Estate Investment Trust owns 69.05% of the total share value of the strata lots in Gleneagles Hospital development, representing the Gleneagles Hospital which has 257 beds, 10 strata units within Gleneagles Medical Centre and 121 car park lots within the hospital building, giving a total strata floor area of 49,003.0 square metres (includes a total accessory area of 65.0 square metres), i.e. Gleneagles Hospital Property.

The interest held by the Trustee is leasehold for a period of 75 years commencing from 23 August 2007. The remaining unexpired lease term is approximately 61.1 years as at 30 June 2021.

Parkway East Hospital Property
321/319 Joo Chiat Place
Singapore 427990/427989

The Parkway East Hospital Property, erected on a site legally known as Lot 6912P of Mukim 26, comprises the Parkway East Hospital, a medical centre and car parks. Parkway East Hospital is a 4-storey block and the medical centre is a 5-storey block. The 1st and 5th storey of the medical centre are linked to the 1st and 4th storey of the hospital block. The car park lots are located on the 1st storey of the medical centre block as well as surface lots within the compound. The total floor area of the property is 10,993.6 square metres.

The interest held by the Trustee is leasehold for a period of 75 years commencing from 23 August 2007. The remaining unexpired lease term is approximately 61.1 years as at 30 June 2021.

Occupational Details of the Properties

Existing Master Lease Agreement

The Properties are currently are leased by the Trustee ("Master Lessor"), to Parkway Hospitals Singapore Pte Ltd ("Master Lessee") under a Master Lease arrangement.

The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"), with an option to renew the lease for a further term of 15 years upon expiry of the initial term. The rental payable by the Master Lessee from 2nd year of the term till the final year of the term comprises a base rent component of S$30.0 million and a variable rent component computed at 3.8% of AHRs for the current financial year 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.

The Master Lessee bears all property expenses, including property tax, insurance expenses and all outgoings and expenses to be incurred in respect of the Properties while the Master Lessor bears all expenses in relation to land rent, maintenance charges and sinking fund to the relevant Management Corporation (if any).

Proposed Lease Renewal Terms for the New Master Lease Agreement

We have been informed on the Proposed Lease Renewal Terms for the new MLA. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an interim period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.

Immediately upon expiry of the Existing Term, the rent for the interim period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively.

As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to S$150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/ period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and have investigated recent sales and leasing transactions of comparable properties that have occurred within the Singapore market. We have utilised the Capitalisation Approach and Discounted Cash Flow analysis in undertaking the assessment of the Properties.

Capitalisation Method

The Capitalisation Method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) has been adjusted to reflect anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised over the remaining term of the lease from the valuation date at an appropriate investment yield. The adopted yield reflects the nature, location and tenancy profile of the property together with current market investment criteria. Thereafter, various capital adjustments are made, where appropriate, to the calculated core value.

Discounted Cash Flow Analysis

Discounted Cash Flow analysis allows an investor or owner to make an assessment of the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, rental growth, sale price of the property at the end of the investment horizon, costs associated with the initial purchase of the property and also its disposal at the end of the investment period. Having regard to these factors, we have carried out discounted cash flow analysis over a 10-year investment horizon in which we have assumed that the property is sold at the commencement of the eleventh year of the cash flow.

Critical Assumptions

We have made certain critical assumptions which collectively have a material impact upon our valuation.

These are noted as follows:

- Our assessment addresses the Assessed Value as at 30 June 2021 and Proposed Likely Value of the Property as at 31 December 2025, subject to terms of the existing MLA expiring 22 August 2022 and based on the new MLA taking into consideration the Proposed Lease Renewal Terms. While the new MLA has yet to be finalised, we understand from the Client that there has been some agreement between the Master Lessee and Master Lessor on the Proposed Lease Renewal Terms. We have perused these commercial terms provided to us and relied on it for this valuation exercise.
- We have not examined the revised lease documentation, indicating the variations, for the new MLA. Our assessment of Assessed Value and Proposed Likely Value are provided on the assumption that the new MLA is executed or will be executed and that the lease provisions are in accordance with the terms provided by the Client.
- Our assessment assumes that the proposed renewal capital expenditure works as part of the renewal agreement for the new MLA will be satisfactorily completed.
- Our valuation calculations include rental growth assumptions throughout a defined cash flow period. These assumptions have been based on prevailing economic and market conditions as at the date of valuations.

Assessment of Value

Having considered the prevailing market conditions and other relevant factors, we are of opinion that the Market Value of the Properties, based on the two bases, is:

(i) The Assessed Value as at 30 June 2021 subject to the existing MLA expiring 22 August 2022 and based on the new MLA and taking into consideration the Proposed Lease Renewal Terms, and assuming satisfactory completion of the proposed renewal capital expenditure works.

No	Property	Area (sq m)	Balance Lease Term (years)	Capitalisation Rate	IRR (10 years)	Terminal Capitalisation Rate	Market Value as at 30 June 2021
1	Mount Elizabeth Hospital Property	58,139.0	53.1	5.00%	7.00%	5.25%	S$876,000,000
2	Gleneagles Hospital Property	49,003.0	61.1	5.25%	7.00%	5.50%	S$499,000,000
3	Parkway East Hospital Property	10,993.6	61.1	5.50%	7.00%	5.75%	S$86,000,000

(ii) The Proposed Likely Value as at 31 December 2025 based on the new MLA and taking into consideration the Proposed Lease Renewal Terms, and assuming satisfactory completion of the proposed renewal capital expenditure works.

No	Property	Area (sq m)	Balance Lease Term (years)	Capitalisation Rate	IRR (10 years)	Terminal Capitalisation Rate	Proposed Likely Value as at 31 December 2025
1	Mount Elizabeth Hospital Property	58,139.0	48.6	5.25%	7.00%	5.50%	S$1,028,000,000
2	Gleneagles Hospital Property	49,003.0	56.6	5.25%	7.00%	5.50%	S$554,000,000
3	Parkway East Hospital Property	10,993.6	56.6	5.50%	7.00%	5.75%	S$101,000,000

The key details and valuation of the Properties are detailed in the Valuation Certificates attached.

1 July 2021

Disclaimer

Mr Png Poh Soon, Ms Wee Ting Ting and CBRE have prepared this Valuation Summary Letter which appears in this Circular and, to the extent permitted by law, specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within the aforementioned Report and this Valuation Summary Letter. Mr Png Poh Soon, Ms Wee Ting Ting and CBRE do not make any warranty or representation as to the accuracy of the information in any other part of the prospectus other than as expressly made or given by CBRE in this Valuation Summary Letter.

CBRE has relied upon property data supplied by the Manager which we assume to be true and accurate. CBRE takes no responsibility for 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 is our personal, unbiased professional analyses, opinions and conclusions. CBRE, Mr Png Poh Soon and Ms Wee Ting Ting have no present or prospective interest in the Property and have no personal interest or bias with respect to the party(ies) involved.

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 (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorized to practice as valuers.

None of the information in this Valuation Summary Letter or our Report constitutes advice as to the merits of entering into any form of transaction. Furthermore, none of the information in this Summary Valuation Letter or our Report constitutes financial product advice.

This Summary Valuation Letter and the Report are strictly limited to the matters contained within those documents and are not to be read as extending, by implication or otherwise, to any other matter in the Circular. To the extent permitted by law, CBRE specifically disclaims any liability in respect of the use of or reliance on this Summary Valuation Letter to any person in the event of any omission or false or misleading statement other than to the Addressees or such other party that has entered into a reliance letter with us. CBRE does not give any warranty or representation as to the accuracy of the information in any other part of the Circular.

Yours sincerely
CBRE PTE. LTD.

PNG POH SOON
MSc (Real Est) MSISV
Appraiser's License No. AD041-2009900J
Executive Director
Valuation & Advisory Services

WEE TING TING
BSc (Real Est) MSISV
Appraiser's License No. AD041-2010069M
Assistant Manager
Valuation & Advisory Services

Valuation Certificate – Mount Elizabeth Hospital Property

Property: Mount Elizabeth Hospital, 30 strata units within Mount Elizabeth Medical Centre & 363 Car Park Lots
3 Mount Elizabeth
Singapore 228510

Client: Parkway Trust Management Limited (as Manager of Parkway Life Real Estate Investment Trust) and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life Real Estate Investment Trust)

Trust: Parkway Life REIT

Purpose: Lease Renewal

Interest Valued: Leasehold for a term of 67 years commencing from 23 August 2007. Balance term of about 53.1 years as at 30 June 2021 and 48.6 years as at 31 December 2025.

Basis of Valuation: Assessed Value as at 30 June 2021 and Proposed Likely Value as at 31 December 2025, subject to the existing Master Lease Agreement expiring 22 August 2022 and based on the new Master Lease Agreement and taking into consideration the Proposed Lease Renewal Terms, and assuming satisfactory completion of the proposed renewal capital expenditure works.

Registered Owner: HSBC Institutional Trust Services (Singapore) Limited (Held in Trust)

Land Area: 15,204.0 square metres

Master Plan 2019: "Health & Medical Care"

Brief Description: Mount Elizabeth Hospital development comprises Mount Elizabeth Hospital, a medical centre and car parks. Mount Elizabeth Hospital is made up of a 10-storey block and a 5-storey block as well as car park lots. The medical centre comprises a 17-storey medical and retail block with a total of 232 strata units and a car park on the 4th to 8th storey. All blocks are linked by common podium with basement car park. The Mount Elizabeth Hospital Property owned by Parkway Life REIT accounts for 56.71% of the total share value of the strata lots at Mount Elizabeth Hospital development.

The hospital building was completed in 1979 whilst the medical centre was completed over two phases; in 1979 and 1992. Renovation and reconfiguration works have been carried out within the development over the years. We understand that the renovation works carried out in 2016 and 2017 include renovation to Magnetic Resonance Imaging located on Level 2 of Block A, wards, HASCTC, admission counter and andology lab. Other upgrading works include installation of partition wall at plant room entrance, BMS System; replacement of medical gas system, vacuum system, standby generator and fan coil units at Block B and Block C and boiler at Block B; upgrading of surgical lights and pendant for operating theatres, converting ICU waiting area to meeting room and waterproofing to roof of Block B and Block C. Further renovation works have been carried out to the discharge lounge, ward 10 and changing the carpet of the administration office, lift lobbies and corridors in 2018.

Tenancy Profile: The Mount Elizabeth Hospital Property is leased to Parkway Hospitals Singapore Pte Ltd (as "Master Lessee"), for a term of 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to renew for another 15 years upon expiry of the initial term.

Under the new Master Lease Agreement, based on the proposed lease renewal terms, the original lease renewal option period of 15 years will be extended. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an interim period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.

Lease Condition: Based on the existing Master Lease Agreement, for the first year, the aggregate rent is $19.8 million (Base Rent) and the higher of (i) 3.8% of Adjusted Hospital Revenue ("AHR") for the current financial year (Variable Rent) or (ii) $9.9 million. From the second year till final year of the lease term, the aggregate rent is $19.8 million (Base Rent) and 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 shall mean 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 given year, then CPI shall be deemed to be zero.

Under the new Master Lease Agreement, based on the proposed lease renewal terms, immediately upon expiry of the Existing Term, the rent for the interim period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively. Taking into consideration of the rental renewal cap, the initial rent for Mount Elizabeth Hospital Property is estimated to be $60.3 million for the first financial year i.e. FY2023, with $40.2 million as base rent and $20.1 million as variable rent.

As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to $150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately $60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year / period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.

Annual Land Rent (pa): $24.00

Strata Floor Area (sqm): 58,139.0

Valuation Approaches: Capitalisation Approach & Discounted Cash Flow Analysis

Assessed Value as at 30 June 2021: **$876,000,000**
(Eight Hundred Seventy Six Million Dollars)
This valuation is exclusive of GST.

Assessed Value as at 30 June 2021 on psm basis: $15,067

Proposed Likely Value as at 31 December 2025: **$1,028,000,000**
(One Billion Twenty Eight Million Dollars)
This valuation is exclusive of GST.

Proposed Likely Value as at 31 December 2025 on psm basis: $17,682

Analysis:

Capitalisation Rate: 5.00% (Assessed Value as at 30 June 2021) and 5.25% (Proposed Likely Value as at 31 December 2025)

Terminal Cap: 5.25% (Assessed Value as at 30 June 2021) and 5.50% (Proposed Likely Value as at 31 December 2025)

IRR (10 years): 7.00%

Assumptions, Disclaimers, Limitations & Qualifications: *This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*

Prepared By: **CBRE Pte. Ltd.**

Per: Png Poh Soon MSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009900J
Executive Director - Valuation & Advisory Services

Per: Wee Ting Ting BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2010069M
Assistant Manager - Valuation & Advisory Services

Valuation Certificate - Gleneagles Hospital Property

Property:	Gleneagles Hospital, 10 strata units within Gleneagles Medical Centre & 121 Car Park Lots 6A & 6 Napier Road Singapore 258500/258499
Client:	Parkway Trust Management Limited (as Manager of Parkway Life Real Estate Investment Trust) and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life Real Estate Investment Trust)
Trust:	Parkway Life REIT
Purpose:	Lease Renewal
Interest Valued:	Leasehold for a term of 75 years commencing from 23 August 2007. Balance term of about 61.1 years as at 30 June 2021 and 56.6 years as at 31 December 2025.
Basis of Valuation:	Assessed Value as at 30 June 2021 and Proposed Likely Value as at 31 December 2025, subject to the existing Master Lease Agreement expiring 22 August 2022 and based on the new Master Lease Agreement and taking into consideration the Proposed Lease Renewal Terms, and assuming satisfactory completion of the proposed renewal capital expenditure works.
Registered Owner:	HSBC Institutional Trust Services (Singapore) Limited (Held in Trust)
Land Area:	14,947.3 square metres where the subject development is built on (with accompanying lot of 37.6 square metres)
Master Plan 2019:	"Health & Medical Care"
Brief Description:	Gleneagles Hospital development comprises Gleneagles Hospital, a medical centre and car parks. 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 strata units from the 2nd to 10th storey. The car parks with a total of 402 car park lots are located at Basement 2 to 1st storey of the hospital building and Basement 3 to 1st storey of the medical centre. The Gleneagles Hospital Property owned by Parkway Life REIT accounts for 69.05% of the total share value of the strata lots at Gleneagles Hospital development. The hospital building was completed in phases between 1991 and 1993; the annexe block in 1979 and the medical centre also completed in phases between 1991 and 1993. We understand that between 2009 to 2014, renovation or minor improvement works were carried out to the wards, neonatal intensive care unit (NICU) and some of the operating theatres. Between 2015 to 2017, renovation and minor works were carried out to some of the operating theatres, theatre sterile supplies unit, lounge, endoscopy unit, ward 5/NICU, A&E area and admission/front office/TACT office/ATS room. Further renovation and minor works were carried to ward 6, A&E area, toilets in annex block and reducing the rehabilitation area in 2018.
Tenancy Profile:	The Gleneagles Hospital Property is leased to Parkway Hospitals Singapore Pte Ltd (as "Master Lessee"), for a term of 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to renew for another 15 years upon expiry of the initial term. Under the new Master Lease Agreement, based on the proposed lease renewal terms, the original lease renewal option period of 15 years will be extended. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an interim period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.
Lease Condition:	Based on the existing Master Lease Agreement, for the first year, the aggregate rent is $8.7 million (Base Rent) and the higher of (i) 3.8% of Adjusted Hospital Revenue ("AHR") for the current financial year (Variable Rent) or (ii) $4.3 million. From the second year till final year of the lease term, the aggregate rent is $8.7 million (Base Rent) and 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 shall mean 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 given year, then CPI shall be deemed to be zero. Under the new Master Lease Agreement, based on the proposed lease renewal terms, immediately upon expiry of the Existing Term, the rent for the interim period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively. Taking into consideration of the rental renewal cap, the initial rent for Gleneagles Hospital Property is estimated to be $31.1 million for the first financial year i.e. FY2023, with $20.7 million as base rent and $10.4 million as variable rent. As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to $150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately $60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year / period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.
Annual Land Rent (pa):	$36.00
Strata Area (sqm):	49,003.0
Valuation Approaches:	Capitalisation Approach & Discounted Cash Flow Analysis
Assessed Value as at 30 June 2021:	**$499,000,000** **(Four Hundred Ninety Nine Million Dollars)** — This valuation is exclusive of GST.
Assessed Value as at 30 June 2021 on psm basis:	$10,183
Proposed Likely Value as at 31 December 2025:	**$554,000,000** **(Five Hundred Fifty Four Million Dollars)** — This valuation is exclusive of GST.
Proposed Likely Value as at 31 December 2025 on psm basis:	$11,305
Analysis:	
Capitalisation Rate:	5.25%
Terminal Cap:	5.50%
IRR (10 years):	7.00%
Assumptions, Disclaimers, Limitations & Qualifications	*This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
Prepared By:	**CBRE Pte. Ltd.**

Per: Png Poh Soon MSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009900J
Executive Director - Valuation & Advisory Services

Per: Wee Ting Ting BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2010069M
Assistant Manager - Valuation & Advisory Services

Valuation Certificate - Parkway East Hospital Property

Property:	Parkway East Hospital & Medical Centre 321/319 Joo Chiat Place Singapore 427990/427989
Client:	Parkway Trust Management Limited (as Manager of Parkway Life Real Estate Investment Trust) and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life Real Estate Investment Trust)
Trust:	Parkway Life REIT
Purpose:	Lease Renewal
Interest Valued:	Leasehold for a term of 75 years commencing from 23 August 2007. Balance term of about 61.1 years as at 30 June 2021 and 56.6 years as at 31 December 2025.
Basis of Valuation:	Assessed Value as at 30 June 2021 and Proposed Likely Value as at 31 December 2025, subject to the existing Master Lease Agreement expiring 22 August 2022 and based on the new Master Lease Agreement and taking into consideration the Proposed Lease Renewal Terms, and assuming satisfactory completion of the proposed renewal capital expenditure works.
Registered Owner:	HSBC Institutional Trust Services (Singapore) Limited (Held in Trust)
Land Area:	6,203.0 square metres
Master Plan 2019:	"Health & Medical Care"
Brief Description:	Parkway East Hospital Property comprises the Parkway East Hospital, a medical centre and car parks. Parkway East Hospital is a 4-storey block and the medical centre is a 5-storey block. The 1st and 5th storey of the medical centre are linked to the 1st and 4th storey of the hospital block. The car park lots are located on the 1st storey of the medical centre block as well as surface lots within the compound. The hospital building was completed in 1982 whilst the medical centre was completed in 1987.
Tenancy Profile:	The Parkway East Hospital Property is leased to Parkway Hospitals Singapore Pte Ltd (as "Master Lessee"), for a term of 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to renew for another 15 years upon expiry of the initial term. Under the new Master Lease Agreement, based on the proposed lease renewal terms, the original lease renewal option period of 15 years will be extended. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an interim period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.
Lease Condition:	Based on the existing Master Lease Agreement, for the first year, the aggregate rent is \$1.5 million (Base Rent) and the higher of (i) 3.8% of Adjusted Hospital Revenue for the current financial year (Variable Rent) or (ii) \$0.8 million. From the second year till final year of the lease term, the aggregate rent is \$1.5 million (Base Rent) and 3.8% of Adjusted Hospital Revenue ("AHR") 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 shall mean 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 given year, then CPI shall be deemed to be zero. Under the new Master Lease Agreement, based on the proposed lease renewal terms, immediately upon expiry of the Existing Term, the rent for the interim period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively. Taking into consideration of the rental renewal cap, the initial rent for Parkway East Hospital Property is estimated to be \$5.8 million for the first financial year i.e. FY2023, with \$3.9 million as base rent and \$1.9 million as variable rent. As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to \$150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately \$60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year / period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.
Annual Land Rent (pa):	\$12.00
Total Floor Area (sqm):	10,993.6
Valuation Approaches:	Capitalisation Approach & Discounted Cash Flow Analysis
Assessed Value as at 30 June 2021:	**\$86,000,000** **(Eighty Six Million Dollars)** This valuation is exclusive of GST.
Assessed Value as at 30 June 2021 on psm basis:	\$7,823
Proposed Likely Value as at 31 December 2025:	**\$101,000,000** **(One Hundred One Million Dollars)** This valuation is exclusive of GST.
Proposed Likely Value as at 31 December 2025 on psm basis:	\$9,187
Analysis:	
Capitalisation Rate:	5.50%
Terminal Cap:	5.75%
IRR (10 years):	7.00%
Assumptions, Disclaimers, Limitations & Qualifications	*This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.*
Prepared By:	**CBRE Pte. Ltd.**

Per: Png Poh Soon MSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009900J
Executive Director - Valuation & Advisory Services

Per: Wee Ting Ting BSc (Real Est) Hons MSISV
Appraiser's License No. AD041-2010069M
Assistant Manager - Valuation & Advisory Services

1 July 2021

HSBC Institutional Trust Services (Singapore) Limited
(as Trustee of Parkway Life Real Estate Investment Trust)
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983

Parkway Trust Management Limited
(as Manager of Parkway Life Real Estate Investment Trust)
101 Thomson Road
#28-03 United Square
Singapore 307591

Dear Sirs

VALUATION OF 3 SINGAPORE HOSPITALS
(1) 3 MOUNT ELIZABETH "MOUNT ELIZABETH HOSPITAL", 363 CAR PARK LOTS AND 30 STRATA UNITS WITHIN "MOUNT ELIZABETH MEDICAL CENTRE" SINGAPORE 228510 ("MOUNT ELIZABETH HOSPITAL PROPERTY")
(2) 6A NAPIER ROAD "GLENEAGLES HOSPITAL", 121 CAR PARK LOTS AND 10 STRATA UNITS WITHIN "GLENEAGLES MEDICAL CENTRE" AT 6 NAPIER ROAD SINGAPORE 258500/258499 ("GLENEAGLES HOSPITAL PROPERTY")
(3) 321/319 JOO CHIAT PLACE "PARKWAY EAST HOSPITAL AND MEDICAL CENTRE" AND 75 CAR PARK LOTS SINGAPORE 427990/427989 ("PARKWAY EAST HOSPITAL PROPERTY")

Instructions

We refer to your instructions for a formal valuation to be carried out in respect of Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property (collectively the "Properties") leased by HSBC Institutional Trust Services (Singapore) Limited [as Trustee of Parkway Life Real Estate Investment Trust (Parkway Life REIT)] (the "Master Lessor") to Parkway Hospitals Singapore Pte Ltd (the "Master Lessee") for lease renewal purposes.

We have specifically been instructed to provide our opinion of values of the Properties, based on existing use, on the following bases:

(I) Market Values of the Properties, as at 30 June 2021, subject to the New Master Lease Agreements and the proposed lease renewal terms and conditions, for a lease term from 23 August 2022 to 31 December 2042 ("Renewal Term"), comprising an Interim Period (23 August 2022 to 31 December 2022) and 20 years (1 January 2023 to 31 December 2042) with a further option to renew for 10 years (1 January 2043 to 31 December 2052), with one-time renewal capex cost and tiered rent rebate to be provided by the Master Lessor to the Master Lessee during the first three full financial years of the Renewal Term (i.e. FY2023 to FY2025).

(II) The Proposed Likely Future Values of the Properties, as at 31 December 2025 (after the one-time capex cost and tiered rent rebate period).

We have, in accordance with the instructions, prepared a formal comprehensive Valuation Report and this Valuation Summary Letter in accordance with the terms of engagement entered into between Knight Frank Pte Ltd and HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) dated 10 February 2021.

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333   Fax: +65 6224 5843   Reg.No: 198205243Z   CEA Licence No: L3005536J
KnightFrank.com.sg
Other Offices:
Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Our valuation is our opinion of the Market Value, which we would define as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

In preparing this valuation, we have relied on information provided by Parkway Trust Management Limited, as Manager of Parkway Life REIT (the "Manager"), particularly in respect of such matters as the existing Master Lease Agreements, the proposed lease renewal terms and conditions, site and floor areas, etc. We have relied upon this information as being accurate and complete. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

All works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

Unless otherwise stated, all valuation figures herein are stated on a net of GST basis.

We have inspected the Properties on 30 December 2020, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to unitholders of Parkway Life REIT (the "Circular"). The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuation in respect to the Properties, market conditions and available data.

As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Properties under frequent review.

For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Reliance on This Letter

We have prepared this letter which outlines key factors which have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular. This letter alone does not contain all the necessary data and support information included in our Valuation Report. Knight Frank Pte Ltd has provided HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) and Parkway Trust Management Limited (as Manager of Parkway Life REIT) a comprehensive Valuation Report for the Properties. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

(a) The estimated values are based upon the factual information provided by the Manager. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by the Manager or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every recipient of the Circular, should review the Valuation Report to understand the complexity of the methodologies and the many variables involved.

(b) The primary methodologies used by Knight Frank Pte Ltd in valuing the Properties are the Capitalisation Approach and the Discounted Cash Flow Approach. These valuation methodologies are summarised in the Valuation Rationale sections of this letter.

(c) The Valuation Report was undertaken based upon information available as of June 2021. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information as to income, expenses or market conditions.

The Valuation Report, Valuation Summary Letter and Valuation Certificates may only be relied upon by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) and Parkway Trust Management Limited (as Manager of Parkway Life REIT) for lease renewal purposes.

The Properties

The Properties comprise The Mount Elizabeth Hospital Property, The Gleneagles Hospital Property and The Parkway East Hospital Property.

Mount Elizabeth Hospital Property

The Mount Elizabeth Hospital Development comprises Mount Elizabeth Hospital, Mount Elizabeth Medical Centre and car park. Mount Elizabeth Hospital comprises a 10-storey block, a 5-storey block and car park. Mount Elizabeth Medical Centre comprises a 17-storey block accommodating 232 strata titled shops and medical suites and a car park from the 4th to 8th storeys. The car park has a total of 363 lots. The hospital block has 1 major operating theatre with a total of 13 operating rooms. Parkway Life REIT owns 56.71% of the total share value of the strata lots in the Mount Elizabeth Hospital Development, representing the Mount Elizabeth Hospital which has 345 beds, 30 strata units and 363 car park lots (i.e. Mount Elizabeth Hospital Property).

Gleneagles Hospital Property

The Gleneagles Hospital Development comprises Gleneagles Hospital, Gleneagles Medical Centre and car park. Gleneagles Hospital comprises a 10-storey block with 2 basements and a 5-storey annex block. Gleneagles Medical Centre comprises a 10-storey block with 3 basements accommodating 164 medical suites from the 2nd to 10th storeys. The car park has a total of 402 lots, located at basement 2 to 1st storey of the hospital building and basement 3 to 1st storey of the medical centre building. The 10-storey hospital block has 1 major operating theatre with a total of 12 operating rooms. Parkway Life REIT owns 69.05% of the total share value of the strata lots in the Gleneagles Hospital Development, representing the Gleneagles Hospital which has 257 beds, 10 strata units and 121 car park lots (i.e. Gleneagles Hospital Property).

Parkway East Hospital Property

Parkway East Hospital Property comprises Parkway East Hospital, a medical centre and car park. Parkway East Hospital comprises a 4-storey block with 143 beds. The medical centre is a 5-storey block accommodating 32 medical centre units. The 1st and 5th storeys of the medical centre block are linked to the 1st and 4th storeys of the hospital block. The car park lots are located on the 1st storey deck and within the compound of the Property. The hospital block has 1 operating theatre with 5 operating rooms.

Existing Master Lease Agreements

The Properties are each leased by the Master Lessor to the Master Lessee pursuant to the Master Lease Agreements.

The initial term of the lease is 15 years commencing from 23 August 2007 (“Existing Term”). There is an option to extend the lease for a further term of 15 years 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.

The Master Lessee shall pay an annual rent comprising a Base Rent and a Variable Rent. The total Base Rent of the Properties is S$30,000,000. The Variable Rent is based on 3.8% of Adjusted Hospital Revenue (AHR) for the current financial year. Provided always that the rent payable shall be no less than the equivalent of {1+(CPI + 1.0%)} x total rent payable for the immediately preceding year.

Proposed Lease Renewal Terms and Conditions

The Master Lessee is seeking to enter into the New Master Lease Agreements in relation to the Properties for lease renewal purposes. The proposed renewal term will be from 23 August 2022 to 31 December 2042 (the "Renewal Term"), comprising an Interim Period from 23 August 2022 to 31 December 2022 (introduced to realign each subsequent lease period to financial year) and 20 years from 1 January 2023 to 31 December 2042. There is also an option to renew the lease for a further term of 10 years from 1 January 2043 to 31 December 2052.

Immediately upon expiry of the Existing Term, the rent for the Interim Period will be at 2.0% step-up from the expiring rent for Year 15 of the Existing Term and it is to be prorated for the relevant period from 23 August 2022 to 31 December 2022. Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Properties shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the respective Properties for the 10-year period from FY2010 to FY2019. The Initial Rent shall be distributed to the Properties at 62%, 32% and 6% for Mount Elizabeth Hospital Property, Gleneagles Hospital Property and Parkway East Hospital Property respectively.

As part of the renewal, the Master Lessor shall be responsible for a one-time capital expenditure costs of up to S$150.0 million (exclusive of GST) (the "Renewal Capex Costs") to conduct certain capital expenditure works on the applicable Properties (the "Renewal Capex Works"). The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the first three full financial years of the Renewal Term i.e. FY2023 to FY2025 (the "Downtime Period"). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period (the "Downtime Period Rent Rebate"). Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042 and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements.

Valuation Rationale - Market Value as at 30 June 2021

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued the Properties by the Capitalisation Approach and the Discounted Cash Flow Approach.

Capitalisation Approach

In the Capitalisation Approach, the annual rent of each hospital has been adjusted to reflect Lessor's outgoings (e.g. MCST charges, insurance for general public liability and property damage, and land rent) producing a net income.

The net income is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment. Capital adjustments such as present value of regular capex, proposed renewal capex, tiered rent rebate and capitalised rental reversions are then made to derive the capital value of each hospital.

Discounted Cash Flow Approach

A valuation using the Discounted Cash Flow (DCF) model is carried out over a period of about 10.5 years from 30 June 2021 (the valuation date) to 31 December 2031 for each hospital.

Each hospital is hypothetically assumed to be sold after the end of the 10.5 years. The cash outflows (comprising MCST charges, insurance for general public liability and property damage, and land rent) and regular capex/proposed renewal capex are deducted from the cash inflows of each hospital (comprising rental income) to obtain the net cash flows. The stream of net cash flows is discounted at an estimated required rate of return applicable to that class of property to obtain the Net Present Value.

This form of analysis reflects investors' decision-making process and values the Properties in such a manner as to attain the desired level of investment return commensurate with the risk of that asset class. This method is also more precise as it takes into account the timing of receipts and payments. In undertaking this analysis, we have also used a wide range of assumptions including rental growth during holding period, sale price at the end of the investment horizon, costs associated with the initial purchase of the Properties and also their disposal towards the end of the investment period, etc. These imputed assumptions are intended to be aligned to known market circumstances/existing regulations to derive Market Value based on direct property purchase.

One key component of the DCF model is the estimation of two market derived rates. One is the hurdle rate at which investors will discount the income stream over the assumed 10-year investment horizon. The second is the terminal capitalisation rate which is used to capitalise the income from Year 11 onwards, to derive the terminal value. The terminal value takes into account the remaining tenure of the lease.

Market Value as at 30 June 2021

We are of the opinion that the Market Values of the unencumbered remaining leasehold interests in the Properties, subject to the Existing Master Lease Agreements expiring 22 August 2022 and based on the New Master Lease Agreements and the proposed lease renewal terms and conditions, for the Renewal Term taking into account the one-time Renewal Capex Costs and Downtime Period Rent Rebate, for lease renewal purposes, at the valuation date, are:

Property	Market Value as at 30 June 2021
Mount Elizabeth Hospital Property	S$ 868,000,000
Gleneagles Hospital Property	S$ 494,000,000
Parkway East Hospital Property	S$ 85,000,000
Total	**S$1,447,000,000**

(Singapore Dollars One Billion Four Hundred And Forty-Seven Million Only)
This valuation is exclusive of GST.

Valuation Rationale - Proposed Likely Future Value as at 31 December 2025

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued the Properties by the Capitalisation Approach and the Discounted Cash Flow Approach.

Capitalisation Approach

In the Capitalisation Approach, the estimated annual rent of each hospital has been adjusted to reflect Lessor's outgoings (e.g. MCST charges, insurance for general public liability and property damage, and land rent) producing a net income.

The projected net income is capitalised for the balance term of the lease tenure at a yield rate which is appropriate for the type of use, tenure and reflective of the quality of the investment. Capital adjustment such as present value of regular capex is then made to derive the capital value of each hospital.

Discounted Cash Flow Approach

A valuation using the Discounted Cash Flow (DCF) model is carried out over a holding period of ten years from 31 December 2025 (after the tiered rent rebate and the renewal capex period) to 31 December 2035 for each hospital.

Each hospital is hypothetically assumed to be sold after the end of the tenth year. The cash outflows (comprising MCST charges, insurance for general public liability and property damage, and land rent) and capital expenditure are deducted from the cash inflows of each hospital (comprising rental income) to obtain the net cash flows. The stream of net cash flows is discounted at an estimated required rate of return applicable to that class of property to obtain the Net Present Value.

This form of analysis reflects investors' decision-making process and values the Properties in such a manner as to attain the desired level of investment return commensurate with the risk of that asset class. This method is also more precise as it takes into account the timing of receipts and payments. In undertaking this analysis, we have also used a wide range of assumptions including rental growth during holding period, sale price at the end of the investment horizon, costs associated with the initial purchase of the Properties and also its disposal towards the end of the investment period, etc. These imputed assumptions are intended to be aligned to known market circumstances/existing regulations to derive Market Value based on direct property purchase.

One key component of the DCF model is the estimation of two market derived rates. One is the hurdle rate at which investors will discount the income stream over the assumed 10-year investment horizon. The second is the terminal capitalisation rate for the asset, which is used to capitalise the income from Year 11 onwards, to derive the terminal value of the asset. The terminal value took into account the remaining tenure of the lease.

Proposed Likely Future Value as at 31 December 2025

We are of the opinion that the Proposed Likely Future Values of the unencumbered remaining leasehold interests in the Properties, as at 31 December 2025 subject to the New Master Lease Agreements and the proposed lease renewal terms and conditions, for the Renewal Term (after the one-time Renewal Capex Costs and Downtime Period Rent Rebate), for lease renewal purposes, at the valuation date, are:

Property	Proposed Likely Future Value as at 31 December 2025
Mount Elizabeth Hospital Property	S$1,051,000,000
Gleneagles Hospital Property	S$ 550,000,000
Parkway East Hospital Property	S$ 101,000,000
Total	**S$1,702,000,000**

(Singapore Dollars One Billion Seven Hundred And Two Million Only)
This valuation is exclusive of GST.

Disclaimer

We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter and the enclosed Valuation Certificates. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary Letter or in the Valuation Certificates.

Knight Frank Pte Ltd has relied upon property data supplied by Parkway Trust Management Limited (as Manager of Parkway Life REIT), which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by Parkway Trust Management Limited (as Manager of Parkway Life REIT) 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 Properties and have no personal interest or bias with respect to the party or parties involved. 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 certify that our valuers undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of properties.

Yours faithfully

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I
For and on behalf of Knight Frank Pte Ltd

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser's Licence No. AD 041-2008950C
For and on behalf of Knight Frank Pte Ltd

Valuation Certificate

Property	:	3 Mount Elizabeth "Mount Elizabeth Hospital", 363 car park lots and 30 strata units within "Mount Elizabeth Medical Centre" Singapore 228510 ("Mount Elizabeth Hospital Property")
Instructing Parties/Relying Parties	:	HSBC Institutional Trust Services (Singapore) Limited [as Trustee of Parkway Life Real Estate Investment Trust (Parkway Life REIT)] and Parkway Trust Management Limited (as Manager of Parkway Life REIT)
Purpose of Valuation	:	Lease Renewal
Tenure	:	Leasehold 67 years with effect from 23 August 2007
Basis of Valuation	:	(I) Market Value as at 30 June 2021, subject to the Existing Master Lease Agreements expiring 22 August 2022 and based on the New Master Lease Agreement and the proposed lease renewal terms and conditions, for a lease term from 23 August 2022 to 31 December 2042, comprising an Interim Period (23 August 2022 to 31 December 2022) and 20 years (1 January 2023 to 31 December 2042) ("Renewal Term"), with one-time Renewal Capex Costs and tiered rent rebate to be provided by the Master Lessor to the Master Lessee during the first three full financial years of the Renewal Term (i.e. FY2023 to FY2025) ("Downtime Period"). (II) The Proposed Likely Future Value as at 31 December 2025 subject to the New Master Lease Agreements and the proposed lease renewal terms and conditions, for the Renewal Term (after the one-time Renewal Capex Costs and tiered rent rebate period).
Registered Owner	:	HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT)
Master Plan 2019	:	"Health & Medical Care"
Land Area	:	15,204.0 sm (subject development)
Strata Area	:	58,139.0 sm (including Accessory Lot Area)
Brief Description	:	The Mount Elizabeth Hospital Development comprises Mount Elizabeth Hospital, Mount Elizabeth Medical Centre and car park. Parkway Life REIT owns 56.71% of the total share value of the strata lots in the Mount Elizabeth Hospital Development, representing the Mount Elizabeth Hospital which has 345 beds, 30 strata units and 363 car park lots (i.e. Mount Elizabeth Hospital Property).
Existing Master Lease Agreement	:	The Property is leased by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) (the "Master Lessor") to Parkway Hospitals Singapore Pte Ltd (the "Master Lessee") pursuant to the Master Lease Agreement. The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to extend the lease for a further term of 15 years 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 Master Lease Agreement at the time of the notice. The Master Lessee shall pay an annual rent comprising a Base Rent and a Variable Rent. The Base Rent is S$19,800,000. The Variable Rent is based on 3.8% of Adjusted Hospital Revenue (AHR) for the current financial year. Provided always that the rent payable shall be no less than the equivalent of {1+(CPI + 1.0%)} x total rent payable for the immediately preceding year.
Proposed Lease Renewal Terms and Conditions	:	The Master Lessee is seeking to enter into the New Master Lease Agreement in relation to the Property for lease renewal purposes for the Renewal Term from 23 August 2022 to 31 December 2042. There will be a further option to renew for 10 years from 1 January 2043 to 31 December 2052. Immediately upon expiry of the Existing Term, the rent for the Interim Period will commence based on 2.0% step-up from the expiring rent for Year 15 of the Existing Term (to be accordingly prorated). Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Property shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the Property for the 10-year period from FY2010 to FY2019. The Initial Rent is estimated to be S$60,268,340 comprising Base Rent of S$40,178,893 and Variable Rent of S$20,089,447. The Master Lessor shall be responsible for a one-time Renewal Capex Costs of up to S$150.0 million (exclusive of GST). Rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period. Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042.
Valuation Approaches	:	Capitalisation Approach and Discounted Cash Flow Approach

Capitalisation Rate/Terminal Capitalisation Rate/Discount Rate :

	Capitalisation Rate	Terminal Capitalisation Rate	Discount Rate
Market Value as at 30 June 2021	5.00%	5.25%	7.00%
Proposed Likely Future Value as at 31 December 2025	5.25%	5.50%	7.00%

Valuation Date	:	30 June 2021
Market Value as at 30 June 2021	:	**S$868,000,000** **(Singapore Dollars Eight Hundred And Sixty-Eight Million Only)** This valuation is exclusive of GST.
Proposed Likely Future Value as at 31 December 2025	:	**S$1,051,000,000** **(Singapore Dollars One Billion And Fifty-One Million Only)** This valuation is exclusive of GST.
Material Valuation Uncertainty	:	As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review. For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the letter. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser's Licence No. AD 041-2008950C

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg
Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Valuation Certificate

Property	:	6A Napier Road "Gleneagles Hospital", 121 car park lots and 10 strata units within "Gleneagles Medical Centre" at 6 Napier Road Singapore 258500/258499 ("Gleneagles Hospital Property")
Instructing Parties/Relying Parties	:	HSBC Institutional Trust Services (Singapore) Limited [as Trustee of Parkway Life Real Estate Investment Trust (Parkway Life REIT)] and Parkway Trust Management Limited (as Manager of Parkway Life REIT)
Purpose of Valuation	:	Lease Renewal
Tenure	:	Leasehold 75 years with effect from 23 August 2007
Basis of Valuation	:	(I) Market Value as at 30 June 2021, subject to the Existing Master Lease Agreements expiring 22 August 2022 and based on the New Master Lease Agreement and the proposed lease renewal terms and conditions, for a lease term from 23 August 2022 to 31 December 2042, comprising an Interim Period (23 August 2022 to 31 December 2022) and 20 years (1 January 2023 to 31 December 2042) ("Renewal Term"), with one-time Renewal Capex Costs and tiered rent rebate to be provided by the Master Lessor to the Master Lessee during the first three full financial years of the Renewal Term (i.e. FY2023 to FY2025) ("Downtime Period"). (II) The Proposed Likely Future Value as at 31 December 2025 subject to the New Master Lease Agreements and the proposed lease renewal terms and conditions, for the Renewal Term (after the one-time Renewal Capex Costs and tiered rent rebate period).
Registered Owner	:	HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT)
Master Plan 2019	:	"Health & Medical Care"
Land Area	:	14,947.3 sm (subject development)
Strata Area	:	49,003.0 sm (including Accessory Lot Area)
Brief Description	:	The Gleneagles Hospital Development comprises Gleneagles Hospital, Gleneagles Medical Centre and car park. Parkway Life REIT owns 69.05% of the total share value of the strata lots in the Gleneagles Hospital Development, representing the Gleneagles Hospital which has 257 beds, 10 strata units and 121 car park lots (i.e. Gleneagles Hospital Property).
Existing Master Lease Agreement	:	The Property is leased by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) (the "Master Lessor") to Parkway Hospitals Singapore Pte Ltd (the "Master Lessee") pursuant to the Master Lease Agreement. The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to extend the lease for a further term of 15 years 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 Master Lease Agreement at the time of the notice. The Master Lessee shall pay an annual rent comprising a Base Rent and a Variable Rent. The Base Rent is S$8,700,000. The Variable Rent is based on 3.8% of Adjusted Hospital Revenue (AHR) for the current financial year. Provided always that the rent payable shall be no less than the equivalent of {1+(CPI + 1.0%)} x total rent payable for the immediately preceding year.
Proposed Lease Renewal Terms and Conditions	:	The Master Lessee is seeking to enter into the New Master Lease Agreement in relation to the Property for lease renewal purposes for the Renewal Term from 23 August 2022 to 31 December 2042. There will be a further option to renew for 10 years from 1 January 2043 to 31 December 2052. Immediately upon expiry of the Existing Term, the rent for the Interim Period will commence based on 2.0% step-up from the expiring rent for Year 15 of the Existing Term (to be accordingly prorated). Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Property shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the Property for the 10-year period from FY2010 to FY2019. The Initial Rent is estimated to be S$31,106,240 comprising Base Rent of S$20,737,493 and Variable Rent of S$10,368,747. The Master Lessor shall be responsible for a one-time Renewal Capex Costs of up to S$150.0 million (exclusive of GST). Rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period. Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042.
Valuation Approaches	:	Capitalisation Approach and Discounted Cash Flow Approach

Capitalisation Rate/Terminal Capitalisation Rate/Discount Rate :

	Capitalisation Rate	Terminal Capitalisation Rate	Discount Rate
Market Value as at 30 June 2021	5.25%	5.50%	7.00%
Proposed Likely Future Value as at 31 December 2025	5.50%	5.75%	7.00%

Valuation Date	:	30 June 2021
Market Value as at 30 June 2021	:	**S$494,000,000** **(Singapore Dollars Four Hundred And Ninety-Four Million Only)** This valuation is exclusive of GST.
Proposed Likely Future Value as at 31 December 2025	:	**S$550,000,000** **(Singapore Dollars Five Hundred And Fifty Million Only)** This valuation is exclusive of GST.
Material Valuation Uncertainty	:	As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review. For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the letter. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser's Licence No. AD 041-2008950C

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J
KnightFrank.com.sg
Other Offices:
Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

Valuation Certificate

Property : 321/319 Joo Chiat Place "Parkway East Hospital and Medical Centre" and 75 car park lots Singapore 427990/427989 ("Parkway East Hospital Property")

Instructing Parties/Relying Parties : HSBC Institutional Trust Services (Singapore) Limited [as Trustee of Parkway Life Real Estate Investment Trust (Parkway Life REIT)] and Parkway Trust Management Limited (as Manager of Parkway Life REIT)

Purpose of Valuation : Lease Renewal

Tenure : Leasehold 75 years with effect from 23 August 2007

Basis of Valuation :

(I) Market Value as at 30 June 2021, subject to the Existing Master Lease Agreements expiring 22 August 2022 and based on the New Master Lease Agreement and the proposed lease renewal terms and conditions, for a lease term from 23 August 2022 to 31 December 2042, comprising an Interim Period (23 August 2022 to 31 December 2022) and 20 years (1 January 2023 to 31 December 2042) ("Renewal Term"), with one-time Renewal Capex Costs and tiered rent rebate to be provided by the Master Lessor to the Master Lessee during the first three full financial years of the Renewal Term (i.e. FY2023 to FY2025) ("Downtime Period").

(II) The Proposed Likely Future Value as at 31 December 2025 subject to the New Master Lease Agreements and the proposed lease renewal terms and conditions, for the Renewal Term (after the one-time Renewal Capex Costs and tiered rent rebate period).

Registered Owner : HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT)

Master Plan 2019 : "Health & Medical Care"

Land Area : 6,203.0 sm

Gross Floor Area : 10,993.6 sm

Brief Description : The Parkway East Hospital Development comprises Parkway East Hospital which has 143 beds, a medical centre accommodating 32 medical centre units and car park.

Existing Master Lease : The Property is leased by HSBC Institutional Trust Services (Singapore) Limited (as Trustee of Parkway Life REIT) (the "Master Lessor") to Parkway Hospitals Singapore Pte Ltd (the "Master Lessee") pursuant to the Master Lease Agreement. The initial term of the lease is 15 years commencing from 23 August 2007 ("Existing Term"). There is an option to extend the lease for a further term of 15 years 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 Master Lease Agreement at the time of the notice. The Master Lessee shall pay an annual rent comprising a Base Rent and a Variable Rent. The Base Rent is S$1,500,000. The Variable Rent is based on 3.8% of Adjusted Hospital Revenue (AHR) for the current financial year. Provided always that the rent payable shall be no less than the equivalent of {1+(CPI + 1.0%)} x total rent payable for the immediately preceding year.

Proposed Lease Renewal Terms and Conditions : The Master Lessee is seeking to enter into the New Master Lease Agreement in relation to the Property for lease renewal purposes for the Renewal Term from 23 August 2022 to 31 December 2042. There will be a further option to renew for 10 years from 1 January 2043 to 31 December 2052. Immediately upon expiry of the Existing Term, the rent for the Interim Period will commence based on 2.0% step-up from the expiring rent for Year 15 of the Existing Term (to be accordingly prorated). Thereafter, the proposed rent for the first financial year of the Renewal Term i.e. FY2023 (the "Initial Rent") for the Property shall be determined based on the then prevailing market rent and a 15.0% cap of the average AHRs of the Property for the 10-year period from FY2010 to FY2019. The Initial Rent is estimated to be S$5,832,420, comprising Base Rent of S$3,888,280 and Variable Rent of S$1,944,140.

The Master Lessor shall be responsible for a one-time Renewal Capex Costs of up to S$150.0 million (exclusive of GST). Rent rebate on a tiered basis amounting to approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period. Nonetheless, the rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period. The Annual Rent Review Formula shall be applicable for Year 4 to Year 20 of the Renewal Term i.e. FY2026 to FY2042.

Valuation Approaches : Capitalisation Approach and Discounted Cash Flow Approach

Capitalisation Rate/Terminal Capitalisation Rate/Discount Rate :

	Capitalisation Rate	Terminal Capitalisation Rate	Discount Rate
Market Value as at 30 June 2021	5.50%	5.75%	7.00%
Proposed Likely Future Value as at 31 December 2025	5.75%	6.00%	7.00%

Valuation Date : 30 June 2021

Market Value as at 30 June 2021 : **S$85,000,000** **(Singapore Dollars Eighty-Five Million Only)** This valuation is exclusive of GST.

Proposed Likely Future Value as at 31 December 2025 : **S$101,000,000** **(Singapore Dollars One Hundred And One Million Only)** This valuation is exclusive of GST.

Material Valuation Uncertainty : As at the valuation date, we continue to be faced with an unprecedented set of circumstances caused by COVID-19. Our valuation is therefore reported as being subject to Material Valuation Uncertainty. A higher degree of caution should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review.

For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Assumptions, Disclaimers, Limitations & Qualifications : *This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the letter. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*

Prepared by : Knight Frank Pte Ltd

Low Kin Hon
B.Sc.(Estate Management) Hons.,FSISV
Deputy Group Managing Director
Head, Valuation & Advisory
Appraiser's Licence No. AD 041-2003752I

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser's Licence No. AD 041-2008950C

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J

KnightFrank.com.sg
Other Offices:

Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

General Terms of Business for Valuations

These General Terms of Business and our Terms of Engagement letter together form the agreement between us ("Agreement"). The following General Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the Terms of Engagement letter and so stated within the main body of the valuation summary letter, the valuation report and/or certificate.

1. Knight Frank Pte Ltd ("the company")

Knight Frank Pte Ltd is a privately owned company with registration number 198205243Z. Any work done by an individual is in the capacity as an employee of the Company.

Our GST registration number is M2-0058829-X.

2. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

3. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

4. Our Fees

If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 1.5% per month. If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

If before the valuation is concluded :-
(a) you end this instruction, we will charge abortive fees; or
(b) you delay the instruction by more than [1] month or materially alter the instruction so that additional work is required at any stage we will charge additional fees,

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred.

Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

5. Valuation Standards

Valuations and appraisals will be carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism will be met.

6. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

7. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or certificates of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoings, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property.

8. Disposal Costs and Liabilities

No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any GST that may become chargeable. Properties are valued disregarding any mortgages or other charges.

9. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

10. **Boundaries**

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

11. **Planning and Other Statutory Regulations**

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

12. **Property Insurance**

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

13. **Building Areas and Age**

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

14. **Structural Condition**

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

15. **Ground Conditions**

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

16. **Environmental Issues**

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value properties or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

17. **Leases**

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

18. **Covenant**

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

19. **Loan Security**

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

20. **Build Cost Information**

Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

21. **Reinstatement Assessments**

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

22. **Attendance in Court**

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

INDEPENDENT FINANCIAL ADVISER'S LETTER

Building a better working world

Ernst & Young Corporate Finance Pte Ltd
One Raffles Quay
North Tower, Level 18
Singapore 048583

Mailing Address:
Robinson Road
PO Box 384
Singapore 900734

ey.com

8 September 2021

The Independent Directors and the Audit Committee of
Parkway Trust Management Limited
(As Manager of Parkway Life Real Estate Investment Trust)
101 Thomson Road
#28-03 United Square
Singapore 307591

HSBC Institutional Trust Services (Singapore) Limited
(As Trustee of Parkway Life Real Estate Investment Trust)
10 Marina Boulevard
Marina Bay Financial Centre Tower 2, Level 48-01
Singapore 018983

Dear Sirs:

THE PROPOSED ENTRY INTO THE NEW MASTER LEASE AGREEMENTS FOR MOUNT ELIZABETH HOSPITAL PROPERTY, GLENEAGLES HOSPITAL PROPERTY AND PARKWAY EAST HOSPITAL PROPERTY AND THE RENEWAL CAPEX AGREEMENT, WHICH CONSTITUTES AN INTERESTED PERSON TRANSACTION

1 INTRODUCTION

Parkway Trust Management Limited (as manager of Parkway Life Real Estate Investment Trust ("**Parkway Life REIT**")) (the "**Manager**") is seeking approval from the unitholders of Parkway Life REIT (the "**Unitholders**") for the entry into the new master lease agreements (the "**New Master Lease Agreements**") in relation to the following:

(a) Mount Elizabeth Hospital Property comprising Mount Elizabeth Hospital and Mount Elizabeth Medical Centre which includes medical centre units, retail units and car park lots, located at (i) 3 Mount Elizabeth, Singapore and (ii) 3 Mount Elizabeth, Singapore, #01-01 to #01-06, #02-01 to #02-12, #04-02, #08-06, #10-09, #11-09, #11-10, #11-13, #11-14, #11-15, #12-10, #14-04, #14-10, Singapore (the "**Mount Elizabeth Hospital Property**");

(b) Gleneagles Hospital Property comprising Gleneagles Hospital and Gleneagles Medical Centre which includes medical centre units, retail units and car park lots, located at (i) 6A Napier Road, Singapore and (ii) 6 Napier Road #02-09, #02-12, #02-08, #02-07, #02-06, #02-03, #02-02, #02-01, #10-03 and #02-20, Singapore (the "**Gleneagles Hospital Property**"); and

(c) Parkway East Hospital Property comprising Parkway East Hospital and which includes medical centre units, a retail unit and car park lots located at (i) 321 Joo Chiat Place, Singapore and (ii) 319 Joo Chiat Place, Singapore (the "**Parkway East Hospital Property**" and collectively, the "**Properties**" and each a "**Property**"), and the entry into the renewal capital expenditure agreement for the renewal capital expenditure works to be conducted on the applicable Properties (the "**Renewal Capex Works**", the agreement, the "**Renewal Capex Agreement**" and together with the New Master Lease Agreements, the "**Proposed Transaction**").

The Properties are held by HSBC Institutional Trust Services (Singapore) Limited (as trustee of Parkway Life REIT) (the "**Trustee**" or the "**Master Lessor**"). In connection with the initial public offering of Parkway Life REIT and the listing of its units (the "**Units**") on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Master Lessor had leased the Properties to Parkway Hospitals Singapore Pte. Ltd. (the "**Master Lessee**") pursuant to separate master lease agreements entered into on 23 August 2007 (the "**Existing Master Lease Agreements**"). The Master Lessee is a wholly-owned subsidiary of Parkway Holdings Limited, which is the sponsor of Parkway Life REIT (the "**Sponsor**"), and its principal activities are private hospitals ownership and management.

The Existing Master Lease Agreements are for an initial term of 15 years from the listing date of Parkway Life REIT (the "**Existing Term**"), with an option to extend the term for another 15 years based on the terms of the Existing Master Lease Agreements. The Existing Master Lease Agreements are due to expire on 22 August 2022.

In view of the foregoing, the Manager is seeking Unitholders' approval for the New Master Lease Agreements and the Renewal Capex Agreement which are proposed to be entered into between the Master Lessor and the Master Lessee. In connection with the Proposed Transaction, the Master Lessor and the Master Lessee had entered into an agreement for lease framework on 14 July 2021 (the "**Agreement for Lease Framework**").

The term of the New Master Lease Agreements (the "**Renewal Term**") shall be for the period from 23 August 2022 to 31 December 2042, comprising:

(a) an interim period from 23 August 2022 to 31 December 2022 (the "**Interim Period**"); and

(b) 20 years from 1 January 2023 to 31 December 2042.

The Master Lessee has the option to extend each of the New Master Lease Agreements for a further term of 10 years from 1 January 2043 to 31 December 2052 (the "**Extended Term**") upon the expiry of the Renewal Term, by giving a written notice to the Master Lessor at least 18 months prior to the expiry of the Renewal Term, provided that there is no existing breach or non-observance or non-performance of the relevant New Master Lease Agreement by the Master Lessee at the time of serving the written notice.

If the Proposed Transaction is approved, the New Master Lease Agreements shall commence immediately upon the expiry of the Existing Master Lease Agreements.

In connection with the Proposed Transaction, Parkway Novena Pte. Ltd. (the "**ROFR Grantor**"), which is a wholly-owned subsidiary of the Sponsor, shall grant to Parkway Life REIT, a right of first refusal ("**ROFR**") in respect of a sale, assignment or transfer of the ROFR Grantor's ownership interest (or any part thereof) of the strata lot U4976A of Town Subdivision 29 comprised in Subsidiary Strata Certificate of Title Volume 1608 of Folio 186 (together with all accessory lots appurtenant thereto) (or any part thereof) which is the hospital block of the Mount Elizabeth Novena Hospital development (the "**Mount Elizabeth Novena Hospital Property**") currently owned by the ROFR Grantor at 38 Irrawaddy Road, #01-01 and #01-18, Mount Elizabeth Novena

Hospital, Singapore 329563, save and except the business and/or other non-real estate assets, on the terms set out in the ROFR agreement for a period of 10 years from the date of the ROFR agreement, for so long as (i) Parkway Life REIT is listed on and quoted on the Main Board of the SGX-ST; (ii) Parkway Trust Management Limited remains the manager of Parkway Life REIT; and (iii) the ROFR Grantor and/or any of its related corporations, along or in aggregate, remains the "**Controlling Shareholder**"[1] of Parkway Trust Management Limited.

As at 31 August 2021, being the latest practicable date prior to the date of the circular to be issued to Unitholders in relation to the Proposed Transaction (the "**Circular**") to the Unitholders (the "**Latest Practicable Date**"), the Manager has a direct interest in 1,881,886 Units (comprising 0.31% of the total number of issued Units).

The Manager is a direct, wholly-owned subsidiary of the Sponsor. The Sponsor directly and/or through its subsidiaries and through its interest in the Manager, has deemed interest of (i) approximately 35.56% in Parkway Life REIT and (ii) 100% in the Manager, and is therefore regarded as a "**Controlling Unitholder**"[2] of Parkway Life REIT and a Controlling Shareholder of the Manager, respectively, under the listing manual of the SGX-ST (the "**Listing Manual**").

The Master Lessee is a wholly-owned subsidiary of the Sponsor. Accordingly, for the purpose of Chapter 9 of the Listing Manual, the Master Lessee is an "**Interested Person**"[3] of Parkway Life REIT.

As such, the Proposed Transaction will constitute an "**Interested Person Transaction**"[4] under Chapter 9 of the Listing Manual, for which Unitholders' approval is required.

Under Chapter 9 of the Listing Manual, where Parkway Life REIT proposes to enter into a transaction with an Interested Person and the value of the transaction (either in itself or when aggregated with the value of the other transactions, each of a value equal to or greater than S$100,000 with the same Interested Person during the same financial year) is equal to or exceeds 5.0% of Parkway Life REIT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

Based on the audited financial statements of Parkway Life REIT for the financial year ended 31 December 2020 ("**FY2020**" and the audited financial statements, the "**FY2020 Audited Consolidated Financial Statements**"), the NTA of Parkway Life REIT was S$1,183.6 million as at 31 December 2020. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Parkway Life REIT with an Interested Person is, either in itself or in aggregate with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same Interested Person during the current financial year, equal to or in excess of S$59.2 million, such a transaction would be subject to Unitholders' approval.

---

1 "**Controlling Shareholder**" means a person who (a) holds directly or indirectly 15.0% or more of the total number of issued shares, excluding treasury shares, in the company; or (b) in fact exercises control over a company.

2 "**Controlling Unitholder**" means a person who (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the property fund. The MAS may determine that such a person is not a controlling unitholder; or (b) in fact exercises control over the property fund.

3 As defined in the Listing Manual, means (a) a director, chief executive officer or Controlling Shareholder of the manager, or the manager, the trustee, or controlling unitholder of Parkway Life REIT; or (b) an associate of any director, chief executive officer or Controlling Shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of Parkway Life REIT.

4 "**Interested Person Transaction**" means a transaction between an entity at risk and an Interested Person.

Given that the value of the Proposed Transaction, comprising the total amount of the annual rent payable under the New Master Lease Agreements (the "**Rent**") (including the rent rebate on a tiered basis amounting to a total of approximately S$60.9 million granted to the Master Lessee for the first three full financial years of the Renewal Term (i.e., for the financial year ending 31 December 2023 ("**FY2023**") to the financial year ending 31 December 2025 ("**FY2025**") (the "**Downtime Period**", and the tiered rent rebate, the "**Downtime Period Rent Rebate**")) and rent payable for the Extended Term) and the costs of the Renewal Capex Works of up to S$150.0 million (exclusive of goods and services tax ("**GST**")) (the "**Renewal Capex Costs**"), of S$4.5 billion is approximately 381% of the NTA of Parkway Life REIT as at 31 December 2020, the value of the transaction will exceed 5.0% of Parkway Life REIT's latest audited NTA. As such, the Proposed Transaction will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual.

Should such approval be obtained, the Proposed Transaction shall not be subject to aggregation or further Unitholders' approval requirements under Rules 905 and 906 of the Listing Manual to the extent that there are no subsequent changes to the terms, rental, rates and/or basis of the fees charged thereunder which will adversely affect Parkway Life REIT.

To comply with the requirements of Chapter 9 of the Listing Manual, Ernst & Young Corporate Finance Pte Ltd ("**EYCF**") has been appointed as the independent financial adviser ("**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the directors of the Manager (the "**Directors**") who are considered independent in relation to the Proposed Transaction (including the ROFR) (the "**Independent Directors**"), the audit committee of the Manager (the "**Audit Committee**"), and the Trustee, on whether the Proposed Transaction (including the ROFR) is on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and its minority Unitholders.

This letter sets out, *inter alia,* our evaluation of the Proposed Transaction (including the ROFR) and our advice thereon. It forms part of the Circular to be issued by the Manager which provides, *inter alia*, the details of the Proposed Transaction (including the ROFR) and the recommendations of the Independent Directors and the Audit Committee in respect thereof.

Unless otherwise defined or the context otherwise requires, all terms in the Circular shall have the same meaning in this letter.

2 TERMS OF REFERENCE

EYCF has been appointed as required under Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit Committee, and the Trustee in respect of whether the Proposed Transaction (including the ROFR) is on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and its minority Unitholders.

Our views as set forth in this letter are based on the prevailing market conditions, economic conditions, and financial conditions, and our evaluation of the Proposed Transaction (including the ROFR), as well as information provided to us by Parkway Life REIT and the management of the Manager (the "**Management**"), as at the Latest Practicable Date. Accordingly, we assume no responsibility to update, revise or reaffirm our opinion as a result of any subsequent development after the Latest Practicable Date. Unitholders should take note of any announcement and/or event relevant to the proposed transaction which may be released by Parkway Life REIT and/or the Manager after the Latest Practicable Date.

We are not and were not involved in any aspect of the discussions and negotiations pertaining to the Proposed Transaction (including the ROFR) nor were we involved in the deliberations leading up to the decision by the Directors in connection with the Proposed Transaction (including the ROFR). We have not conducted a comprehensive review of the business, operations or financial condition of Parkway Life REIT and its subsidiaries and associates. It is not within our terms of reference to assess the rationale for, legal, strategic, commercial and financial merits and/or risks of the Proposed Transaction (including the ROFR), and to comment on such merits and/or risks of the Proposed Transaction (including the ROFR). We have only expressed our opinion on whether the Proposed Transaction (including the ROFR) is on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and its minority Unitholders. The assessment of the legal, strategic, commercial and financial merits and/or risks of the Proposed Transaction (including the ROFR) remains the sole responsibility of the Directors, although we may draw upon their views in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at the opinion set out in this letter.

It is also not within our terms of reference to compare the relative merits of the Proposed Transaction (including the ROFR) vis-à-vis any alternative transaction previously considered by Parkway Life REIT and/or the Manager (if any) or that Parkway Life REIT and/or the Manager may consider in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the Proposed Transaction (including the ROFR), we have held discussions with the Directors and the Management. We have also examined and relied on information in respect of Parkway Life REIT collated by us, as well as information provided and representations and assurances made to us, both written and verbal, by the Directors, the Management and/or professional advisers of Parkway Life REIT and/or the Manager, including information contained in the Circular. We have not independently verified such information or any representation or assurance, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. Nevertheless, the Directors (including those who may have delegated supervision of the Circular) and the Management have confirmed to us, after making all reasonable enquiries that, to the best of their knowledge and belief, all material information relating to Parkway Life REIT and the Proposed Transaction (including the ROFR) has been disclosed to us, that such information constitutes a full and true disclosure, in all material respects, of all material facts about Parkway Life REIT and the Proposed Transaction (including the ROFR), and there is no material information the omission of which would make any of the information contained herein or in the Circular misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have also made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or the reliability of such information. We have further assumed that all statements of fact, belief, opinion and intention made by the Directors in relation to the Proposed Transaction (including the ROFR) have been reasonably made after due and careful enquiry. We have not conducted a comprehensive review of the business, operations and financial condition of Parkway Life REIT and/or the Properties. We have also not made an independent evaluation or appraisal of the assets and liabilities of Parkway Life REIT and/or the Properties. However, we have been furnished with the independent valuation reports by CBRE Pte. Ltd. ("**CBRE**") and Knight Frank Pte Ltd ("**Knight Frank**" and together with CBRE, the "**Independent Valuers**" in connection with the assessed market rental valuation of the Properties as at 30 June 2021 (the "**Rent Valuation Date**", and the reports, the "**Rent Valuation Reports**") and the assessed valuation of the Properties (the "**Asset Valuation**" and the reports, the "**Asset Valuation Reports**"). We are not experts and do not regard ourselves to be experts in the valuation of the Properties, and we have taken into consideration the Rent Valuation Reports and Asset Valuation Reports prepared by the Independent Valuers.

In preparing this letter, we have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Unitholder or any specific group of Unitholders. As each Unitholder would have different investment objectives and profiles, any individual Unitholder or group of Unitholders who may require specific advice in relation to his or their Units should consult his or their stockbroker, bank manager, solicitor, accountant or other professional advisers.

We were not involved and have not provided any advice, whether financial or otherwise, in the preparation, review and verification of the Circular (other than in connection with this letter). Accordingly, we do not take any responsibility for, and express no views on, whether expressed or implied, the contents of the Circular (other than in connection with this letter).

This letter and our opinion are pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed for the use and benefit of the Independent Directors, the Audit Committee, and the Trustee in connection with and for the purpose of their consideration of the Proposed Transaction (including the ROFR), and the recommendation made by the Independent Directors and the Audit Committee to the Unitholders shall remain the sole responsibility of the Independent Directors and the Audit Committee.

Our opinion in relation to the Proposed Transaction (including the ROFR) should be considered in the context of the entirety of this letter and the Circular.

3 DETAILS OF THE PROPOSED TRANSACTION

The details of the Proposed Transaction are set out in the Summary section and Paragraph 2 of the Letter to Unitholders of the Circular.

We set out below the salient information on the Proposed Transaction.

3.1 Description of the Properties

Certain key pieces of information on the Properties[1] are set out in Section 2.1 of the Letter to Unitholders, and have been extracted and set out in italics below.

"*Mount Elizabeth Hospital Property*"

Mount Elizabeth Hospital Property comprises Mount Elizabeth Hospital which has 345 licensed beds, 30 medical centre units and 363 carpark lots. Mount Elizabeth Hospital is made up of a 10-storey block and a five-storey block as well as carpark lots. Mount Elizabeth Medical Centre comprises a 17-storey medical and retail block with a total of 232 medical centre units and a carpark.

---

[1] Based on available information as at June 2021.

Mount Elizabeth Hospital Property comprised approximately 37.2% of the total portfolio of Parkway Life REIT by asset value as at 31 December 2020 and the net property income of Mount Elizabeth Hospital Property comprised approximately 36.1% of the total portfolio of Parkway Life REIT for the financial year ended 31 December 2020.

Gleneagles Hospital Property

Gleneagles Hospital Property comprises Gleneagles Hospital which has 257 licensed beds, 10 medical centre units and 121 carpark lots. Gleneagles Hospital is made up of a 10-storey block with two basements and a five-storey annex block as well as carpark lots. Gleneagles Medical Centre comprises a 10-storey block with three basements and comprises 164 medical centre units from the 2nd to 10th storey.

Gleneagles Hospital Property comprised approximately 19.6% of the total portfolio of Parkway Life REIT by asset value as at 31 December 2020 and the net property income of Gleneagles Hospital Property comprised approximately 19.3% of the total portfolio of Parkway Life REIT for the financial year ended 31 December 2020.

Parkway East Hospital Property

Parkway East Hospital Property comprises Parkway East Hospital which has 143 licensed beds. Parkway East Hospital is made up of a four-storey block as well as carpark lots, and a medical centre comprising a five-storey block with a total of 28 medical centre units.

Parkway East Hospital Property comprised approximately 3.4% of the total portfolio of Parkway Life REIT by asset value as at 31 December 2020 and the net property income of Parkway East Hospital Property comprised approximately 3.5% of the total portfolio of Parkway Life REIT for the financial year ended 31 December 2020.

*Collectively, the Properties comprised approximately 60.2% by asset value as at 31 December 2020, and approximately 58.9% by net property income ("**NPI**") for the financial year ended 31 December 2020, of the total portfolio of Parkway Life REIT."*

3.2 Existing Master Lease Agreements

The Properties are currently leased to the Master Lessee under the Existing Master Lease Agreements. The Existing Master Lease Agreements were entered into on 23 August 2007 in connection with the initial public offering of Parkway Life REIT and the listing of its units on the Main Board of the SGX-ST.

The Existing Master Lease Agreements are for an initial term of 15 years from the listing date of Parkway Life REIT, with an option to extend the term for another 15 years based on the terms of the Existing Master Lease Agreements which provide, among others, that the revised rent for the first year of the extended term shall not exceed the amount equivalent to 15% of the Adjusted Hospital Revenue (as defined) for the financial year ending 31 December 2021 ("**FY2021**"). The Existing Master Lease Agreements are due to expire on 22 August 2022.

In connection with the Proposed Transaction, the Master Lessor and the Master Lessee had entered into the Agreement for Lease Framework on 14 July 2021 which states, among others, that the Master Lessor shall use commercially reasonable endeavours to obtain the approval of the SGX-ST of the Circular and Unitholders' approval for the Proposed Transaction. The Master Lessor shall, within 10 business days, deliver to the Master Lessee the New Master Lease Agreements and the Renewal Capex Agreement duly executed by the Master Lessor, following which, the Master Lessee shall execute the New Master Lease Agreements and the Renewal Capex Agreement within 14 business days from the date of receipt of the New Master Lease Agreements and the Renewal Capex Agreement from the Master Lessor, and shall promptly submit the New Master Lease Agreements for registration by the Singapore Land Authority. The Master Lessee shall within 10 business days of the same deliver to the Master Lessor the ROFR agreement duly executed by the ROFR Grantor and the Master Lessor shall execute the ROFR agreement within 14 business days from the date of receipt of the ROFR agreement.

3.3 Rental under the Existing Master Lease Agreements

The Rent payable under the Existing Master Lease Agreements is as follows:

Year	Rent payable per annum		
	Mount Elizabeth Hospital Property	**Gleneagles Hospital Property**	**Parkway East Hospital Property**
1st year of the Existing Term	The aggregate of: (a) S$19.8 million (the "**Existing Mount Elizabeth Base Rent**"); and (b) the higher of (i) 3.8% of Adjusted Hospital Revenue (as defined) of Mount Elizabeth Hospital Property for the current financial year (the "**Existing Mount Elizabeth Variable Rent**") or (ii) S$9.9 million.	The aggregate of: (a) S$8.7 million (the "**Existing Gleneagles Base Rent**"); and (b) the higher of (i) 3.8% of Adjusted Hospital Revenue (as defined) of Gleneagles Hospital Property for the current financial year (the "**Existing Gleneagles Variable Rent**") or (ii) S$4.3 million.	The aggregate of: (a) S$1.5 million (the "**Existing Parkway East Base Rent**"); and (b) the higher of (i) 3.8% of Adjusted Hospital Revenue (as defined) of Parkway East Hospital Property for the current financial year (the "**Existing Parkway East Variable Rent**") or (ii) S$0.8 million.

<table>
<tr><th rowspan="2">Year</th><th colspan="3">Rent payable per annum</th></tr>
<tr><th>Mount Elizabeth Hospital Property</th><th>Gleneagles Hospital Property</th><th>Parkway East Hospital Property</th></tr>
<tr><td>2nd year till the final year of the Existing Term</td><td>The aggregate of:

(a) the Existing Mount Elizabeth Base Rent; and

(b) the Existing Mount Elizabeth Variable Rent,

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI[1] + 1.0%)} x total rent payable for the immediately preceding year.

Where CPI is negative for any given year, then CPI shall be deemed to be zero.</td><td>The aggregate of:

(a) the Existing Gleneagles Base Rent; and

(b) the Existing Gleneagles Variable Rent,

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI[1] + 1.0%)} x total rent payable for the immediately preceding year.

Where CPI is negative for any given year, then CPI shall be deemed to be zero.</td><td>The aggregate of:

(a) the Existing Parkway East Base Rent; and

(b) the Existing Parkway East Variable Rent,

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI[1] + 1.0%)} x total rent payable for the immediately preceding year.

Where CPI is negative for any given year, then CPI shall be deemed to be zero.</td></tr>
</table>

Source: Circular

"**Adjusted Hospital Revenue**" in respect of each Property shall mean the sum of:

(a) 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 valued 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:

(i) inpatient revenue, including lodger revenue;

(ii) outpatient revenue;

(iii) 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 and Medi-Rad Associates Ltd ("**Medi-Rad**") (if applicable);

1 Refers to the percentage increase in the Consumer Price Index ("**CPI**') announced by the Department of Statistics of Singapore for the relevant year compared to the immediately preceding year. Where the CPI is negative for any given year, the CPI shall be deemed to be zero.

(iv) carpark revenue;

(v) retail pharmacy revenue and amounts paid in connection therewith, if applicable; and

(vi) food and beverage revenue from the staff cafeteria and doctors' lounge;

(b) 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 the 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 Adjusted Hospital Revenue.

3.4 Key Terms of the New Master Lease Agreements

The key terms of the New Master Lease Agreements are as follows:

3.4.1 The Renewal Term under the New Master Lease Agreements comprises the Interim Period which will commence from 23 August 2022 to 31 December 2022 and 20 years from 1 January 2023 to 31 December 2042.

The Interim Period has been introduced commencing from the expiry of the Existing Term on 23 August 2022 to 31 December 2022, to realign each subsequent lease period to the respective financial year of Parkway Life REIT and the Master Lessee ending 31 December.

3.4.2 The Master Lessee shall have an option to extend the lease of each of the Properties for the Extended Term of 10 years from 1 January 2043 to 31 December 2052 upon the expiry of the Renewal Term, by giving a written notice to the Master Lessor at least 18 months prior to the expiry of the Renewal Term, provided that there is no existing breach or non-observance or non-performance of the relevant New Master Lease Agreement by the Master Lessee at the time of serving the written notice.

3.4.3 The revised Rent for the Extended Term shall be 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 New Master Lease Agreement for each of the Properties save that there shall be no further option to extend the lease term beyond the Extended Term, and provided that the revised Rent for the first year of the Extended Term shall not exceed the amount equivalent to 15.0% of the average Adjusted Hospital Revenue of the applicable Property for the immediate 10-year period that is two years prior to the expiry of the Renewal Term. For the avoidance of doubt, the referred 10-year period shall mean the financial year ending 31 December 2030 to the financial year ending 31 December 2039. A rent cap was also agreed as part of the terms under the Existing Master Lease Agreements which provide, among others, that the revised rent for the first year of the extended term under the Existing Master Lease Agreements shall not exceed the amount equivalent to 15.0% of the Adjusted Hospital Revenue for the financial year ending 31 December 2021.

3.4.4 In the event of any dispute on the revised Rent for the Extended Term, the Master Lessee may, with 30 days' prior written notice to the Master Lessor, withdraw its option to renew (even if the exercise of such option to renew constitutes an agreement for lease at law) prior to the execution of any definitive lease documents for the Extended Term. Without prejudice to the right of the Master Lessee to withdraw its exercise of the option to renew, in the event of any dispute on the revised Rent for the Extended Term, an independent expert shall be jointly appointed by the Master Lessor and the Master Lessee to determine the final outcome and associated costs shall be apportioned equally between both parties.

3.4.5 Upon signing of the New Master Lease Agreements, the Master Lessee shall furnish to the Master Lessor for each of the Properties, a security deposit of three months of the Base Rent of the respective Property, calculated on a monthly basis in the form of a cash deposit or an irrevocable banker's guarantee (form of which is attached in the New Master Lease Agreements) and/or a corporate guarantee (form of which is attached to the New Master Lease Agreements) to be issued by Parkway Pantai Limited (as guarantor) to secure the security deposit.

3.4.6 The Master Lessor shall be responsible for a one-time Renewal Capex Costs incurred in relation to the Renewal Capex Works to be performed on the applicable Properties based on the terms of the Renewal Capex Agreement.

3.4.7 Save for the revised key terms as described in paragraph 2.4 of the Circular, the terms of Rent as described in paragraphs 2.5 to 2.6 of the Circular and the terms of the Renewal Capex Agreement as described in paragraph 2.7 of the Circular, the other remaining terms of the New Master Lease Agreements are substantially similar to the terms in the Existing Master Lease Agreements.

3.5 Rent payable under the New Master Lease Agreements for all Properties

The Rent, rental escalation and other conditions under the New Master Lease Agreements were negotiated on an arm's length basis. The Rent payable for the Properties for the first financial year of the Renewal Term (i.e., FY2023) of S$97.2 million (the "**Initial Rent**") for the Properties has been determined based on the then prevailing market rent and a 15.0% cap of the average adjusted hospital revenue of the respective Properties for the 10-year period from the financial year ended 31 December 2010 ("**FY2010**") to the financial year ended 31 December 2019 ("**FY2019**"). The Initial Rent is supported by the rental valuation conducted by the Independent Valuers. The Rental Valuation Certificates issued by the Independent Valuers are set out in Appendix A of the Circular.

The Rent payable for the Renewal Term for all Properties shall be as follows:

Period	Aggregate Rent Payable for the Properties	
	% change from preceding year / period	**Estimated Rent per annum[(1)]**
Interim Period - 23 August 2022 to 31 December 2022[(2)]	2.0% (Fixed)	Approximately S$72.4 million (to be pro-rated for the relevant period)
Year 1 of the Renewal Term - FY2023	3.0% (Fixed)	Approximately S$74.6 million Based on the Initial Rent of S$97.2 million, subject to a Downtime Period Rent Rebate of approximately S$22.6 million
Year 2 of the Renewal Term - Financial year ending 31 December 2024 ("**FY2024**")	3.0% (Fixed)	Approximately S$76.9 million Based on the Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$20.3 million
Year 3 of the Renewal Term - FY2025	3.0% (Fixed)	Approximately S$79.2 million Based on the Initial Rent subject to a Downtime Period Rent Rebate of approximately S$18.0 million For the avoidance of doubt, the Initial Rent is inclusive of the base rent of S$64.8 million (the "**Base Rent**") which is calculated to be approximately 66.7% of the Initial Rent as supported by the rental valuations conducted by the Independent Valuers.

Period	Aggregate Rent Payable for the Properties	
	% change from preceding year / period	**Estimated Rent per annum[(1)]**
Year 4 of the Renewal Term - Financial year ending 31 December 2026 ("**FY2026**")	Percentage of rent escalation will vary. Please see rent calculation.	Approximately S$99.2 million[(3)]; Based on the aggregate of: (a) Base Rent; and (b) 3.8% of the Adjusted Hospital Revenue[(4)] for the respective Properties for the subject financial year (the "**Variable Rent**"), provided always that the Rent payable shall be no less than the equivalent of: {1 + (CPI[(5)] + 1%)} X Initial Rent
From Year 5 of the Renewal Term until Year 20 of the Renewal Term - Financial year ending 31 December 2027 ("**FY2027**") until the financial year ending 31 December 2042 ("**FY2042**")	Percentage of rent escalation will vary. Please see rent calculation.	Based on the aggregate of: (a) Base Rent; and (b) Variable Rent, provided always that the Rent payable shall be no less than the equivalent of: {1 + (CPI[(5)] + 1%)} X total Rent payable for the immediately preceding year.

Source: Circular

Notes:

*(1) The Rent per annum for the Interim Period and Year 1 to Year 3 of the Renewal Term as set out in the Circular is an estimation based on the latest available information and projections of the minimum guaranteed rents based on CPI + 1% rental revision calculations for Year 14 (23 August 2020 to 22 August 2021) and Year 15 (23 August 2021 to 22 August 2022) of the Existing Term. The actual final Rent for the Interim Period and Year 1 to Year 3 of the Renewal Term may vary subject to the determination of the actual rent paid for Year 14 (the "**Actual Year 14 Rent**") and Year 15 (the "**Actual Year 15 Rent**") of the Existing Term. Pursuant to the annual rent review formula under the Existing Master Lease Agreements, the Actual Year 14 Rent and Actual Year 15 Rent are expected to be finalised latest by mid-November 2021 and mid-November 2022, respectively. Adjustments will be accordingly made to compute the actual final Rent of the Interim Period and Year 1 to Year 3 of the Renewal Term in accordance with the terms of the New Master Lease Agreements. Along with the adjustments, the actual final Downtime Period Rent Rebate for Year 1 to Year 3 of the Renewal Term will be accordingly established.*

(2) For the avoidance of doubt, the applicable preceding period of the Interim Period is Year 15 (23 August 2021 to 22 August 2022) of the Existing Term and the Rent of the Interim Period is to be applied on a pro-rata basis.

(3) *Estimated based on {1 + (CPI +1%)} x Initial Rent of S$97.2 million, where CPI is assumed to be 1.0%.*

(4) *The term "Adjusted Hospital Revenue" shall have the same meaning as the term used in the Existing Master Lease Agreements, as set out under paragraph 2.3 of the Circular.*

(5) *"CPI" shall mean 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 given year, the CPI shall be deemed to be zero.*

As indicated above, the Rent during the Interim Period shall be at a 2.0% step-up compared to the estimated expiring rent for Year 15 (23 August 2021 to 22 August 2022) of the Existing Term of S$71.0 million[1] ("**Estimated Year 15 Rent**") and is to be pro-rated for the relevant period (from 23 August 2022 to 31 December 2022).

The Renewal Capex Works are estimated to take approximately three years to complete and are expected to take place during the Downtime Period comprising the first three full financial years of the Renewal Term (i.e., FY2023 to FY2025). During the Downtime Period, there will be operational and income disruptions to the Master Lessee and therefore, a total of approximately S$60.9 million of Downtime Period Rent Rebate will be granted to the Master Lessee for the Downtime Period. Nonetheless, the Rent for the Downtime Period will still provide for a 3.0% step-up from the preceding year/period.

An annual rent review formula shall be applicable for Year 4 to Year 20 of the Renewal Term (i.e., FY2026 to FY2042) and the formula is similar to the current annual rent review formula under the Existing Master Lease Agreements. At the end of Year 4 of the Renewal Term, the Rent will reflect total rental growth of approximately 39.6% as compared to the Estimated Year 15 Rent.

3.6 Rent payable under the New Master Lease Agreements for each Property

The Rent payable for the Renewal Term for each Property shall be as follows:

Period	**Estimated Rent per annum(1)**		
	Mount Elizabeth Hospital Property	**Gleneagles Hospital Property**	**Parkway East Hospital Property**
Interim Period (23 August 2022 to 31 December 2022)(2)	S$44.9 million (to be pro-rated for the relevant period)	S$23.4 million (to be pro-rated for the relevant period)	S$4.1 million (to be pro-rated for the relevant period)

1 An estimation based on the latest available information and projections of the minimum guaranteed rent based on the CPI + 1% rental revision calculations for Year 15 (being 23 August 2021 to 22 August 2022) of the Existing Term.

Period	Estimated Rent per annum[1]		
	Mount Elizabeth Hospital Property	Gleneagles Hospital Property	Parkway East Hospital Property
Year 1 of the Renewal Term (FY2023)	Approximately S$42.2 million Based on the initial rent of S$60.3 million (the "**Mount Elizabeth Initial Rent**"), subject to a Downtime Period Rent Rebate of approximately S$18.1 million. For the avoidance of doubt, the New Mount Elizabeth Initial Rent is inclusive of the Base Rent of S$40.2 million (the "**Mount Elizabeth Base Rent**").	Approximately S$27.7 million Based on the initial rent of S$31.1 million (the "**Gleneagles Initial Rent**"), subject to a Downtime Period Rent Rebate of approximately S$3.4 million. For the avoidance of doubt, the New Gleneagles Initial Rent is inclusive of the Base Rent of S$20.7 million (the "**Gleneagles Base Rent**").	Approximately S$4.7 million Based on the initial rent of S$5.8 million (the "**Parkway East Initial Rent**"), subject to a Downtime Period Rent Rebate of approximately S$1.1 million. For the avoidance of doubt, the New Parkway East Initial Rent is inclusive of the Base Rent of S$3.9 million (the "**Parkway East Base Rent**").
Year 2 of the Renewal Term (FY2024)	Approximately S$44.0 million Based on the Mount Elizabeth Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$16.3 million.	Approximately S$28.1 million Based on the Gleneagles Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$3.0 million.	Approximately S$4.8 million Based on the Parkway East Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$1.0 million.
Year 3 of the Renewal Term (FY2025)	Approximately S$45.9 million Based on the Mount Elizabeth Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$14.4 million.	Approximately S$28.4 million Based on the Gleneagles Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$2.7 million.	Approximately S$4.9 million Based on the Parkway East Initial Rent, subject to a Downtime Period Rent Rebate of approximately S$0.9 million.

<table>
<tr><th rowspan="2">Period</th><th colspan="3">Estimated Rent per annum(1)</th></tr>
<tr><th>Mount Elizabeth Hospital Property</th><th>Gleneagles Hospital Property</th><th>Parkway East Hospital Property</th></tr>
<tr><td>Year 4 of the Renewal Term (FY2026)</td><td>Approximately S$61.5 million(3)

Based on the aggregate of:

(a) Mount Elizabeth Base Rent; and

(b) 3.8% of Adjusted Hospital Revenue(4) for the subject financial year (the “Mount Elizabeth Variable Rent”),

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI(5)+1.0%)} X Mount Elizabeth Initial Rent.</td><td>Approximately S$31.7 million(3)

Based on the aggregate of:

(a) Gleneagles Base Rent; and

(b) 3.8% of Adjusted Hospital Revenue(4) for the subject financial year (the “Gleneagles Variable Rent”),

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI(5)+1.0%)} X Gleneagles Initial Rent.</td><td>Approximately S$6.0 million(3)

Based on the aggregate of:

(a) Parkway East Base Rent; and

(b) 3.8% of Adjusted Hospital Revenue(4) for the subject financial year (the “Parkway East Variable Rent”),

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI(5)+1.0%)} X Parkway East Initial Rent.</td></tr>
<tr><td>Year 5 of the Renewal Term until Year 20 of the Renewal Term (FY2027 to FY2042)</td><td>Based on the aggregate of:

(a) the Mount Elizabeth Base Rent; and

(b) the Mount Elizabeth Variable Rent,

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI(5)+1.0%)} X total Rent payable for the immediately preceding year</td><td>Based on the aggregate of:

(a) the Gleneagles Base Rent; and

(b) the Gleneagles Variable Rent,

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI(5)+1.0%)} X total Rent payable for the immediately preceding year</td><td>Based on the aggregate of:

(a) the Parkway East Base Rent; and

(b) the Parkway East Variable Rent,

provided always that the rent payable shall be no less than the equivalent of:

{1 + (CPI(5)+1.0%)} X total Rent payable for the immediately preceding year</td></tr>
</table>

Source: Circular

Notes:

(1) The Rent per annum for the Interim Period and Year 1 to Year 3 of the Renewal Term as set out in the Circular is an estimation based on the latest available information and projections of the minimum guaranteed rents based on CPI + 1% rental revision calculations for Year 14 (23 August 2020 to 22 August 2021) and Year 15 (23 August 2021 to 22 August 2022) of the Existing Term. The actual final Rent for the Interim Period and Year 1 to Year 3 of the Renewal Term may vary subject to the determination of the Actual Year 14 Rent and the Actual Year 15 Rent of the Existing Term. Pursuant to the annual rent review formula under the Existing Master Lease Agreements, the Actual Year 14 Rent and Actual Year 15 Rent are expected to be finalised latest by mid-November 2021 and mid-November 2022, respectively. Adjustments will be accordingly made to compute the actual final Rent of the Interim Period and Year 1 to Year 3 of the Renewal Term in accordance with the terms of the New Master Lease Agreements. Along with the adjustments, the actual final Downtime Period Rent Rebate for Year 1 to Year 3 of the Renewal Term will be accordingly established.

(2) For the avoidance of doubt, the applicable preceding period of the Interim Period is Year 15 (23 August 2021 to 22 August 2022) of the Existing Term and the Rent of the Interim Period is to be applied on a pro-rata basis.

(3) Estimated based on {1 + (CPI +1%)} x Initial Rent of the respective Properties, where CPI is assumed to be 1.0%.

(4) The term "Adjusted Hospital Revenue" shall have the same meaning as the term used in the Existing Master Lease Agreements, as set out in paragraph 2.3 of the Circular.

(5) "CPI" shall mean 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 given year, the CPI shall be deemed to be zero.

3.7 The Renewal Capex Agreement

3.7.1 Key Terms

As part of the Proposed Transaction, the Master Lessor shall be responsible for a one-time Renewal Capex Costs of up to S$150.0 million (exclusive of GST) to conduct the Renewal Capex Works on the applicable Properties.

Under the terms of the Renewal Capex Agreement, the Renewal Capex Works shall be substantially based on the following agreed scope:

(i) future proofing through improvement works of the safety features and utilities infrastructure;

(ii) enhancing building performance with eco-friendly and sustainability features through Green Mark certification and technological advances such as building management system; and

(iii) refreshing aesthetic and the experience of the space of the property as well as addressing patient demand and evolving healthcare trends through upgrading and reconfiguration of the hospital spaces and functions,

but such scope shall be subject to changes and variations based on the findings of the feasibility studies conducted by independent consultants as appointed by the Master Lessor, and with the written agreement of the Master Lessee (such agreement not to be unreasonably withheld or delayed) having regard to the operational requirements of the Master Lessee. The bulk of the Renewal Capex Works is expected to be performed on Mount Elizabeth Hospital Property. The feasibility studies are expected to be completed around October 2021 and further details relating to the Renewal Capex Works shall be disclosed by the Manager in due course.

The Master Lessor will be responsible for undertaking and completing the Renewal Capex Works, including appointing the building contractor in accordance with its procurement policies, with due regard to the ongoing operations of the Master Lessee (and its occupiers) at the Properties (where applicable). The appointment of the building contractor will also be subject to prior written agreement of the Master Lessee (such agreement not to be unreasonably withheld or delayed). The Master Lessor and the Master Lessee shall establish a joint committee to:

(a) ensure that the Master Lessee's involvement (by way of feedback or input where required) in the procurement and tendering process of the building contractor which shall be in accordance with the Master Lessor's procurement policies;

(b) discuss and agree in good faith action and arrangements required for implementing the Renewal Capex Agreement and the Renewal Capex Works; and

(c) consider ways from time to time to further enhance co-operation to facilitate the completion of the Renewal Capex Works in a timely manner and to ensure minimal disruption to the operations at the Properties and/or to address any complaints of the occupiers at the Properties as a result of the Renewal Capex Works.

3.7.2 Renewal Capex Costs

The Renewal Capex Costs shall be for the total value of the Renewal Capex Works which includes construction costs, consultancy fees, submission to any local authorities and applicable taxes, any costs whatsoever that may be incurred in connection with the Renewal Capex Agreement and a contingency amount (which shall be mutually agreed between the Master Lessor and the Master Lessee) to cover potential costs over-run and agreed variations to the Renewal Capex Works.

In the event of any cost over-run in respect of the Renewal Capex Works (including conditions or additional costs imposed by the relevant laws and/or required by the relevant authorities), the Master Lessor and the Master Lessee shall negotiate in good faith with a view of agreeing on appropriate measures to contain the costs within the Renewal Capex Costs.

Any unutilised part of the Renewal Capex Costs shall be used to carry out capital expenditure works at any of the Properties as may be mutually agreed between the Master Lessor and the Master Lessee within the agreed Renewal Capex Timeline (as defined below) or such extended timeline as mutually agreed in writing by the Master Lessor and the Master Lessee.

3.7.3 Timeline of the Renewal Capex Works

The Master Lessor and the Master Lessee agree in good faith to work towards the commencement of the physical construction of the Renewal Capex Works by no later than 1 January 2023 (subject to completion of feasibility studies, design development, tender and procurement, and obtainment of all relevant development, building and regulatory approvals) or such other extended date as may be reasonably and mutually agreed in good faith between the Master Lessor and the Master Lessee.

The Master Lessor and the Master Lessee, shall no later than one month prior to the commencement of the Renewal Capex Works, mutually agree (acting reasonably and in good faith) on (i) the finalised and detailed list of Renewal Capex Works; (ii) a breakdown of the Renewal Capex Costs against each of the finalised and detailed items of the Renewal Capex Works; and (iii) the division of replacement responsibilities of the items of the Renewal Capex Works between the Master Lessor and the Master Lessee, failing which the Master Lessor shall in its sole discretion determine such matters.

The Renewal Capex Works are estimated to take three years to complete but the Master Lessee may request for the Master Lessor to carry out the works in phases due to operational considerations of the Master Lessee provided that the completion of all Renewal Capex Works shall be no later than 31 March 2028 or such extended date in accordance with the Renewal Capex Agreement or such other date to be mutually agreed between the Master Lessor and the Master Lessee (the "**Renewal Capex Timeline**").

The timeline of the Renewal Capex Works shall be automatically extended by such period of extension/delay without any liability on the Master Lessor (for breach or failure to perform any obligation(s) under the Renewal Capex Agreement in the event of any of the following:

(i) extension of time granted under the building contract to the building contractor to complete the Renewal Capex Works (or any part thereof) pursuant to any measures, directives, regulations, legislations, orders, guidelines, rules, the law and/or requirements of the relevant authorities from time to time; or

(ii) period of delay in the Renewal Capex Works commencement date for any reason whatsoever; or

(iii) period of delay attributable to any action taken by the Master Lessee to implement measures, directives, regulations, orders, guidelines or rules that will directly or indirectly restrict access (in respect of the Properties or any part thereof) to the Master Lessor, the Master Lessor's workmen agents, successors and assigns, the building contractor, the consultants and all such other parties authorised by the Master Lessor; or

(iv) period of delay attributable to the Master Lessee (including but not limited to any delay in unreasonable agreement by the Master Lessee to the Renewal Capex Works and/or appointment of the building contractor and/or the commencement or completion of the Renewal Capex Works and/or request for delay/extension of time by the Master Lessee).

3.8 Method of Financing

The Manager does not foresee an immediate need to fund the Renewal Capex Costs in full after the entry into the Renewal Capex Agreement as payments for the Renewal Capex Works are expected to be incurred progressively over the Downtime Period.

Based on the Manager's assessment of the prevailing market conditions, the intention is to wholly finance the Renewal Capex Costs and related feasibility studies expenses via external borrowings.

Notwithstanding the Manager's intention to fully debt-fund the Renewal Capex Costs, the Manager would continue to evaluate various fund-raising options including equity fund-raisings and/or a combination of debt and equity financing to fund the Renewal Capex Costs. The final decision regarding the mode of financing to be employed will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions.

3.9 Right of First Refusal

On 17 July 2007, the Sponsor had granted a ROFR to Parkway Life REIT over sales of assets that is used, or primarily used, for healthcare and/or healthcare-related purposes located in the Asia-Pacific region (including Singapore) by the Sponsor and any of its subsidiaries (the "**IPO Sponsor ROFR**"). The IPO Sponsor ROFR granted has since expired in 2012.

In connection with the Proposed Transaction, the ROFR Grantor shall grant to Parkway Life REIT a ROFR in respect of sale of a sale, assignment or transfer of its ownership interest (or any part thereof) of Mount Elizabeth Novena Hospital Property (i.e., the strata lot U4976A of Town Subdivision 29 comprised in Subsidiary Strata Certificate of Title Volume 1608 of Folio 186 (together with all accessory lots appurtenant thereto)) (or any part thereof) which is currently owned by the ROFR Grantor located at 38 Irrawaddy Road, #01-01 and #01-18, Mount Elizabeth Novena Hospital, Singapore 329563, save and except the business and/or other non-real estate assets, on the terms set out in the ROFR agreement for a period of 10 years from the date of the ROFR agreement, for so long as (i) Parkway Life REIT is listed on and quoted on the Main Board of the SGX-ST; (ii) Parkway Trust Management Limited remains the manager of Parkway Life REIT; and (iii) the ROFR Grantor and/or any of its related corporations, alone or in aggregate, remains as a Controlling Shareholder of Parkway Trust Management Limited.

4 EVALUATION OF THE PROPOSED TRANSACTION

In our analysis and evaluation of the Proposed Transaction (including the ROFR), and our recommendation thereon, we have taken into consideration the following:

(a) rationale for and key benefits of the Proposed Transaction (including the ROFR);

(b) assessment of the basis of the Rent under the New Master Lease Agreements;

(c) assessment of the other terms of the Proposed Transaction (including the ROFR); and

(d) *pro forma* financial effects of the Proposed Transaction.

The factors above are discussed in more detail in the following sections.

4.1 Rationale for the Proposed Transaction

The detailed rationale for and benefits of the Proposed Transaction are set out in the Summary section and Paragraph 2.10 of the Letter to Unitholders of the Circular.

We note that the Proposed Transaction is recommended based on the following rationale and key benefits to Parkway Life REIT and its Unitholders:

(a) the New Master Lease Agreements will provide long-term income certainty, stability and sustainable occupancy for Parkway Life REIT;

(b) the clear rent structure of the New Master Lease Agreements underpins the organic growth of Parkway Life REIT;

(c) the Renewal Capex Works will enhance the operational performance and asset values of the existing high quality Properties;

(d) the New Master Lease Agreements will ensure the Properties remain well-positioned to ride on the growth potential of the Singapore healthcare industry; and

(e) the ROFR over a high quality healthcare asset in Singapore further enhances Parkway Life REIT's growth potential and demonstrates the Sponsor's strong support for Parkway Life REIT and the alignment of interest between the Sponsor and Unitholders of Parkway Life REIT.

We understand that the Manager believes that the Proposed Transaction (including the ROFR) would benefit the Unitholders, as the Master Lessee possesses in-depth experience and proven track record with the management and operations of the Properties.

4.2 Assessment of the basis of the Rent under the New Master Lease Agreements

4.2.1 Rent valuation by the Independent Valuers

The Manager and the Trustee have commissioned the Independent Valuers, namely CBRE and Knight Frank, to assess the prevailing market rental values of the Properties as at the Valuation Date, being 30 June 2021.

The Rental Valuation Certificates issued by the Independent Valuers are set out in Appendix A of the Circular. We note the following salient information based on the Rent Valuation Reports and Rent Valuation Certificates:

Description	CBRE	Knight Frank
Definition of "Market Rent"	The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion	The estimated amount for which a property would be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion
Valuation standards applied	Singapore Institute of Surveyors and Valuers ("**SISV**") Valuation Standards and Practice Guidelines, and International Valuation Standards ("**IVS**")	SISV Valuation Standards and Practice Guidelines and IVS
Valuation rationale	Below is the extract from the CBRE Rent Valuation Report, "*In arriving at our opinion of value, we have considered relevant general and economic factors and all information necessary to enable us to arrive at the rental value of the Properties. We have primarily utilised the Profits Method in undertaking our assessment to arrive at the prevailing Market Rent Value of the Properties.*"	Below is the extract from the Knight Frank Rent Valuation Report, "*Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.* *As there is a dearth of rental evidence of hospitals which is leased to a Master Lessee in Singapore, we have valued the Properties by the Profits Method. The Profits Method is used in cases where it is not practical or possible to obtain direct rental evidence from comparable properties.*"

Description	CBRE	Knight Frank
Assessment of Value	Below are the extracts from the CBRE Rent Valuation Report, "*According to the Proposed Lease Renewal Terms in the new MLA, we understand that the Initial Rent is estimated to be S$97,207,000. We have undertaken a benchmarking analysis to ascertain the reasonableness of the Initial Rent based on rental metrics and opine that this amount is well within the market benchmarks and is considered to be a fair and reasonable level to be adopted as Market Rent.*" *"Aggregate prevailing Market Rental Value of Properties as at 30 June 2021: S$97,207,000".*	Below is the extract from the Knight Frank Rent Valuation Report, "*We have perused the key commercial terms of the New Master Lease Agreements. Based on publicly available information, the Initial Rent of S$97,207,000 is within market benchmarks and in our opinion is considered fair and reasonable.* *Market Rent* *Having regard to the foregoing, we are of the opinion that the prevailing Market Rent (exclusive of GST) of the Properties, taking into consideration the New Master Lease Agreements and the proposed lease renewal terms and conditions, for a lease term from 23 August 2022 to 31 December 2042, for lease renewal purposes, at the valuation date, is S$97,207,000".*

Source: Rent Valuation Reports

We note that both Independent Valuers have used the same basis and methodologies in arriving at the market rental values for the Properties, and both have taken into consideration the prevailing market conditions and factors, including the circumstances caused by COVID-19 and unknown future impact that COVID-19 may have on the real estate market. We also note that both Independent Valuers have opined that the Initial Rent of S$97.2 million is within market benchmarks and is considered to be fair and reasonable.

4.2.2 Comparison of the rental and lease period under the New Master Lease Agreements with lease agreements of comparable hospital property portfolio

Based on our search for comparable hospital and medical centre property portfolios on available databases and relevant stock exchanges, we recognise that there is no particular property portfolio that we may consider to be directly comparable to the Properties in the aspects of usage of property, geographic location, construction quality, accessibility, gross and net lettable area, profile of tenants, age of building, outstanding lease tenure, market risks, track record and other relevant factors.

However, we have extracted publicly available information on certain comparable properties for comparison with the lease metrics under the New Master Lease Agreements. The Independent Directors, the Audit Committee and the Trustee should note that any comparison made with respect to selected properties and/or property transactions are for illustrative purposes only and based on available data/information as at the Latest Practicable Date. The conclusions drawn from such comparisons may not necessarily reflect the perceived or implied rent valuation of the Properties as at the Latest Practicable Date. In addition, we wish to highlight that the selected properties and property transactions are by no means exhaustive.

Lessor	Stock Exchange Listed	Description
First Real Estate Investment Trust ("**First REIT**")	SGX-ST	First REIT is Singapore's first healthcare REIT that aims to invest in a diversified portfolio of income-producing real estate and/or real estate-related assets in Asia that are primarily used for healthcare and/or healthcare-related purposes. First REIT's portfolio consists of 20 properties located in Indonesia, Singapore and South Korea.
Medical Properties Trust Inc ("**Medical Properties**")	New York Stock Exchange	Medical Properties is a REIT formed in 2003 to acquire and develop net-leased hospital facilities. It is one of the world's largest owners of hospitals with 431 facilities and roughly 43,000 licensed beds in nine countries and across four continents.
NorthWest Healthcare Properties Real Estate Investment Trust ("**NorthWest REIT**")	Toronto Stock Exchange	NorthWest REIT is an unincorporated, open-ended REIT established under the laws of the Province of Ontario. It has a portfolio of high-quality, international healthcare real estate infrastructure comprised of interests in a diversified portfolio of 190 income-producing properties and 15.4 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Europe, Australia and New Zealand.
Ventas Inc ("**Ventas**")	New York Stock Exchange	Ventas operates at the intersection of two industries – healthcare and real estate. It owns or manages through unconsolidated joint ventures approximately 1,200 properties.

Source: S&P Capital IQ, annual reports, company announcements

Selected lease information on the comparables in comparison with those under the New Master Lease Agreements are set out below:

Lessor	Relevant Portfolio / Property Location	Lease Start Date	Initial Lease Term (years)	Rent Coverage Ratio[(1)] (times)	Annual Rent Escalation
First REIT	11 hospitals[(2)] Indonesia	1 Jan 2021	15	2.2	Higher of 4.5% growth and 8.0% of hospital operation revenue in preceding year
Medical Properties	7 hospitals[(3)] US	31 Aug 2015	15	2.3[(4)]	US CPI-based escalators, subject to 2.0% floor and 4.0% ceiling
Medical Properties	30 acute care hospitals[(5)] UK	8 Jan 2020	30	2.0	Linked to UK CPI
Medical Properties	35 behavioural hospitals[(6)] UK	Jun 2021[(7)]	25	2.0	Linked to UK CPI and subject to 2.0% floor
NorthWest REIT	11 hospitals[(8)] Australia	9 Jun 2019	20	2.2	2.5%

Lessor	Relevant Portfolio / Property Location	Lease Start Date	Initial Lease Term (years)	Rent Coverage Ratio[(1)] (times)	Annual Rent Escalation
Ventas	10 hospitals[(9)] US	4 Aug 2015	20	2.9[(10)]	Lesser of 4 times US CPI and 2.5%
Low			**15**	**2.0**	
High			**30**	**2.9**	
Median			**20**	**2.2**	
Average			**21**	**2.3**	
The Properties – Based on the New Master Lease Agreements	**3 hospitals Singapore**	**23 Aug 2022**	**20.4[(11)]**	**2.9[(12)]**	**Annual rent review formula of higher of (CPI+1.0%) or (base + variable rent components)**

Source: Annual reports, Circular, Management

Notes:

*(1) "**Rent Coverage Ratio**" is computed as earnings before interest, taxes, depreciation, amortisation, and rent ("**EBITDAR**") divided by the initial rent.*

(2) Siloam Hospitals Surabaya, Siloam Hospitals Kebon Jeruk, Siloam Hospitals Lippo Village, Mochtar Riady Comprehensive Cancer Centre, Siloam Hospitals Makassar, Siloam Hospitals Manado and Hotel Aryaduta Manado, Siloam Hospitals TB Simatupang, Siloam Hospitals Bali, Siloam Hospitals Labuan Bajo, Siloam Hospitals Buton, and Siloam Hospitals Yogyakarta

(3) Capital Medical Center, EASTAR Health System, Carolina Pines Regional Medical Center, St. Mary's Regional Medical Center, National Park Medical Center, Southwestern Medical Center, and Williamette Valley Medical Center

(4) Based on the related press release, the estimated Rent Coverage Ratio was expected to exceed 2.3 times

(5) The London Independent Hospital, The Blackheath Hospital, The Alexandra Hospital, Ross Hall Hospital, The Highfield Hospital, The Beaumont Hospital, The Droitwich Spa Hospital, The Priory Hospital, The Hampshire Clinic, Sarum Road Hospital, Albyn Hospital, The Winterbourne Hospital, The Hendon Hospital, Goring Hall Hospital, Werndale Hospital, Bath Clinic, The Ridgeway Hospital, The Beardwood Hospital, Thornbury Hospital, The Park Hospital, The Clementine Churchill Hospital, Mount Alvernia Hospital, The Chaucer Hospital, Chelsfield Park Hospital, Shirley Oaks Hospital, The Sloane Hospital, The Princess Margaret Hospital, The Chiltern Hospital, The Saxon Clinic, and The Manor Hospital

(6) 35 behavioral health facilities located in the United Kingdom from Priory Group.

(7) The transaction was completed in late June 2021.

(8) Norwest Private Hospital, The Hills Private Hospital, Darwin Private Hospital, Griffith Rehabilitation Hospital, The Melbourne Clinic, John Fawkner Private Hospital, Brisbane Private Hospital, Lady Davidson Private Hospital, Hunter Valley Private Hospital, The Sydney Clinic, and Newcastle Private Hospital

(9) 10 hospitals in Texas, Oklahoma, and New Mexico

*(10) Calculated based on earnings before interest, taxes, depreciation, amortization, rent, and management fees ("**EBITDARM**").*

(11) Renewal Term is for the period from 23 August 2022 to 31 December 2042, comprising the Interim Period from 23 August 2022 to 31 December 2022 and 20 years from 1 January 2023 to 31 December 2042.

(12) *Based on the Independent Valuers' average estimated aggregate EBITDAR of the Properties for Year 15 of the Existing Term and the Initial Rent.*

Based on the table above, we note that the Renewal Term under the New Master Lease Agreements is within the range of the lease terms for the comparable lessors and in line with the average and median lease terms.

We also note that the Renewal Term is longer than the renewal option period of 15 years under the Existing Master Lease Agreements in consideration of the Renewal Capex Costs and to allow Parkway Life REIT to benefit from the expected rental growth from the Properties for a longer period. The Interim Period from 23 August 2022 to 31 December 2022 is also being proposed under the New Master Lease Agreements to realign each subsequent lease period to the respective financial year of Parkway Life REIT and the Master Lessee ending 31 December.

Also based on the table above, we note that the estimated rent coverage ratio of the Properties based on the Initial Rent under the New Master Lease Agreements of 2.9 times is at the higher end of the range of the rent coverage ratios of the comparables.

In terms of the annual rent escalation, we note that the annual rent escalations of the comparables are based on the inflation rate of the relevant country where the hospitals are located and/or a negotiated fixed rate/range between the lessor and the lessee, which are both applicable under the New Master Lease Agreements. We also note that the annual rent review formula under the New Master Lease Agreements is similar to the annual rent review formula under the Existing Master Lease Agreements.

4.2.3 Assessment of the increase in Rent for the Properties under the New Master Lease Agreements

We have evaluated the basis of and growth in annual rent payable for the Properties under the New Master Lease Agreements and note the following:

(a) As set out in the Circular and based on our discussions with the Manager, the Initial Rent of S$97.2 million was negotiated between the Master Lessor and the Master Lessee, taking into account, among others, the Rent Valuation Reports issued by the Independent Valuers, the strength of the operator and sustainability of operations of the Properties, the Singapore healthcare sector (particularly private healthcare), the real estate market in general, and the Renewal Capex Agreement.

(b) The Initial Rent for the Properties has been determined based on the then prevailing market rent and a 15.0% cap of the average adjusted hospital revenue of the respective Properties for the 10-year period from FY2010 to FY2019.

(c) While the Downtime Period Rent Rebate amounting to S$60.9 million will be granted to the Master Lessee during the Downtime Period, the Rent for the Interim Period and Downtime Period will still provide for a step-up feature. We note that the aggregate Rent payable for the Properties for the Interim Period and Downtime Period will represent an increase of 2.0% to 3.0% from the preceding year/period.

(d) At the end of the first four years of the Renewal Term, the Rent payable for the Properties reflects a total rental growth of approximately 39.6% as compared to the Estimated Year 15 Rent (23 August 2021 to 22 August 2022).

(e) Under the New Master Lease Agreements, the revised rent for the Extended Term shall be 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 New Master Lease Agreement for each of the Properties, save that there shall be no further option to extend the lease term beyond the Extended Term, provided that the revised rent for the first year of the Extended Term shall not exceed the amount equivalent to 15.0% of the average Adjusted Hospital Revenue of the applicable Property for the immediate 10-year period that is two years prior to the expiry of the Renewal Term. For the avoidance of doubt, the referred 10-year period shall mean the financial year ending 31 December 2030 to the financial year ending 31 December 2039. We note that the applicable term (i.e., immediate 10-year period that is two years prior to the expiry of the Renewal Term) takes into account the operations of the Properties over a longer 10-year trend, ensuring the sustainability of the rental payments by the Master Lessee for the Extended Term.

4.2.4 Assessment of the Renewal Capex Agreement

We have taken into consideration the Renewal Capex Agreement and note the following:

(a) The Renewal Capex Works present an opportunity to revamp the Properties, which were built more than 30 years ago with no major infrastructure upgrades since. The Renewal Capex Works shall serve to enhance the overall performance, operations and architectural design of the existing high quality Properties. The Renewal Capex Works would also allow the Properties and the Master Lessee to improve utilisation of available space and resources and allow the hospitals to meet with patient demand and better serve the community in need as well as to address emerging and evolving healthcare trends. The renewed Properties will be able to enhance the quality positioning and increase competitiveness of Parkway Life REIT and the Master Lessee (as operator of the hospitals).

(b) The bulk of the Renewal Capex Works is expected to be performed on Mount Elizabeth Hospital Property. The Renewal Capex Works are still subject to feasibility studies, which are expected to be completed in October 2021. The Renewal Capex Works will involve, among others, future proofing through improvement works of the safety features and utilities infrastructure, enhancing building performance with eco-friendly and sustainability features through Green Mark certification and technological advances such as building management system, and refreshing aesthetics and the experience of the space of the property as well as addressing patient demand and evolving healthcare trends through upgrading and reconfiguration of the hospital space and functions. The scope of the Renewal Capex Works shall be subject to changes and variations based on the findings of the feasibility studies conducted by independent consultants as appointed by the Master Lessor, and with the written agreement of the Master Lessee (such agreement not to be unreasonably withheld or delayed) having regard to the operational requirements of the Master Lessee.

(c) The Master Lessor and the Master Lessee agree in good faith to work towards the commencement of the physical construction of the Renewal Capex Works by no later than 1 January 2023 (subject to completion of feasibility studies, design development, tender and procurement and obtainment of all relevant development, building and regulatory approvals) or such other extended date as may be reasonably and mutually agreed in good faith between the Master Lessor and the Master Lessee.

(d) During the Downtime Period, which is expected to be for three years, there will be operational and income disruptions to the Master Lessee and thus, the Downtime Period

Rent Rebate amounting to a total of approximately S$60.9 million will be granted to the Master Lessee for the Downtime Period. The Downtime Period Rent Rebate shall be the first three full financial years of the Renewal Term (i.e., FY2023 to FY2025).

(e) The Renewal Capex Works are estimated to take three years to complete but the Master Lessee may request for the Master Lessor to carry out the works in phases due to operational considerations of the Master Lessee provided that the completion of all Renewal Capex Works shall be no later than 31 March 2028 or such extended date in accordance with the Renewal Capex Agreement or such other date to be mutually agreed between the Master Lessor and the Master Lessee. The timeline of the Renewal Capex Works shall be automatically extended by such period of extension/delay without any liability on the Master Lessor (for breach or failure to perform any obligation(s) under the Renewal Capex Agreement) under certain events.

(f) For practical implementation, a contingency sum shall be set aside to cover potential costs over-run and agreed variations to the Renewal Capex Works. The amount will be mutually agreed between the Master Lessor and the Master Lessee. In the event of any costs over-runs in respect of the Renewal Capex Works (including conditions or additional costs imposed by the relevant laws and/or required by the relevant authorities), the Master Lessor and the Master Lessee shall negotiate in good faith with a view of agreeing on appropriate measures to contain the costs within the Renewal Capex Costs.

(g) Any unutilised part of the Renewal Capex Costs shall be used to carry out capital expenditure works at any of the Properties as may be mutually agreed between the Master Lessor and the Master Lessee within the agreed Renewal Capex Timeline or such extended timeline as mutually agreed in writing by the Master Lessor and the Master Lessee.

(h) Given that the Renewal Capex Works shall commence no later than 1 January 2023 or such extended date as may be reasonably and mutually agreed in good faith between the Master Lessor and the Master Lessee and is estimated to take three years (or such extended date in accordance with the Renewal Capex Agreement) to complete, the Manager does not foresee an immediate need to fund the Renewal Capex Costs in full after the entry into the Renewal Capex Agreement. It is also expected that payments for the Renewal Capex Works are expected to be incurred progressively over the Downtime Period.

(i) Based on the Manager's assessment of the prevailing market conditions, the Manager intends to wholly finance the Renewal Capex Costs and related feasibility studies expenses via external borrowings. However, the Manager would continue to evaluate various fund-raising options including equity fund-raisings and/or a combination of debt and equity financing to fund the Renewal Capex Costs. The final decision regarding the mode of financing to be employed will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions.

4.2.5 Asset Valuation by the Independent Valuers

The Manager and the Trustee have commissioned the Independent Valuers, namely CBRE and Knight Frank, to assess the valuation of the Properties as at 30 June 2021 and the proposed likely value as at 31 December 2025.

The Asset Valuation Certificates issued by the Independent Valuers are set out in Appendix A of the Circular. We note the following in our review:

(a) The Independent Valuers assessed the valuation of the Properties based on 'Market Value' as defined by SISV Valuation Standards and Practice Guidelines and IVS as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. The basis of valuation and the definition are broadly consistent between the Independent Valuers of the Properties and in line with market definition.

(b) The assessed values of the Properties as at 30 June 2021 are subject to the Existing Master Lease Agreements expiring 22 August 2022 and based on the New Master Lease Agreements, subject to the proposed lease renewal terms and assuming satisfactory completion of the Renewal Capex Works.

(c) The proposed likely values of the Properties as at 31 December 2025 are subject to the New Master Lease Agreements, subject to the proposed lease renewal terms and assuming satisfactory completion of the Renewal Capex Works.

(d) The Independent Valuers have used the same valuation methodologies, being discounted cash flow and capitalisation methods under the income approach, which are widely accepted methods for the purpose of valuing income-producing properties. The Independent Valuers have also made assumptions on the capitalisation rates, discount rates and terminal cap rates, based on the asset type, location, tenancy profile, balance lease term and market investment criteria and any risk associated to the Properties.

(e) Based on the Asset Valuation Reports and our discussions with the Independent Valuers, we note that both have taken into consideration the prevailing market conditions and factors, including the circumstances caused by COVID-19 and unknown future impact that COVID-19 may have on the real estate market.

Property	Independent Valuer	Asset Valuation as at 31 Dec 2020 (S$'m)	Market Value as at 30 Jun 2021 (S$'m)	Valuation Uplift	
				(S$'m)	(%)
Mount Elizabeth Hospital Property	CBRE	751.0	876.0	125.0	16.6
	Knight Frank		868.0	117.0	15.6
Gleneagles Hospital Property	CBRE	395.0	499.0	104.0	26.3
	Knight Frank		494.0	99.0	25.1

Property	Independent Valuer	Asset Valuation as at 31 Dec 2020 (S$'m)	Market Value as at 30 Jun 2021 (S$'m)	Valuation Uplift	
				(S$'m)	(%)
Parkway East Hospital Property	CBRE	67.8	86.0	18.2	26.8
	Knight Frank		85.0	17.2	25.4
The Properties – Total	**CBRE**	**1,213.8**	**1,461.0**	**247.2**	**20.4**
	Knight Frank		**1,447.0**	**233.2**	**19.2**

Source: Asset Valuation Reports, FY2020 Annual Report, EY

We note that, as at 31 December 2020, the aggregate appraised value of the Properties was S$1,213.8 million, which was based on the Existing Master Lease Agreements. In comparison, the aggregate assessed values of the Properties as at 30 June 2021 by CBRE and Knight Frank (based on the Existing Master Lease Agreements expiring on 22 August 2022 and the renewal terms of the New Master Lease Agreements and assuming the satisfactory completion of the Renewal Capex Works) represent valuation increases of 20.4% and 19.2%, respectively.

Property	Independent Valuer	Market Value as at 30 Jun 2021 (S$'m)	Proposed Likely Future Value as at 31 Dec 2025 (S$'m)	Valuation Uplift	
				(S$'m)	(%)
Mount Elizabeth Hospital Property	CBRE	876.0	1,028.0	152.0	17.4
	Knight Frank	868.0	1,051.0	183.0	21.1
Gleneagles Hospital Property	CBRE	499.0	554.0	55.0	11.0
	Knight Frank	494.0	550.0	56.0	11.3
Parkway East Hospital Property	CBRE	86.0	101.0	15.0	17.4
	Knight Frank	85.0	101.0	16.0	18.8
The Properties – Total	**CBRE**	**1,461.0**	**1,683.0**	**222.0**	**15.2**
	Knight Frank	**1,447.0**	**1,702.0**	**255.0**	**17.6**

Source: Asset Valuation Reports, EY

We note the valuation uplift of S$222.0 million or 15.2% for CBRE and S$255.0 million or 17.6% for Knight Frank between the assessed values of the Properties as at 30 June 2021 and the proposed likely values of the Properties as at 31 December 2025. The potential increase in the valuations of the Properties is based on the renewal terms of the New Master Lease Agreements (after the one-time Renewal Capex Costs and the Downtime Period Rent Rebate) and assuming the satisfactory completion of the Renewal Capex Works.

4.3 Assessment of the other terms of the Proposed Transaction

We have also taken into consideration the following in relation to our evaluation of the Proposed Transaction (including the ROFR):

(a) The Manager is entering into the New Master Lease Agreements to allow Unitholders to benefit from continued rental income stability and downside protection following the expiry of the Existing Master Lease Agreements.

(b) The continuing triple-net lease arrangement under the New Master Lease Arrangements will continue to limit the exposure of Parkway Life REIT to escalating operating expenses.

(c) **The Extended Term under the New Master Lease Agreements.** The Master Lessee shall have an option to extend the lease of each of the Properties for the Extended Term, being a further term of 10 years from 1 January 2043 to 31 December 2052, upon the expiry of the Renewal Term, by giving a written notice to the Master Lessor at least 18 months prior to the expiry of the Renewal Term, provided that there is no existing breach or non-observance or non-performance of the relevant New Master Lease Agreement by the Master Lessee at the time of serving the written notice.

The revised rent for the Extended Term shall be 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 New Master Lease Agreement for each of the Properties, save that there shall be no further option to extend the lease term beyond the Extended Term, provided that the revised rent for the first year of the Extended Term shall not exceed the amount equivalent to 15.0% of the average Adjusted Hospital Revenue of the applicable Property for the immediate 10-year period that is two years prior to the expiry of the Renewal Term. For the avoidance of doubt, the referred 10-year period shall mean the financial year ending 31 December 2030 to the financial year ending 31 December 2039.

In the event of any dispute on the revised Rent for the Extended Term, the Master Lessee may, with 30 days' prior written notice to the Master Lessor, withdraw its option to renew (even if the exercise of such option to renew constitutes an agreement for lease at law) prior to the execution of any definitive lease documents for the Extended Term. Without prejudice to the right of the Master Lessee to withdraw its exercise of the option to renew, in the event of any dispute on the revised Rent for the Extended Term, an independent expert shall be jointly appointed by the Master Lessor and the Master Lessee to determine the final outcome and associated costs shall be apportioned equally between both parties.

(d) **ROFR.** The right of first refusal granted by the Sponsor to Parkway Life REIT on 17 July 2007 over sales of assets that is used, or primarily used, for healthcare and/or healthcare-related purposes located in the Asia-Pacific region (including Singapore) by the Parkway Entity has since expired in 2012.

In connection with the Proposed Transaction, the ROFR Grantor shall grant the ROFR to Parkway Life REIT in respect of a sale, assignment or transfer of its ownership interest (or any part thereof) of Mount Elizabeth Novena Hospital Property (i.e., the strata lot U4976A of Town Subdivision 29 comprised in Subsidiary Strata Certificate of Title Volume 1608 of Folio 186 (together with all accessory lots appurtenant thereto)) (or any part thereof) which is currently owned by the ROFR Grantor located at 38 Irrawady Road, #01-01 and #01-08, Mount Elizabeth Novena Hospital, Singapore 329563, save and except the business and/or other non-real estate assets, on the terms set out in the ROFR agreement for a period of 10 years from the date of the ROFR agreement, for so long as (i) Parkway Life REIT is listed on and quoted on the Main Board of the SGX-ST; (ii) Parkway Trust Management Limited remains the manager of Parkway Life REIT; and (iii) the ROFR Grantor and/or any of its related corporations, alone or in aggregate, remains a Controlling Shareholder of Parkway Trust Management Limited.

We note that the ROFR period of 10 years is longer than the period for the right of first refusal granted by the Sponsor to Parkway Life REIT on 17 July 2007, and the entry into a fresh ROFR will provide Parkway Life REIT with potential future acquisition of a high-quality healthcare property in Singapore to further enhance Parkway Life REIT's growth potential.

(e) **Longer weighted average lease expiry ("WALE") due to the New Master Lease Agreements.** The long lease term of the New Master Lease Agreements until 31 December 2042 would provide a steady stream of quality rental income for Parkway Life REIT and ensures 100% committed occupancy rate for the Properties. With the New Master Lease Agreements, the WALE of the Parkway Life REIT's overall portfolio, by gross rent, is expected to increase from 5.7 years to 16.6 years as at 31 December 2020. In addition, not more than 2.0% of the total existing leases of Parkway Life REIT (by gross rent) will be due for expiry in any one year over the 5-year period (FY2021 to FY2025).

(f) We note that the terms of the New Master Lease Agreements, save for the revised key terms as described in paragraph 2.4 of the Circular, the terms of the Rent as described in paragraphs 2.5 to 2.6 of the Circular and the terms of the Renewal Capex Agreement as described in paragraph 2.7 of the Circular, are substantially similar to the terms of the Existing Master Lease Agreements.

(g) The entry into the New Master Lease Agreements complies with all applicable Singapore laws and regulations.

4.4 *Pro Forma* Financial Effects of the Proposed Transaction

The details of the *pro forma* financial effects of the Proposed Transaction are set out in Paragraph 2.14 of the Letter to Unitholders of the Circular.

We note, *inter alia*, the following:

(a) The *pro forma* financial effects of the Proposed Transaction presented in the Circular are strictly for illustrative purposes only and were prepared based on the FY2020 Audited Consolidated Financial Statements, taking into account the assumptions set out in Paragraph 2.14 of the Letter to Unitholders of the Circular.

(b) ***Pro forma* distribution per Unit ("DPU") and distribution yield**

(i) At the end of Year 1 of the Renewal Term after the Proposed Transaction, (a) the *pro forma* DPU increases from 13.79 Singapore cents to 14.30 Singapore cents, or by approximately 0.51 Singapore cents (approximately 3.7%) and (b) the *pro forma* distribution yield increases by approximately 0.14% from 3.56% to 3.70%, for FY2020 as if the Proposed Transaction was completed on 1 January 2020.

(ii) At the end of Year 4 of the Renewal Term after the Proposed Transaction, (a) the *pro forma* DPU increases from 13.79 Singapore cents to 18.26 Singapore cents, or by approximately 4.47 Singapore cents (approximately 32.4%) and (b) the *pro forma* distribution yield increases by approximately 1.16% from 3.56% to 4.72%, for FY2020 as if the Proposed Transaction was completed on 1 January 2020.

(c) ***Pro forma* NAV per Unit and Gearing**

(i) Immediately after the proposed entry into the Proposed Transaction, (a) the *pro forma* NAV per Unit as at 31 December 2020 is expected to increase from S$1.96 to S$2.35 or by approximately S$0.39 (approximately 19.9%) and (b) the *pro forma* asset valuation is expected to increase from S$1.21 billion to S$1.45 billion or by approximately S$240.2 million (approximately 19.8%), as if the Proposed Transaction was completed on 31 December 2020. Gearing as at 31 December 2020 will decrease from 38.5% to 34.5%.

(ii) At the beginning of Year 4 of the Renewal Term after the completion of the Renewal Capex Works, (a) the *pro forma* NAV per Unit as at 31 December 2020 is expected to increase from S$1.96 to S$2.49 or by approximately S$0.53 (approximately 27.0%) and (b) the *pro forma* asset valuation is expected to increase from S$1.21 billion to S$1.69 billion or by approximately S$478.7 million (approximately 39.4%), as if the Proposed Transaction was completed on 31 December 2020. Gearing as at 31 December 2020 will decrease from 38.5% to 37.3%.

5 OPINION ON THE PROPOSED TRANSACTION (INCLUDING THE ROFR)

In arriving at our advice to the Independent Directors, the Audit Committee, and the Trustee on the Proposed Transaction (including the ROFR), we have reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Transaction (including the ROFR). The factors we have considered in our evaluation, which are based on, among others, representations made by Parkway Life REIT, the Directors and the Management and discussed in detail in the earlier sections of this letter and which we have relied upon, are as follows:

(a) the rationale for the Proposed Transaction, including the New Master Lease Agreements providing long-term income certainty, stability and sustainable occupancy for Parkway Life REIT and its Unitholders and the Renewal Capex Works enhancing the operational performance and asset values of the existing high quality Properties;

(b) the Manager's view that the Proposed Transaction (including the ROFR) would benefit the Unitholders, as the Master Lessee possesses in-depth experience and proven track record with the management and operations of the Properties;

(c) the continuing triple-net lease arrangement under the New Master Lease Agreements continuing to limit the exposure of Parkway Life REIT to escalating operating expenses;

(d) the Initial Rent for the Properties being based on the prevailing market rent and a 15.0% cap of the average adjusted hospital revenue of the respective Properties for the 10-year period from FY2010 to FY2019;

(e) the Rent Valuation Reports by the Independent Valuers and the opinion of both Independent Valuers that the Initial Rent is within market benchmarks and is considered by them to be fair and reasonable;

(f) the Renewal Term from 23 August 2022 to 31 December 2042 under the New Master Lease Agreements being within the range of the lease terms for the comparable lessors and in line with the average and median lease terms of the comparables;

(g) the longer period of the Renewal Term compared to the renewal option period of 15 years under the Existing Master Lease Agreements in consideration of the Renewal Capex Costs and to allow Parkway Life REIT to benefit from the expected rental growth from the Properties for a longer period;

(h) the inclusion of the Interim Period from 23 August 2022 to 31 December 2022 under the New Master Lease Agreements to realign each subsequent lease period to the respective financial year of Parkway Life REIT and the Master Lessee ending 31 December;

(i) the estimated rent coverage of the Properties based on the Initial Rent of 2.9 times being at the higher end of the range of the rent coverage ratios of the comparables;

(j) the basis of the annual rent review formula under the New Master Lease Agreements being similar to the annual rent escalations of the comparable which are based on the inflation rate of the relevant country where the hospitals owned by the comparables are located and/or a negotiated fixed rate/range between the comparable lessor and the lessee;

(k) in negotiating the Initial Rent with the Master Lessor, the Manager taking into account, among others, the Rent Valuation Reports issued by the Independent Valuers, the strength of the operator and sustainability of operations of the Properties, the Singapore healthcare sector (particularly private healthcare), the real estate market in general, and the Renewal Capex Agreement;

(l) the aggregate Rent payable for the Properties for the Interim Period and Downtime Period (after taking into account the Downtime Period Rent Rebate) representing an increase of 2.0% to 3.0% from the preceding year/period;

(m) at the end of the first four years of the Renewal Term, the Rent payable for the Properties representing a total rental growth of 39.6% as compared to the Estimated Year 15 Rent (23 August 2021 to 22 August 2022);

(n) the Renewal Capex Agreement involving the Renewal Capex Works which present an opportunity to revamp the Properties and serving to enhance the overall performance, operations and architectural design of the existing high quality Properties;

(o) the Renewal Capex Works being estimated to take three years to complete, with the Master Lessee being allowed to request for the Master Lessor to carry out the works in phases due to operational considerations of the Master Lessee, provided that the completion of all Renewal Capex Works shall be no later than 31 March 2028 or such extended date in accordance with the Renewal Capex Agreement or such other date to be mutually agreed between the Master Lessor and the Master Lessee;

(p) a contingency sum being set aside to cover potential costs over-run and agreed variations to the Renewal Capex Works, with the amount to be mutually agreed between the Master Lessor and Master Lessee with a view of agreeing on appropriate measures to contain the costs within the Renewal Capex Costs;

(q) any unutilised part of the Renewal Capex Costs being used to carry out capital expenditure works at any of the Properties as may be mutually agreed between the Master Lessor and the Master Lessee within the agreed Renewal Capex Timeline or such extended timeline as mutually agreed in writing by the Master Lessor and the Master Lessee;

(r) the intention of the Manager to wholly finance the Renewal Capex Costs and related feasibility studies expenses via external borrowings, with the final decision regarding the mode of financing being made by the Manager at the appropriate time, taking into account the then prevailing market conditions;

(s) based on the Asset Valuation Reports of the Independent Valuers, the aggregate values of the Properties as at 30 June 2021 compared to the market valuation of the Properties as at 31 December 2020 represent increases of 20.4% (based on the asset valuation of CBRE) and 19.2% (based on the asset valuation of Knight Frank);

(t) based on the Asset Valuation Reports of the Independent Valuers, the valuation uplift of S$222.0 million for CBRE and S$255.0 million for Knight Frank between the assessed values of the Properties as at 30 June 2021 and the proposed likely values of the Properties as at 31 December 2025;

(u) the ROFR Grantor granting the ROFR to Parkway Life REIT in respect of the sale, assignment or transfer of its ownership interest (or any part thereof) for Mount Elizabeth Novena Hospital Property for a period of 10 years from the date of the ROFR agreement;

(v) the resulting longer WALE due to the New Master Lease Agreements, with the WALE of the Parkway Life REIT's overall portfolio, by gross rent, expected to increase from 5.7 years to 16.6 years as at 31 December 2020;

(w) the terms of the New Master Lease Agreements, save for the revised key terms as described in paragraph 2.4 of the Circular, the terms of the Rent as described in paragraphs 2.5 to 2.6 of the Circular and the terms of the Renewal Capex Agreement as described in paragraph 2.7 of the Circular, being substantially similar to the terms of the Existing Master Lease Agreements;

(x) the entry into the New Master Lease Agreements complying with all applicable Singapore laws and regulations; and

(y) the *pro forma* financial effects of the Proposed Transaction on the DPU, distribution yield, NAV per Unit and gearing.

Having considered the factors and the assumptions set out in this letter, and subject to the qualifications set out herein, we are of the opinion that the Proposed Transaction (including the ROFR) is on normal commercial terms and is not prejudicial to the interests of Parkway Life REIT and its minority Unitholders.

Accordingly, we advise the Independent Directors and the Audit Committee to recommend that Unitholders vote in favour of the Proposed Transaction.

The Independent Directors, the Audit Committee, and the Trustee should note that we have arrived at our opinion based on information made available to us prior to, and including, the Latest Practicable Date. Our opinion on the Proposed Transaction (including the ROFR) cannot and does not take into account any subsequent developments after the Latest Practicable Date as these are governed by factors beyond the scope of our review, and would not fall within our terms of reference in connection with our evaluation of the Proposed Transaction (including the ROFR).

We have prepared this letter as required under Rule 921(4)(a) of the Listing Manual, as well as for the use of the Independent Directors, the Audit Committee, and the Trustee in connection with and for the purposes of their consideration of the Proposed Transaction (including the ROFR), but any recommendation made by the Independent Directors and the Audit Committee in respect of the Proposed Transaction shall remain their responsibility.

While a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose (other than the intended purpose in relation to the Proposed Transaction (including the ROFR)) at any time and in any manner without our prior written consent in each specific case. For the avoidance of doubt, nothing in this letter prevents Parkway Life REIT, the Manager, the Directors, the Trustee or the Unitholders from reproducing, disseminating or quoting this letter without our prior consent for the purpose of any matter relating to the Proposed Transaction (including the ROFR). This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
Ernst & Young Corporate Finance Pte Ltd

Luke Pais Partner	Elisa Montano Associate Partner

INDEPENDENT MARKET RESEARCH REPORT

Independent Market Research on the Healthcare Sector in Singapore

July 2021

FROST & SULLIVAN

The market research process for this study has been undertaken through secondary/desktop research as well as primary research, which involves discussing the status of the industry with leading participants and experts. The research methodology used is the Expert Opinion Consensus Methodology.

Quantitative market information is subject to fluctuations due to possible changes in the business and industry climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

This study has been prepared for inclusion as part of the Transaction documents required to be submitted to the Singapore Stock Exchange.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the Healthcare Industry in Singapore within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective, and it may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered because of reliance on the information contained in this study. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise.

Authorised Signatory

Sanjay Singh

Frost & Sullivan (S) Pte Ltd
78 Shenton Way #32-00

Singapore 079120

List of Sources Used in the Independent Market Research

Each of the Asian Development Bank (ADB), International Monetary Fund (IMF), The World Bank, Department of Statistics Singapore, Ministry of Health Singapore, Organisation for Economic Co-operation and Development (OECD), United Nations (UN) Population Division, Economic Intelligence Unit (EIU), Bloomberg, Straits time, Monetary Authority Singapore (MAS), Urban Redevelopment Authority (URA), Ministry Trade & Industry (MTI), Ministry of Manpower (MOM), Ministry of Social and Family Development (MSF) Singapore, Life Insurance Association Singapore, Singapore Medical Council (SMC), Monthly Index of Medical Specialities, Data.gov.sg, Singapore Medical Association, Pacific Prime, Parkway Pantai Ltd, Gleneagles Hospital, Mount Elizabeth Hospital, Parkway East Hospital, Parkway Life REIT, Thomson Medical Centre, Raffles Medical Group, Hey Baby by Government of Singapore, AIA Singapore, CompareHero, SingSaver, d-maps.com has not provided its consent, for purposes of Section 249 of the SFA, to the inclusion of the information cited and attributed to it in this document and therefore is not liable for such information under Sections 253 and 254 of the SFA. While the Company, the Vendor, and the sole Underwriter have taken reasonable actions to ensure that the information is reproduced in its proper form and context and that the information is extracted accurately and fairly, none of the Company, the Vendor, the sole Underwriter or any other party has conducted an independent review of this information or verified the accuracy of the contents of the relevant information.

ABBREVIATIONS

Abbreviation	Description	Abbreviation	Description
ACP	Assisted Conception Procedure	MSF	Ministry of Social and Family Development
CAGR	Compound Annual Growth Rate	MSHL	MediShield Life
CEO	Chief Executive Officer	MTI	Ministry of Trade and Industry
CHAS	Community Health Assist Scheme	N/A	Not Available
CHR	Clinic for Human Reproduction	NCD	Non-communicable Disease
CMS	Centers for Medicare & Medicaid Services	NHG	National Healthcare Group
CPF	Central Provident Fund	NKEA	National Key Economic Areas
CPI	Consumer Price Index	NPISH	Non-Profit Institutions Serving Households
EIU	Economist Intelligence Unit	OECD	Organization for Economic Co-operation and Development average
ETP	Economic Transformation Programme	OOP	Out-of-pocket
FPP	Full Paying Patient		
GDP	Gross Domestic Product	PEH	Parkway East Hospital
GNI	Gross National Income	PHFSA	Private Healthcare Facilities and Services Act
GP	General Practitioner	PHMCA	Private Hospitals and Medical Clinics Act
HCS	Healthcare Services	PESA	Percutaneous Epididymal Sperm Aspiration
HCSA	Healthcare Services Act	RTS	Rapid Transit System
HMI	Health Management International	SCDF	Singapore Civil Defence Force
IMF	International Monetary Fund	SGD	Singapore Dollar
IMTJ	International Medical Travel Journal	SGH	Singapore General Hospital
IMU	International Medical University	SingHealth	Singapore Health Services
IPs	Integrated Shield Plans	SMC	Singapore Medical Council
JCI	Joint Commission International	TTSH	Tan Tock Seng Hospital
KNB	Khazanah Nasional Berhad	UN	United Nations
ITA	Investment Tax Allowance	UNDP	United Nations Development Program
LTC	Long-term care	UNICEF	United Nations Children's Fund
IHD	Ischaemic Heart Diseases	URA	Urban Redevelopment Authority
MMP	MediSave Maternity Package	USD	United States Dollar
MOH	Ministry of Health	US	United States of America
MOHA	Ministry of Home Affairs	WHO	World Health Organization
MOHE	Ministry of Higher Education	YoY	Year-on-Year
MOHH	Ministry of Health Holdings		

Currency Exchange Rates to USD1.00

SGD1.32	RM4.11	AUD1.30	C¥6.39	J¥110.14
VND22,902.3	THB31.162	IDR13,558.50	MMK1,628.17	HKD7.76

Source: Oanda, as at June 17, 2021

Table of Contents

EXECUTIVE SUMMARY

MACROECONOMIC LANDSCAPE IN SINGAPORE

Singapore's economy is forecast to get back on track following a contraction in 2020 arising from the impact of the COVID-19-induced circuit breaker. Experts have had to readjust their growth projection downward to account for the pre-emptive measures adopted by the Singapore Government to curb the rise in community cases in 2021. As a result of the new outbreak clusters, the Singapore government has imposed restrictions on economic activities and movement restrictions to reduce further spread. Taking into account of the heighten alert restrictions, Singapore is projected to record economic growth in the range of 4.5% to 4.94% for GDP in 2021. Future economic growth will be pegged to Singapore's focus on emerging technologies, green initiatives, and sustainability as well as the recovery and containment of COVID-19.

Singapore's per capita income showed growth pre-pandemic prior to the pandemic in 2020. GDP and GDP per capital income levels is projected to stabilise to pre-COVID-19 levels by 2022 as the Singapore government accelerates its vaccination program as part of the economic recovery efforts. As GDP growth picks up in 2021, per capita income is expected to register a substantial rise and settle at over 3% medium-term per capita income growth. Employment levels are expected to return to-pre-COVID-19 levels by 2022 as GDP and per capita income levels stabilises to pre-COVID-19 levels.

Singapore's population is forecast for a slew growth at approximately 1% for the foreseeable future. Despite government's effort to boost birth rates through cash incentives, developed economies with high levels of education in the population tends to see low birth rates due to low inclination and sentiment towards marriage and parenthood. Hence, the anticipated population growth rate is based on the growing life expectancy, which is estimated to increase on a year-on-year basis by 2025.

Overall, macroeconomic indicators suggest that although the pandemic adversely impacts the economy and demand in general, the approach to normalcy with minimal community outbreaks will be apparent by 2022 through timely Government interventions to curb the outbreak and investments to mitigate the economic risks yield results. Nevertheless, the risks from the global crisis regarding the effects of COVID-19.

PRIVATE HEALTHCARE SERVICES IN SINGAPORE

Singapore's healthcare sector is poised for robust growth, driven mainly by three key factors—the rapidly ageing population, rising number of chronic disease patients, and medical tourism. However, the surge in healthcare demand is leading to shortages in healthcare professionals and resources. The Government looks to the private sector to ease the burden on public health services, presenting considerable opportunities in the private hospital industry.

Singapore's private healthcare services market generated an estimated revenue of USD6.43 billion in 2020 and is projected to record a CAGR of 10% from 2021 to 2025. The private hospital market contributed the highest revenue share of 46.5% or USD2.99 billion in 2020, followed by GP clinics (45.1%) and dental clinics (8.4%).

Medical tourism represents an important opportunity for the private hospital market. With excellent quality of care, availability of technologically advanced and complex treatments, and government initiatives, Singapore has a thriving medical tourism industry. Despite losing some share to more affordable neighbouring nations, Singapore is expected to retain its position as the preferred destination for complex treatments and affluent patients willing to pay for high-quality healthcare services.

Private health insurance represents another opportunity for the private healthcare sector, with the growth of the affluent mass segment who seek higher-end services while aiming to minimise high out-of-pocket health spending.

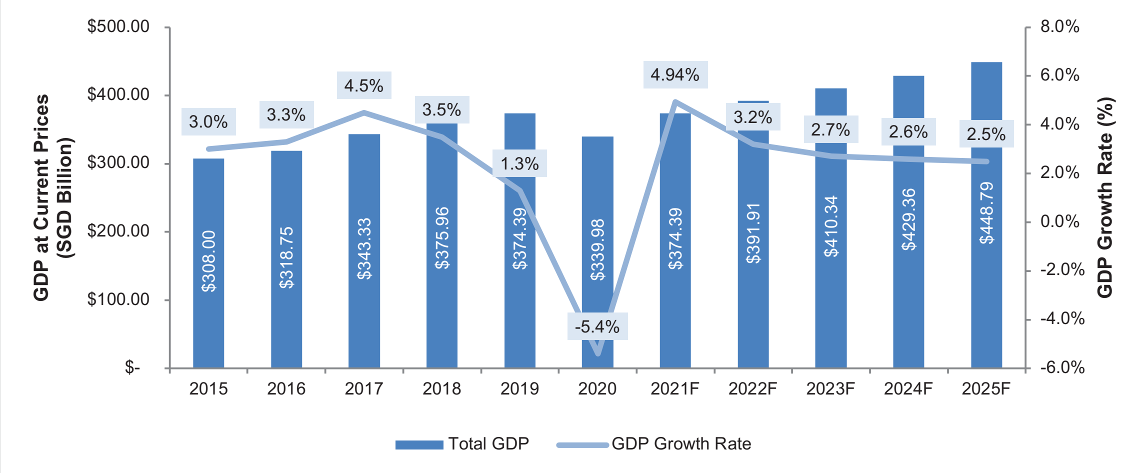
Since the start of the pandemic, the healthcare sector has sped up the adoption of new medical technologies, such as telehealth, telemedicine, virtual care solutions, and teleconsultations, to respond to its unprecedented impacts. These safe and convenient options comply with movement restrictions during the COVID-19 era. On the other hand, with the rising need for cost-effective and patient-centric treatment, the importance of ambulatory surgery centres (ASCs) and office-based labs (OBLs) is anticipated to grow. In recognising the evolving healthcare landscape and promoting the development of innovative services, the Ministry of Health has launched the Healthcare Services Act (HCSA) to regulate this transformative change to benefit and safeguard the welfare of patients in Singapore.

1. MACROECONOMIC OVERVIEW

1.1 ECONOMIC INDICATORS

1.1.1 GDP

Chart 1-1: Gross Domestic Product (GDP) at Current Prices and GDP Growth Rate, Singapore 2015–2025F



Source: International Monetary Fund (IMF); Economist Intelligence Unit (EIU); Frost & Sullivan analysis (5% influence is included in the 2021F in view of the second wave of COVID-19 infection cluster)

Steady Economic Growth

From 2015 to 2017, Singapore generated a steady yearly real GDP growth of between 3.0% and 4.5% before dropping to 3.5% and 1.3% in 2018 and 2019, respectively. The exponential growth from 2015 to 2017 can be attributed to the rise in manufacturing activities from surging global demand for electronic gadgets despite a slight contraction between 2018 and 2019 due to output declines in the electronics, chemicals, and transport engineering clusters, which largely offset expansion in the other industries.[1,2]

COVID-19 Impact on the Economic Outlook

In 2020, Singapore's overall economy contracted by 5.4% due to the ongoing pandemic and 3-month circuit breaker triggering trading curbs. The International Monetary Fund's (IMF) estimate for global growth is projected at 6% in 2021. The upward projection is owing to the additional fiscal support in several large economies and the expectation of the vaccine-led recovery in the latter part of the year. Singapore's Ministry of Trade and Industry (MTI) forecasts the country's economic growth at between 4% and 6% for 2021.[3] The IMF projects a 5.2% for Singapore's GDP growth rate; however, in view of the recent second wave of infections and tighter social restrictions nationwide, Frost & Sullivan projects an upward economic recovery of 4.94%. While the pandemic has caused significant losses in industries such as aviation, tourism, and construction, the information communication and telecommunication (ICT) and financial services sectors have seen considerable growth on the back of digitalisation and telecommuting as Singapore adapts to the new remote working arrangements.

The Singapore Government has committed SGD90 billion as part of its COVID-19 relief plan to cushion the economic impacts of the pandemic and support Singaporeans through the crisis. In 2020, the Ministry of Finance (MOF) released a total of 5 budgets, of which the Unity Budget, Resilience Budget 2020, Budget, Solidarity Budget, and Fortitude Budget seek to tide the country through the unprecedented economic and health crisis.[4]

---

[1] Chia Yan Min, "Singapore economy expanded 3.6% in 2017; slower growth expected this year", The Straits Times, Feb 15, 2018, https://www.straitstimes.com/business/economy/singapore-economy-expanded-36-in-2017-slower-growth-expected-this-year

[2] Tang See Kit, "Singapore economy expands 0.7% in 2019, slowest in decade", Channel News Asia, Jan 2, 2020, https://www.channelnewsasia.com/news/business/singapore-economy-gdp-2019-q4-mti-12226222

[3] Ministry of Trade & Industry, "MTI Maintains 2021 GDP Growth Forecast at 4.0 to 6.0 Per Cent Amidst Significant Uncertainties Arising from the COVID-19 Pandemic," https://www.singstat.gov.sg/-/media/files/news/gdp1q2021.pdf#:~:text=The%20Ministry%20of%20Trade%20and,the%20COVID%2D19%20pandemic%20(see MTI, accessed May 28, 2021

[4] EDB, Singapore Budget 2020: COVID-19 Relief Measures for Singaporeans and Businesses, https://www.singaporebudget.gov.sg/budget_2020/resilience-budget. accessed May 28, 2021

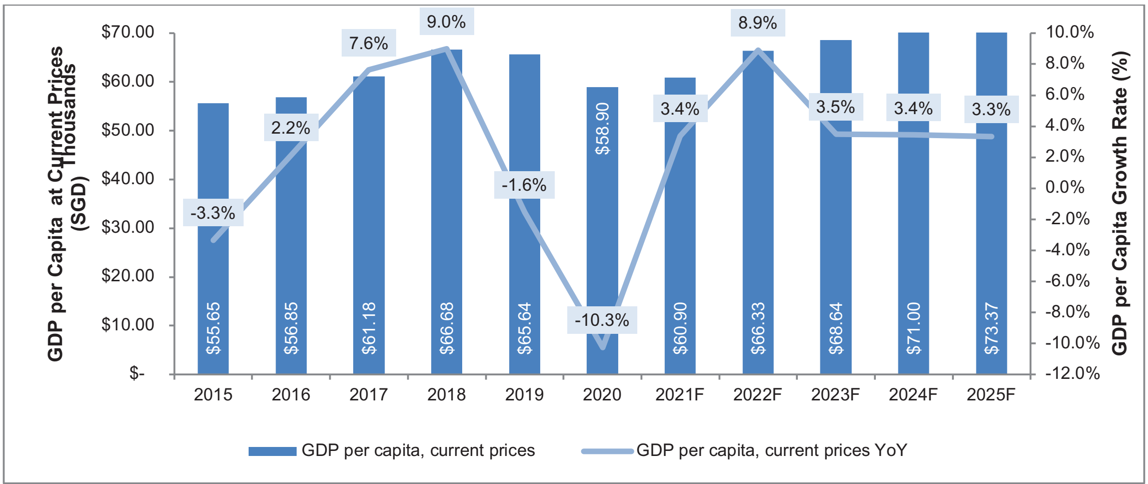
The Monetary Authority Singapore (MAS) predicts Singapore's 2021 economic growth to reach between 5% and 5.9% with the steady vaccine rollout and recovery in the construction sector and private consumption. While economists are optimistic about Singapore's economic recovery, post-COVID-19 recovery is not in sight for the coming months following the recent outbreak of community cases in May. Government authorities adopt pre-emptive measures to curb the rise in community cases through tightened restrictions on social gatherings. Owing to this situation, the Economist Intelligence Unit (EIU) has readjusted Singapore's forecast economic growth between 4% and 4.9% due to the pandemic-led restrictions. Expectations for stronger economic growth will depend on the easing of COVID-19 restrictions and the nation's overall recovery rate.

Future Economic Projections

The IMF projects the Singapore economy to grow at an average yearly real GDP growth rate of 2.5% or more from 2022 to 2025, given the country's focus on emerging technologies, green initiatives, and sustainability, namely The Emerging Technology Programme and Green Plan 2030. However, disruptions to global supply chains because of the pandemic are fuelling a new wave of trade protectionism. With international travel restrictions and revenue declines in the aviation and tourism industry, Singapore may need to divert its efforts through self-sustainability to strengthen national security. With increased border restrictions, the diversion from globalisation will be crucial to build the country's self-reliance. Singapore's future economy will depend on its recovery post-COVID-19 and the recovery of the major global economies. While IMF data shows a positive increase in Singapore's growth, the economic reboot will be contingent upon the recovery of major economies.

1.1.2 GDP PER CAPITA

Chart 1-2: GDP per Capita at Current Prices and GDP YoY Growth Rate, Singapore, 2015–2025F



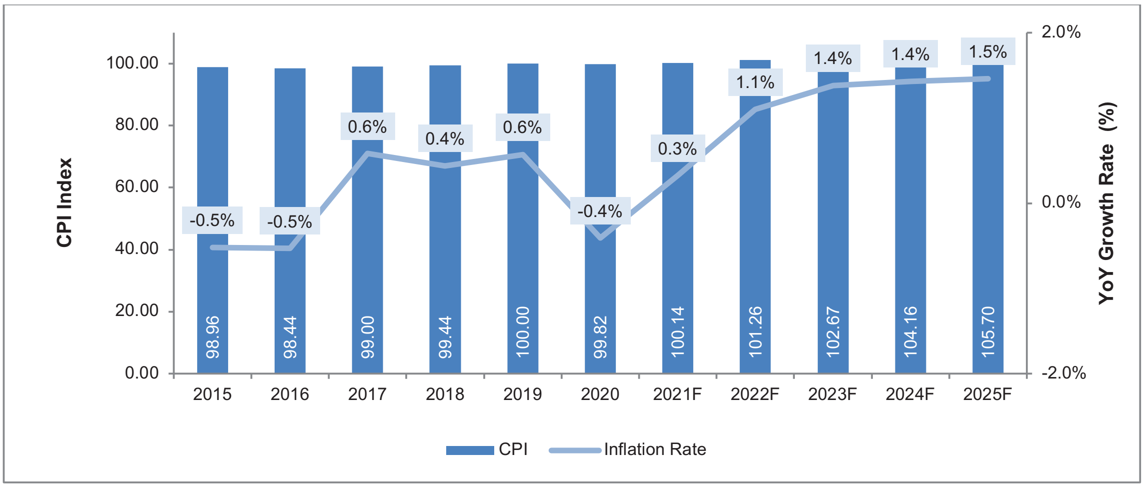
Source: IMF; Frost & Sullivan analysis (5% influence is included in the 2021F in view of the second wave cluster)

GDP per capita grew year-on-year (YoY) between 2% and 9% from 2016 to 2018 and decreased by approximately 1.6% in 2019. From 2015 to 2016, Singapore recorded robust economic growth, mainly in the electronics and logistics sectors catalysed by the e-commerce boom and increased consumer expenditure. The MTI ranked retail and wholesale trade and financial services as the top growing industries in 2015 due to increased consumer purchasing power and higher household income levels.[5] In 2019, however, Singapore's economy dipped by 1.6% due to reduced output from the electronics, chemicals, and transport engineering sectors.

[5] MTI, Economic Survey of Singapore 2015, https://www.mti.gov.sg/-/media/MTI/Resources/Economic-Survey-of-Singapore/2015/Economic-Survey-of-Singapore-2015/fullreport_aes2015.pdf, accessed May 29, 2021

1.1.3 CONSUMER PRICE INDEX

Chart 1-3: Consumer Price Index (CPI) and Inflation Rate, Singapore, 2015–2025F



Source: Singapore Department of Statistics; Statista; Frost & Sullivan analysis[6]

Sharp Decline in 2015 due to Low Consumer Consumption

In 2015, Singapore's economy registered a sharp fall in consumer prices due to lacklustre economic growth and the soft housing rental market. To curb the depreciating Consumer Price Index (CPI), the MAS maintained a modest and gradual appreciation of the Singapore Dollar Nominal Effective Exchange Rate (S$NEER) policy band to strike a balance between inflation overseas and economic growth.[7] From 2017 to 2019, the CPI reverted to growth on the back of increased consumer consumption, primarily in food and beverage services and holiday expenditure.

Subdued Economic Sentiments and Weak Labour Market Conditions Dampen Consumer Demand

The impact of the pandemic has been detrimental to economic growth. In 2020, the closure of certain economic activities and movement restrictions during the nation's circuit breaker and associated effects on consumer spending led to one of the sharpest falls in the inflation rate by 0.4% since 2015. It also altered consumption patterns with increased expenditure on food security and declines in discretionary expenses (e.g., holidays, retail, and petrol).

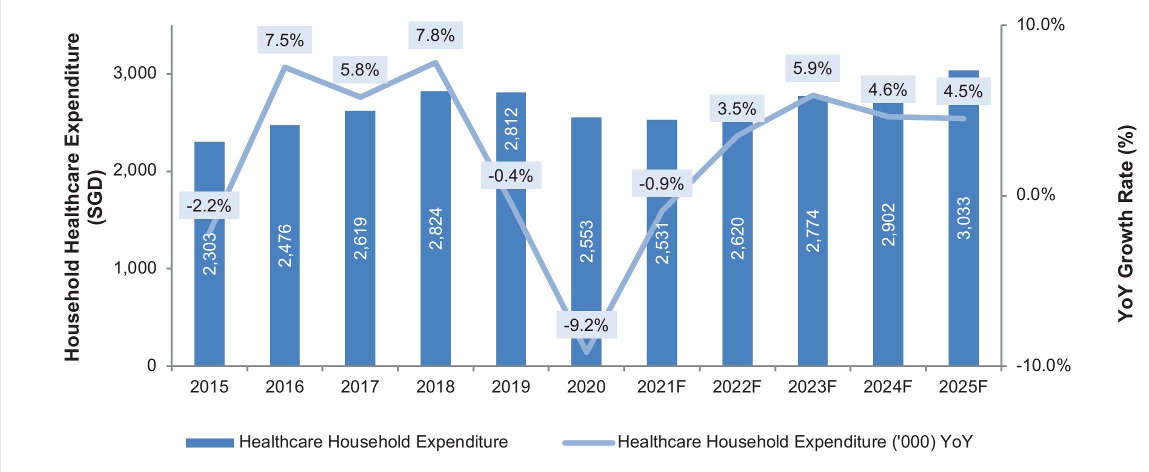
Frost & Sullivan estimates that the CPI will grow at a slower pace due to the movement restrictions, which will impact consumer confidence and spending behaviour. The inflation rate is forecast to bounce back to 0.3% in 2021 due to the positive economic recovery in the first quarter. CPI projections will depend on two variables—labour market conditions and containment of the second wave. The CPI is projected to grow moderately over the next quarter as the nation sees a positive recovery towards containment of the spread.

From 2022 to 2025, Frost & Sullivan forecasts inflation growth from 1.1% to 1.5% under the condition of steady economic and post-COVID-19 recovery. However, it is important to point out that virus mutations may have some economic impact if they spread to the major regional economies.

[6] Frost & Sullivan pegged CPI growth against the forecast inflation rate growth (2021F–2025F) attained from Statista.
[7] MAS Monetary Policy Statement January 2015, https://www.mas.gov.sg/news/monetary-policy-statements/2015/monetary-policy-statement-28jan15, Accessed May 29, 2021

1.1.4 HOUSEHOLD HEALTHCARE EXPENDITURE

Chart 1-4: Household Healthcare Expenditure and YoY Growth, Singapore, 2015–2025



Source: Department of Statistics (Singapore); Frost & Sullivan analysis (Healthcare Household Expenditure from 2021–2025F is projected based on a top-down approach analysis based on Nominal GDP, [an influence of 5%–10% is included in view of consumer sentiment and GDP recovery]).

Household healthcare expenditure remained at a steady range of between 5.8% and 7.8% from 2016 to 2018 before declining to -0.4% and -9.2% in 2019 and 2020, respectively. The significant decline in 2019 can be attributed to the increased public healthcare expenditure—the disbursement of SGD6.1 billion in subsidies through outpatient care and MediShield Life Premiums. In 2019, the Government disbursed an additional SGD5.1 billion in subsidies for long-term care support measures, such as the ElderFund and CareShield Life. Singapore Government projections indicate that more investment will be required to support technology advancement in healthcare and increased demand for healthcare facilities owing to the growing elderly population.[8] In 2020, healthcare expenditure tripled to SGD12 billion in addition to the Government's coverage to treat COVID-19-related illness, resulting in a decline of -9.2% in Household Healthcare Expenditure.[9]

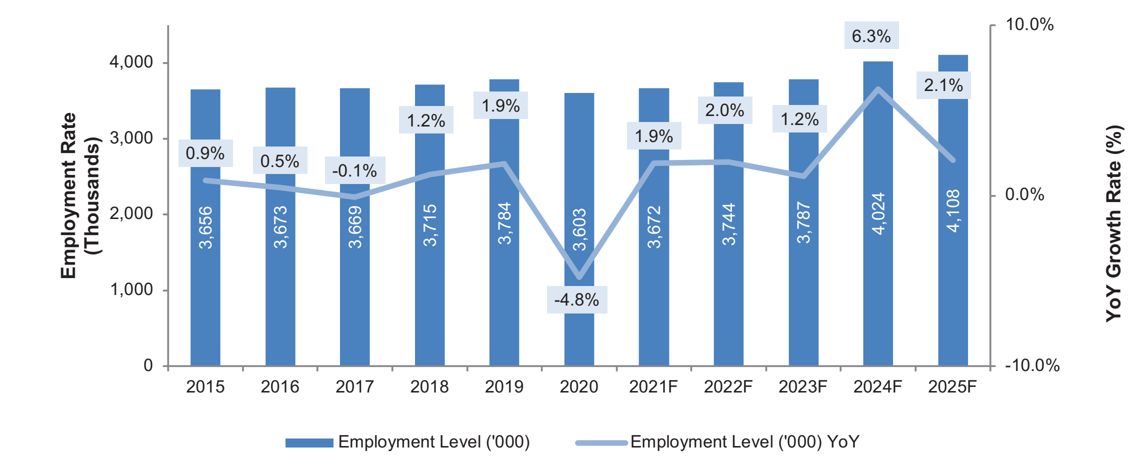
Frost & Sullivan projects that household healthcare expenditure will rise moderately in view of weak consumer confidence and moderate GDP recovery. The Singapore Government has announced that the healthcare budget will increase in the upcoming years to ensure affordable healthcare for all Singaporeans. However, concerns over sustained spending may not be viable in the future if it continues at current rates. Hence, projected figures are calibrated at a lower end as the Government looks for a feasible approach towards self-sustainable healthcare payments structure.

[8] Royston Sim, "Singapore Budget 2019: $6.1b Merdeka Package, $1.1b Bicentennial Bonus among key measures announced", Straits Times, Feb 19, 2019, https://www.straitstimes.com/singapore/singapore-budget-2019-finance-minister-heng-swee-keat-announces-61-billion-fund-to-pay-for, accessed June 28, 2021

[9] "Singapore Budget 2020: Building a caring and inclusive home for all Singaporeans", The Straits Times, June 21, 2021, https://www.straitstimes.com/singapore/building-a-caring-and-inclusive-home-for-all-sporeans, accessed June 28, 2021

1.1.5 EMPLOYMENT RATE

Chart 1-5: Employment Rate and YoY Growth, Singapore, 2015–2025F



Source: Ministry of Manpower; Frost & Sullivan analysis (5% adverse impact is implied in the 2021F in view of the second wave cluster)

Knowledge-based Talent Pool

Job creation and job security are critical issues under scrutiny by the Singapore Government to ensure adequate knowledge-based talent pool availability to drive the economy. Singapore's labour population remained relatively stable between 2015 and 2018, with an average fluctuation of -0.1% to 1.2%. Employment remains competitive in Singapore due to the education profile of its resident labour force, with 12% growth in tertiary education degree holders from 2008 (42%) to 2018 (56.2%).[10] With the availability of a large base of degree holders, employment outcomes are favourable with increased median incomes within this talent pool. Similarly, the share of professionals, managers, executives, and technicians (PMETs) among employed residents increased over the decade from 51% in 2008 to 57% in 2018.

Sharp Fall in Employment Rates

In 2020, Singapore reported a decrease of -4.8% in the employment rate due to the adverse impacts of the COVID-19 pandemic. The country witnessed one of the highest retrenchment rates in 2020, with the total number of lay-offs amounting to 11,350 in the first quarter of the year.[11] To stem the impact of the pandemic, the Government released several stimulus packages, such as the SGUnited Job Traineeships Programme and Jobs Growth Incentives, to encourage companies to hire more citizens and permanent residents.

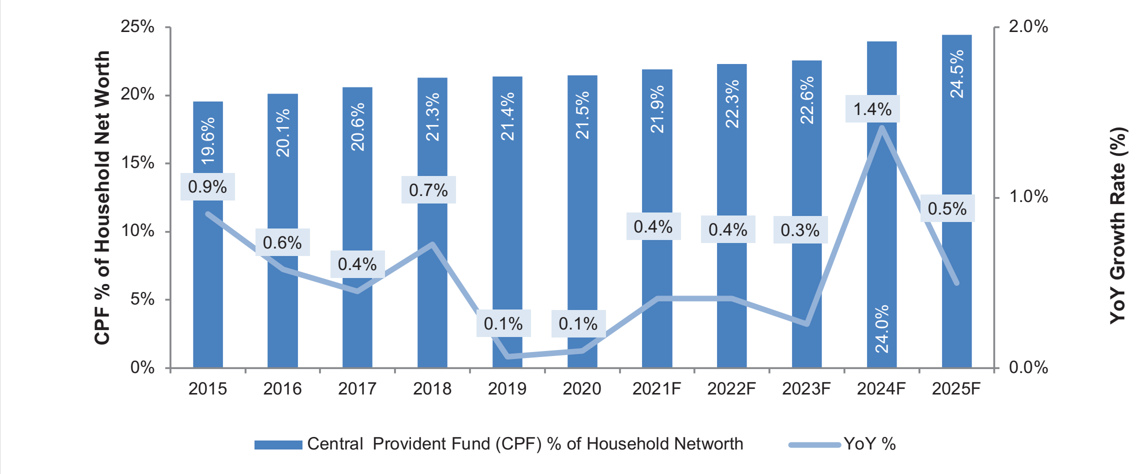
Employment Market Outlook

With Singapore's economy on track for growth in 2021, the employment rate is poised to grow at 1.9% YoY. Nevertheless, Frost & Sullivan predicts that the recovery is unlikely to return to its initial optimal levels in the next 2 to 3 years due to the potential risk of COVID-19 variant outbreaks across the region. Frost & Sullivan expects employment levels to peak in 2024, post-COVID-19 recovery.

[10] MOM, Labour Force in Singapore 2018, https://stats.mom.gov.sg/iMAS_PdfLibrary/mrsd_2018LabourForce_survey_findings.pdf, accessed May 28, 2021
[11] Rachel Phua, "Retrenchments in Singapore spike in first half of the year, surpassing SARS peak: MOM", Channel News Asia, https://www.channelnewsasia.com/news/singapore/retrenchments-spike-first-half-2020-jobs-employment-mom-13109066, Sept 14, 2020

1.1.6 CENTRAL PROVIDENT FUND (CPF) PERCENTAGE OF HOUSEHOLD NET WORTH

Chart 1-6: CPF Percentage of Household Net Worth and YoY Growth, Singapore, 2015–2025F



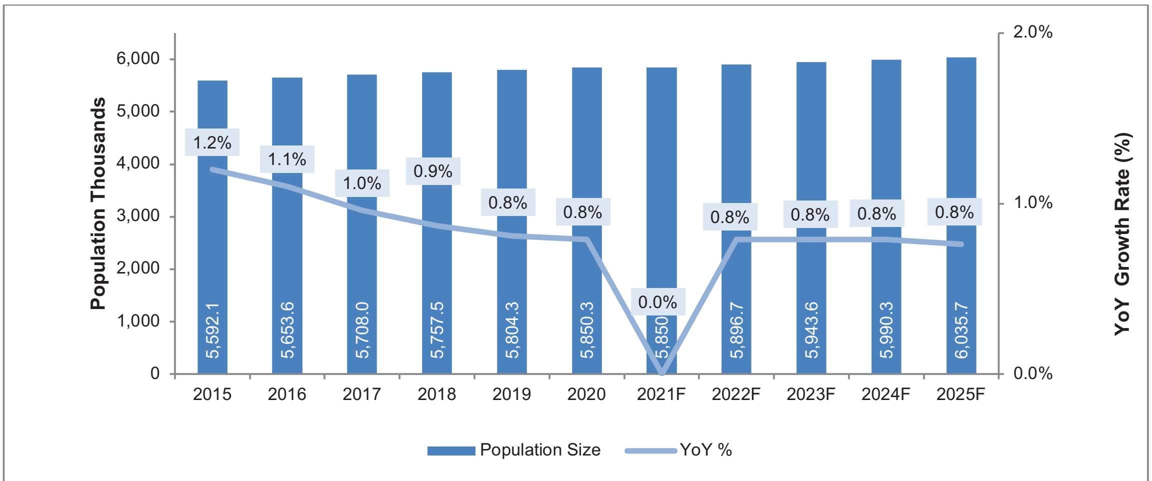
Source: CPF Board; Department of Statistics (Singapore)

Singapore's Central Provident Fund (CPF) is a compulsory comprehensive social security savings plan that can be utilised to support pre-retirement asset building purposes. Under the CPF scheme, each working individual must contribute 20% of their wages to their CPF account, while employers contribute the remaining 17%. The percentage proportion will decrease upon the individual reaching 55 years old. The CPF contribution correlates with the overall labour market conditions and employment levels.

POPULATION INDICATORS

1.1.7 TOTAL POPULATION

Chart 1-7: Population and YoY Growth, Singapore, 2015–2025F



Source: UN Population Division Medium Variant

Singapore has a rapidly ageing population owing to longer life expectancy and decreasing birth rates. In 2017 and 2020, the nation recorded one of its lowest fertility rates, in part due to the low inclination towards parenthood and exacerbated by the impact of the pandemic. The Government encourages immigration as part of its strategy to moderate the effects of its ageing population and low birth rates by granting about 15,000 to 25,000 citizenships annually.[12]

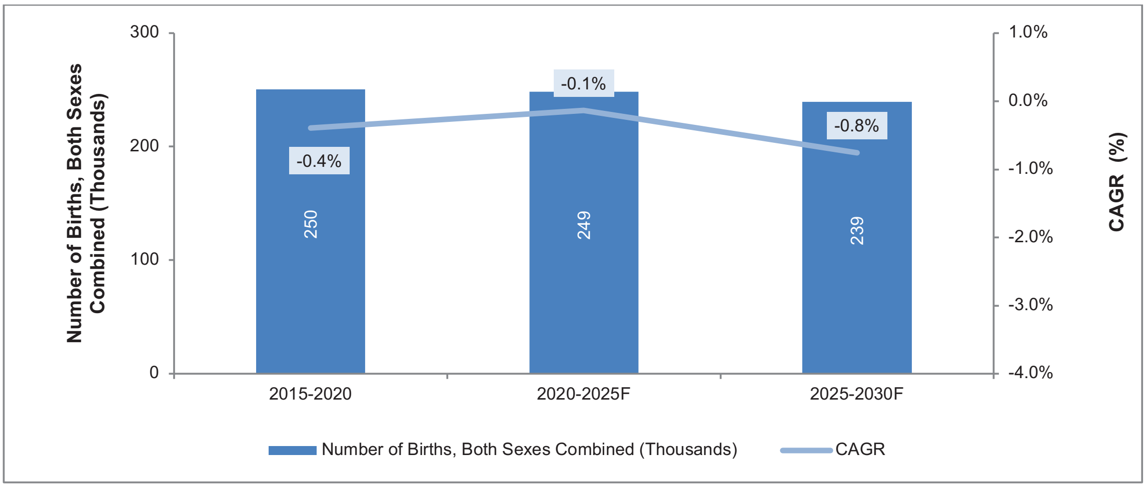
---

[12] Department of Statistics, Singapore, Population in a Brief 2020, https://www.population.gov.sg/files/media-centre/publications/pib-2020-final, Accessed May 18, 2021

The United Nations Population Division forecasts population growth slightly above 0 in Singapore due to the poor parenthood sentiments aggravated by poor market conditions. The population is projected to increase at an estimated 0.7% and above from 2022F to 2025F in view of the positive sentiments in the recovery stage post-pandemic.

1.1.8 BIRTH AND FERTILITY RATES

Chart 1-8: Number of Births and Fertility Compound Annual Growth Rate (CAGR), Singapore, 2015–2020, 2020–2025F, 2025F–2030F

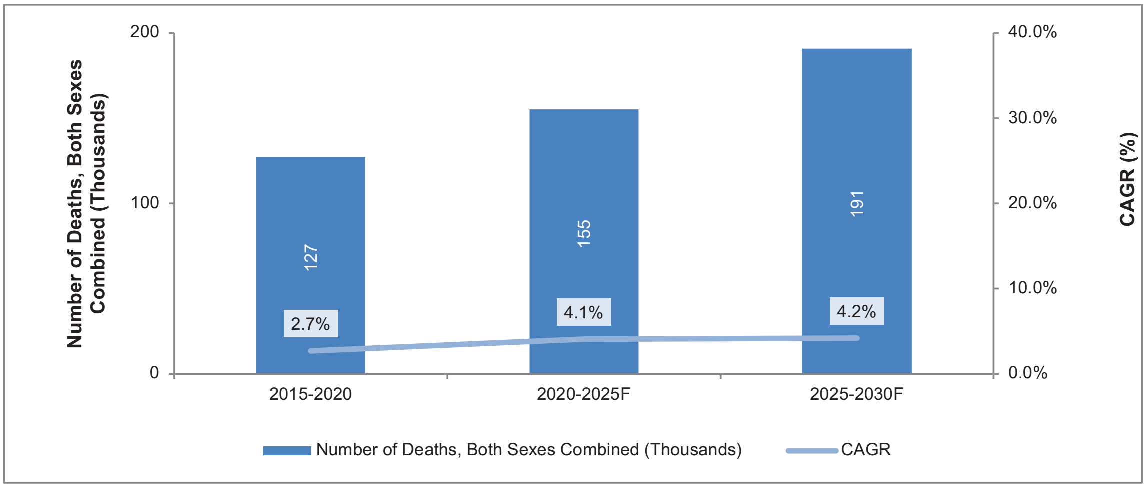


Source: UN Population Division

Singapore's dwindling birth rate has led to the declining population growth trend over the past few years. The UN Population Division predicts a CAGR change in birth rates of -0.1% over the next 5 years. This is despite government efforts to boost birth rates by offering a one-off baby bonus payment of SGD3,000 for babies born from October 2020 to September 2022, on top of the existing Baby Bonus Cash Gift of SGD10,000. As education levels increase in the population, the inclination and sentiments towards marriage and parenthood are likely to decrease. Hence, a more conservative approach is adopted to predict the birth rates between 2025F and 2030F.

1.1.9 DEATH AND LIFE EXPECTANCY

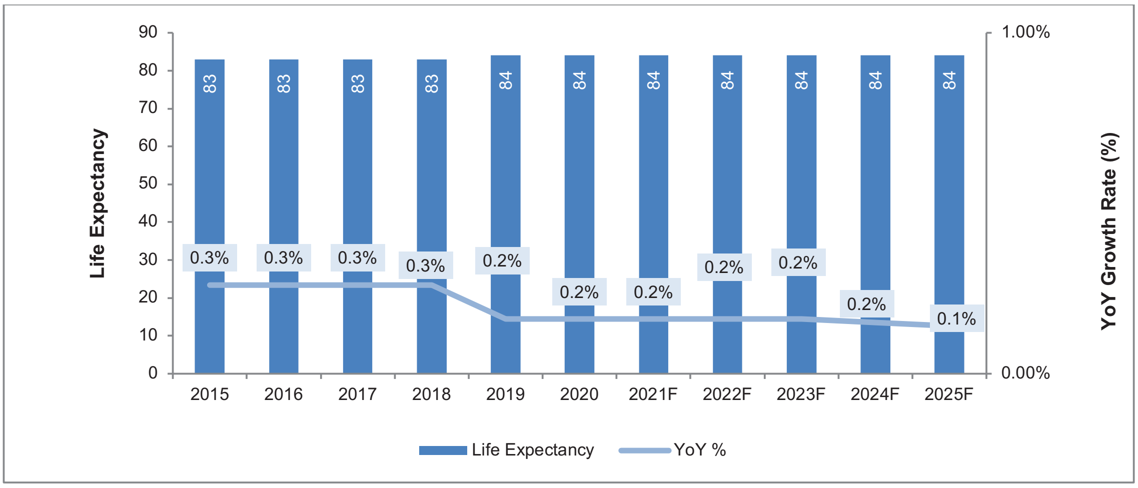
Chart 1-9: Number of Death and CAGR, Singapore, 2015–2020, 2020–2025F, 2025F–2030F



Source: UN Population Division

The number of deaths in Singapore is projected to grow by approximately 4.1% from 2020 to 2025F due to the growing share of older people aged 65 and above, in addition to the number of possible COVID-19-related deaths. Growth in the number of deaths is forecast to remain at about 4.2% from 2025F to 2030F.

Chart 1-10: Life Expectancy and YoY Rate, Singapore, 2015–2025F



Source: Frost & Sullivan analysis

Despite growth in the number of deaths, the quality of life and healthcare has improved, as shown in Chart 1-10, with life expectancy rates expected to grow by 1 year by the end of the forecast period. Channel NewsAsia reports that the life expectancy of Singaporeans is among the highest in the world at 81.4 and 85.7 for men and women, respectively, in 2019.[13]

Apart from the CPF scheme that supports a self-sustainable retirement plan, the Singapore Government invested approximately SGD3 billion from 2015 to 2019 to improve the quality of care for the elderly in their golden years. Some of the subsidies include additional MediSave top-ups, MediShield Life Premium subsidies, and subsidies for outpatient care at polyclinics, public specialist outpatient clinics, and Community Health Assist Scheme (CHAS) clinics. Since 2015, the Government has invested aggressively in providing senior-friendly communities that allow older residents to lead active lifestyles by incorporating 3,600 day care places, 2,600 home care places, and 3,700 nursing home beds to cater to the seniors' healthcare needs. More eldercare places and aged care services will be built by 2023 to meet the needs of the silver generation.[14]

As Singapore faces an increasingly ageing population, the Government's investment in elderly care is anticipated to improve the overall life expectancy and quality of life.

[13] "Singaporeans' life expectancy among highest in the world: Public sector report", Channel NewsAsia, https://www.channelnewsasia.com/news/singapore/public-sector-report-life-expectancy-spor-covid-19-13643488#:~:text=SINGAPORE%3A%20The%20life%20expectancy%20of,on%20Thursday%20(Nov%2026), accessed Nov 26, 2020

[14] Gov.sg, Care for Our Seniors, https://www.gov.sg/article/caring-for-our-seniors,accessed May 28, 2021

1.1.10 GEOGRAPHICAL DISTRIBUTION

Singapore

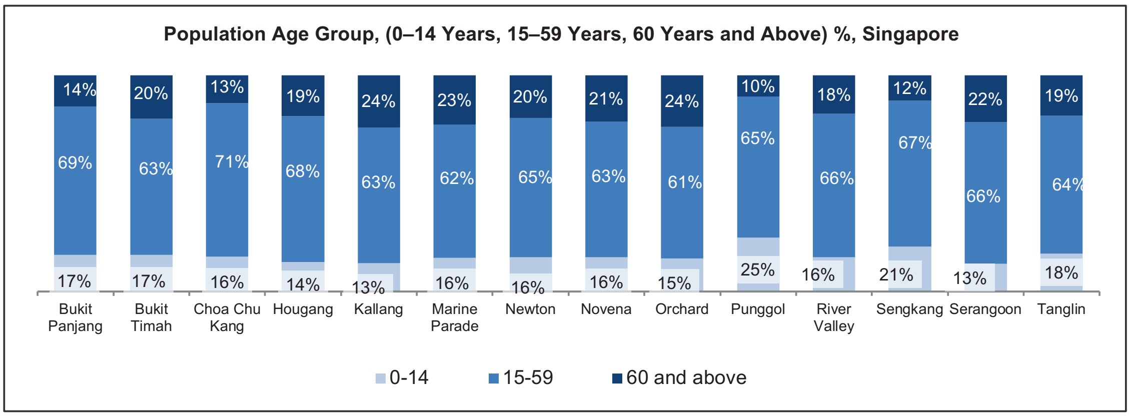
Table 1-1: Hospital Catchment Areas and Size of Resident Population, Singapore, 2015

Hospital	District	Catchment Area (Population Size by District)	Size of Resident Population
Mount Elizabeth (Orchard) Hospital	9,10,23	Orchard – 920 Cairnhill – 3,330 Tanglin – 19,000 Bukit Timah[15] – 74,490 River Valley – 9,200 Holland Road – 14,220 Hillview – 18,230 Bukit Panjang – 139,050 Choa Chu Kang – 174,340	449,780
Gleneagles Hospital	10,21,23	Bukit Timah[16] – 74,490 Tanglin – 19,000 River Valley – 9,200 Hillview – 18,230 Bukit Panjang – 139,050 Choa Chu Kang – 174,340	434,310
Parkway East Hospital	15,19	Serangoon – 120,650 Hougang – 222,310 Punggol – 109,750 Marine Parade[17] – 48,730 Kallang – 101,210	602,650

Source: Urban Redevelopment Authority; In-depth interview with Dr Prem Kumar Nair, CEO, IHH Healthcare Singapore

Catchment area population, demographics, and the ability to pay have notable impacts on a hospital's revenue potential. Table 1-1 outlines the catchment areas for the respective hospitals. The population size for each catchment area totals 449,780, 434,310, and 602,650, respectively, for Mount Elizabeth (Orchard) Hospital, Gleneagles Hospital, and Parkway East Hospital.

Chart 1-11: Geographical Distribution by Age Group, Singapore, 2015



Source: Urban Redevelopment Authority (URA); Department of Statistics (Singapore)

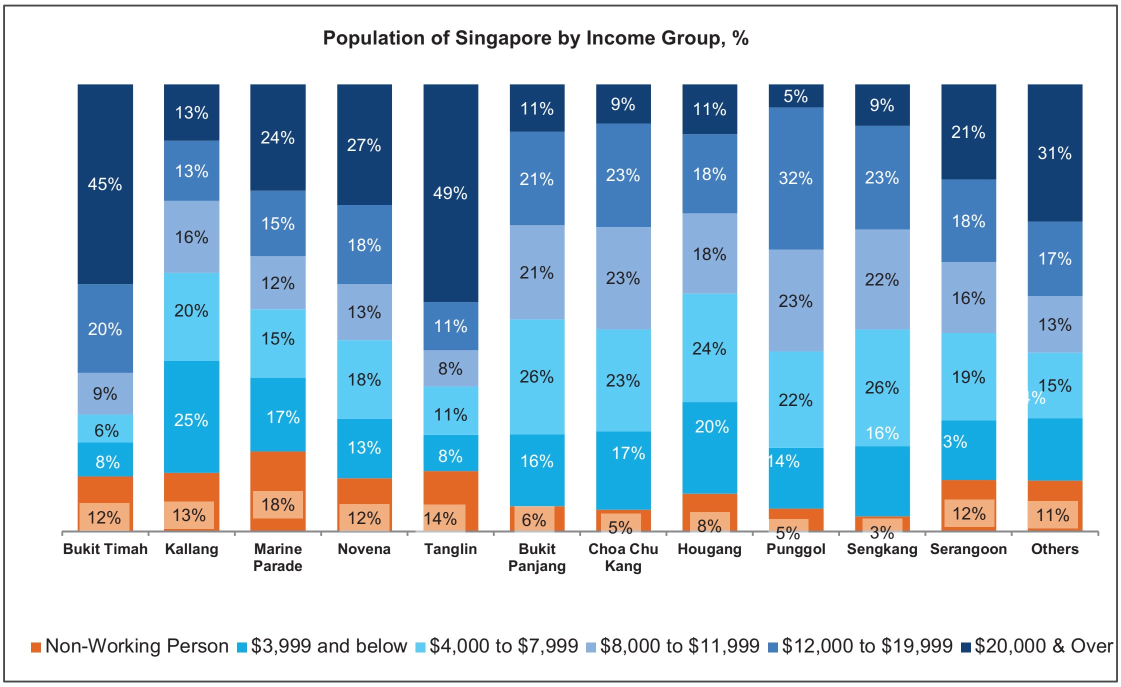
Population ageing is a rising concern in Singapore. As life expectancy rises, so does the likelihood of health concerns among the elderly population. In the 14 key estates, the proportion of residents aged 60 and above has maintained in the 20% range. Kallang, Orchard, Serangoon, and Marine Parade have a slightly higher proportion of older people. With chronic illnesses, such as high blood pressure, high

---

[15] Under the URA Planning Area, Bukit Timah's subzones comprise Anak Bukit, Coronation Road, Farrer Court, Hillcrest, Holland Road, Leedon Park, Swiss Club, Ulu Pandan.
[16] Under the URA Planning Area, Bukit Timah's subzones comprise Anak Bukit, Coronation Road, Farrer Court, Hillcrest, Holland Road, Leedon Park, Swiss Club, Ulu Pandan.
[17] Under the URA Planning Area, Marine Parade's subzones comprise East Coast, Katong, Marina East, Marine Parade and Mountbatten

blood cholesterol, and arthritis[18] common among older adults, demand for such medical treatments and assistance will increase in the upcoming years with the growing ageing population.

Chart 1-12: Geographical Distribution by Income Levels, Singapore, 2015



Source: Urban Redevelopment Authority (URA); Department of Statistics (Singapore)

Residents in Bukit Timah and Tanglin have higher consumer purchasing power and living standards, indicating a larger proportion of private healthcare spending and inclination towards out-of-pocket (OOP) payments. These prime estates are observed to have a large proportion of high-income earners, with about 45% and 49% of people Bukit Timah and Tanglin, respectively, earning more than SGD20,000 per month. Residents in Novena, Marine Parade, and Serangoon also have moderate to high purchasing power, with more than 20% of the population earning SGD20,000 and over per month. In terms of income groups, there is a large proportion of high-income earners staying in prime estates, such as Bukit Timah and Tanglin, with about 45% and 49% of people earning more than SGD20,000 per month and above. The remaining estates have a larger pool of income earners earning between SGD4,000 and SGD19,999, suggesting a higher inclination towards public healthcare and dependence on government subsidies to fund their medical treatments.

[18] "Singapore's elderly population with multiple chronic diseases surges", Pacific Prime Singapore, August 30, 2019, https://www.pacificprime.sg/blog/singapores-elderly-population-with-multiple-chronic-diseases-surges/ , accessed May 28, 2021

2. HEALTHCARE OVERVIEW

2.1 HEALTHCARE INDUSTRY DYNAMICS

The healthcare services industry in Asia-Pacific is driven mainly by the fast-growing ageing populations, rising affluence, and demand for better health services. These factors are forecast to increase Asia-Pacific's healthcare spending at a projected 9.2% compound annual growth rate (CAGR) in the near term compared to 5.6% in the United States over the same period.[19]

For Singapore, Government expenditure on healthcare is forecast to rise from USD13.2 billion in 2020 to USD17.7 billion by 2025. The Bloomberg Health Care Efficiency Index 2016 ranked Singapore's healthcare system as the second-most efficient system in the world, after Hong Kong.[20,21] The Ministry of Health (MOH) Singapore manages the country's healthcare system by assessing health needs, planning, service delivery, financing policies, and healthcare insurance. Singapore's healthcare system integrates both public and private healthcare systems. The Government plays an active role in regulating prices and implementing policies to shape the system and improve preventive healthcare.

The Government of Singapore offers subsidised healthcare through its public hospitals. It provides plans such as the MediFund (a medical endowment fund for patients who cannot afford to pay their medical bills despite the subsidies), MediSave (compulsory medical savings scheme for working Singaporeans), and MediShield Life (universal health insurance scheme) to help finance medical care for citizens and permanent residents.

The CPF Board manages the MediSave and MediShield Life schemes. Private health insurance companies collaborate with the Government to offer Integrated Shield Plans (IPs), which combine private health insurance with MediShield Life, allowing consumers to avoid paying double premiums.[22]

As there are only 28 hospitals in Singapore, close collaboration between the public and private sectors is imperative to ensure high-quality healthcare. In 2015, the MOH Singapore announced the Emergency Care Collaboration between the MOH and Raffles Hospital, which allows Raffles Hospital to provide emergency care to patients referred by the Singapore Civil Defence Force (SCDF) ambulances. Patients sent by the SCDF ambulances receive subsidised care similar to the rates of public hospitals for any medical management at the emergency department, inpatient care, and specialist clinics.[23] Parkway Hospitals is also in partnership with the MOH to accept dengue patients from Tan Tock Seng Hospital (TTSH) and Changi General Hospital. The MOH also works closely with public and private hospitals to ensure that bed capacities are sufficient for potential increases in COVID-19 cases.[24] At the peak of the pandemic, 7 private hospitals provided up to 400 beds for recovering COVID-19 patients.[25]

2.2 INDUSTRY STAKEHOLDERS AND THE HEALTHCARE VALUE CHAIN

Singapore is a pioneer in integrating the philosophies of individual responsibility and affordable healthcare.[26] The MOH licences and regulates all healthcare establishments in the public and private sectors, including hospitals, clinical laboratories, nursing homes, as well as medical and dental clinics. The Government regulates and subsidises public healthcare fees heavily to ensure all residents are entitled to affordable healthcare. Corporate entities and standalone professionals own and operate private health institutions. Although the MOH does not regulate the fees at private health facilities, it requires both private and public health providers to publish prices and hospital bill sizes to the public to enhance pricing transparency.

---

[19] "Healthcare in Asia: Supply, Demand, and Deals", Stax Insights, May 3, 2016, https://medium.com/stax-insights/healthcare-in-asia-supply-demand-and-deals-452936bcbc5b

[20] "US Healthcare System Ranks as One of the Least-Efficient", Bloomberg Quint, September 29, 2016, https://www.bloombergquint.com/business/2016/09/29/u-s-health-care-system-ranks-as-one-of-the-least-efficient

[21] Bloomberg ranked each country according to the criteria of life expectancy (weighted 60%), relative per capita cost of healthcare (weighted 30%); and absolute per capita cost of healthcare (weighted 10%).

[22] "The little red dot", LaingBuisson, August 19, 2019, https://www.laingbuissonnews.com/healthcare-markets-international-content/features-healthcare-markets-international-content/the-little-red-dot/

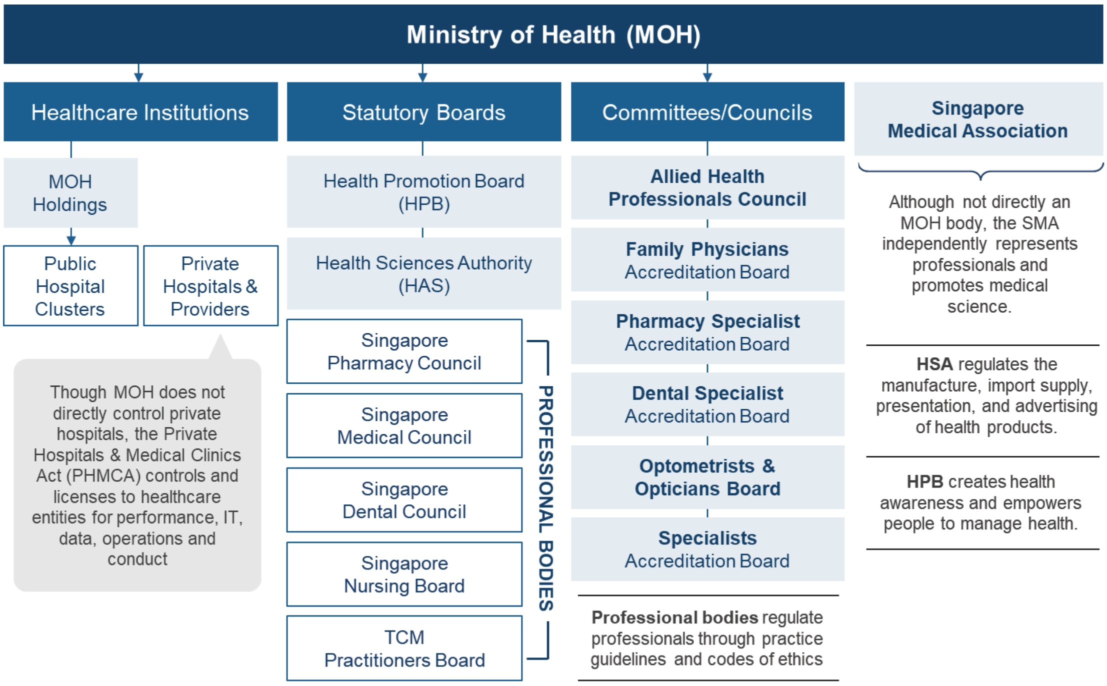
[23] MOH Singapore, "Emergency Care Collaboration Between MOH and Raffles Hospital", Press Releases, https://www.moh.gov.sg/content/moh_web/home/pressRoom/pressRoomItemRelease/2015/emergency-care-collaboration-between-moh-and-raffles-hospital.html, last updated June 3, 2015

[24] MOH Singapore, https://www.moh.gov.sg/news-highlights/details/hospitals-increasing-capacity-to-ensure-no-disruption-to-patient-care

[25] MOH Singapore, "Speech by Dr. Koh Poh Koon, Senior Minister of State for Health, at the Ministry of Health Committee of Supply Debate 2021, on Friday 5 March 2021", March 5, 2021, https://www.moh.gov.sg/news-highlights/details/speech-by-dr-koh-poh-koon-senior-minister-of-state-for-health-at-the-ministry-of-health-committee-of-supply-debate-2021-on-friday-5-march-2021

[26] William A. Haseltine, Affordable Excellence: The Singapore Healthcare Story; How to Create and Manage Sustainable Healthcare Systems, Singapore: Ridge Books and Washington DC: Brookings Institution Press, 2013, pp. 12

Chart 2-1: Key Authorities in the Healthcare Sector, Singapore, 2020



Source: Frost & Sullivan analysis (based on data from the MOH Singapore website, https://www.moh.gov.sg, as extracted in June 2021)

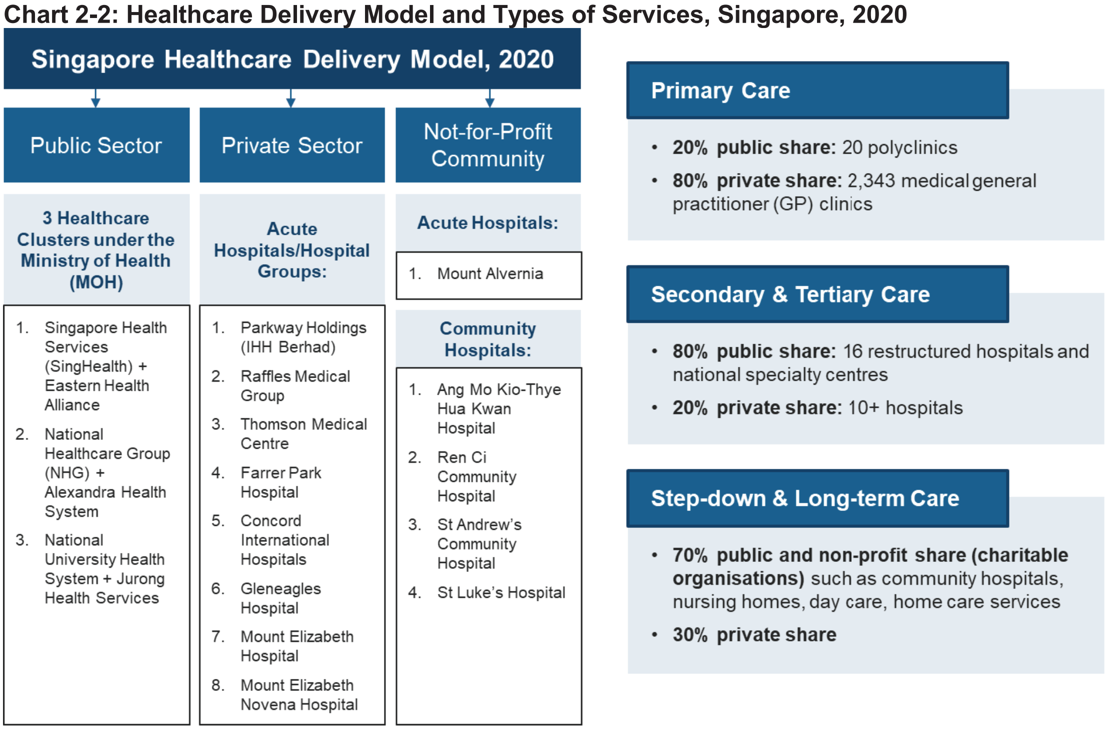
MOH conducts needs assessments, manages services, plans manpower allocation, and is responsible for system governance and financing, cost control, and health IT. Its goal is mainly to ensure consistent delivery of high-quality care. In 1984, the MOH reorganised all public hospitals to allow them greater autonomy in running the facilities, similar to private healthcare facilities. These facilities are now referred to as restructured hospitals.

MOH's facilitator, MOH Holdings (MOHH), is a private group that serves as the holding company of the public hospital clusters and is tasked to manage all operations, implementation, and execution planning. Each cluster's Chief Executive Officer (CEO) is a board member of the MOHH, chaired by the permanent secretary of the MOH.

Two statutory boards, namely the Health Promotion Board and Health Sciences Authority, which monitor various aspects of the healthcare system, come under the auspices of the MOH. Another body, the Singapore Medical Association, oversees the code and conduct of healthcare professionals.

2.3 OVERVIEW OF SINGAPORE'S HEALTHCARE DELIVERY

Chart 2-2: Healthcare Delivery Model and Types of Services, Singapore, 2020



Note: *In 2017, there were 6 clusters; however, they have been integrated into 3 clusters as of 2018.
1) Acute hospitals consist of general hospitals and specialty centres that have facilities to provide acute inpatient care.
2) Community hospitals are intermediate facilities where patients can be rehabilitated and recuperate before being discharged.

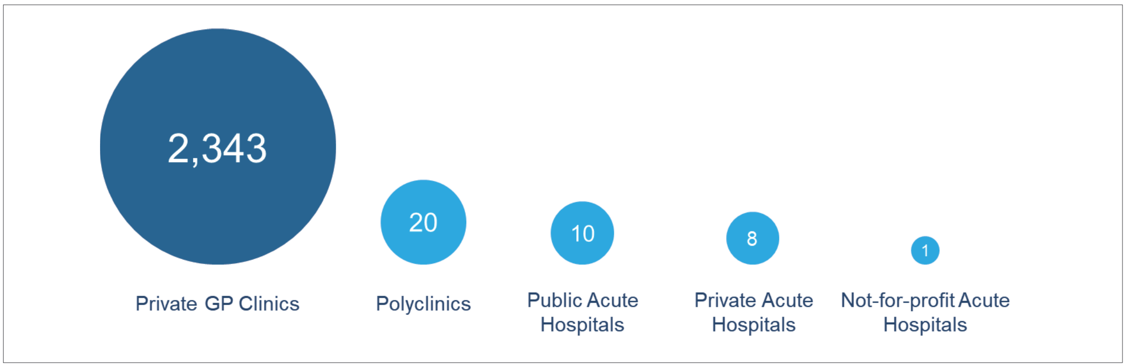
Source: Frost & Sullivan analysis (based on data from the MOH Singapore website, https://www.moh.gov.sg, as extracted in June 2021)

Since the start of 2018, public healthcare has been reorganised into 3 integrated clusters to cater to the main regions across the island, merging 6 regional health systems into the following clusters:

- Singapore Health Services (SingHealth) and the Eastern Health Alliance (overseeing Changi General Hospital) cluster serving the Eastern region
- National Healthcare Group (NHG) and Alexandra Health System (operates Khoo Teck Puat Hospital and others) cluster serving the Central region
- National University Health System and Jurong Health Services (oversees Ng Teng Fong General Hospital) cluster serving the Western region

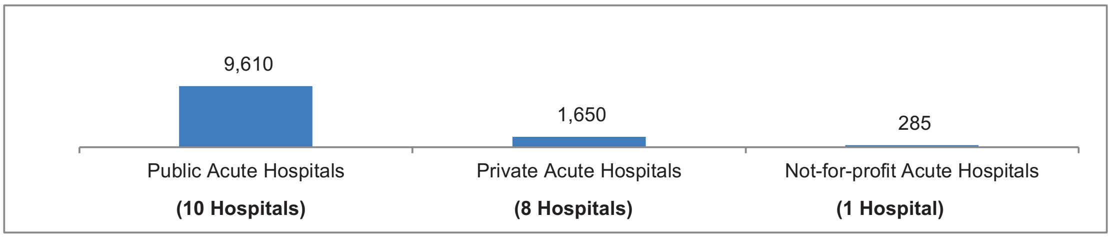
Each cluster provides a full range of services and has a medical school as well. All polyclinics are reorganised in line with these clusters. The initiative aims to ensure optimal resource utilisation and provide comprehensive, holistic care to residents. However, 80% of the primary care demand is met by private General Practitioner (GP) clinics, allowing the private primary healthcare sector to thrive.

Chart 2-3: Number of Healthcare Institutions in the Public and Private Sectors, Singapore, 2020



Note: The above graph does not include community hospitals, psychiatric hospitals, nursing homes, inpatient hospices, centre-based care facilities, home care providers, home palliative care providers, and dental clinics.
Source: MOH Singapore, latest data available as extracted in June 2021. Compiled by Frost & Sullivan

Chart 2-4: Number of Beds per Institution in the Public and Private Sectors, Singapore, 2020



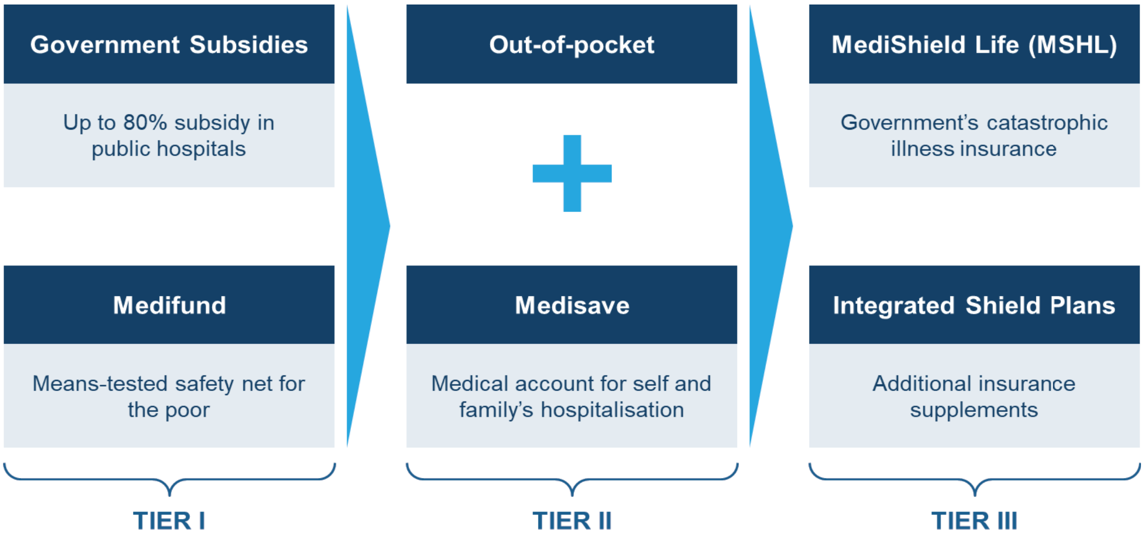
Note: The above graph does not include community hospitals, psychiatric hospitals, nursing homes, inpatient hospices, centre-based care facilities, home care providers, home palliative care providers, and dental clinics.
Source: MOH Singapore, latest data available as extracted in June 2021. Compiled by Frost & Sullivan

Singapore's financing system is anchored in the belief of individual responsibility and affordable healthcare. Residents are expected to take responsibility for their own health by contributing towards mandatory savings as well as co-payments and deductibles. Roughly 37% of employees' gross salaries go towards CPF contributions. The contribution rates for employees are 20% and 17% for employers. The Government provides public financial aid at 3 levels under the CPF to keep healthcare expenses affordable:

- Tier I:
  - **Government subsidies:** Cover up to 80% of inpatient and 50% of specialist outpatient expenses at public hospitals and 75% of expenses in polyclinics.
  - **MediFund:** A medical endowment fund set up by the Government to act as a safety net for needy patients who cannot afford to pay their medical bills despite the heavy subsidies.
- Tier II:
  - **MediSave:** A compulsory medical savings account scheme that working Singaporeans and their employers contribute to as part of their monthly wages through the CPF. The account can also be used to cover the medical expenses of family members.
- Tier III:
  - **MediShield Life (MSHL):** Universal health insurance scheme for large hospitalisation bills and certain outpatient treatments with co-pay options for all ward types. As of 2016, every Singaporean and PR has MSHL cover through the CPF.
  - MSHL can be supplemented by optional private insurance schemes, known as **Integrated Shield Plans (IPs).** IPs provide coverage on top of the MSHL to support higher bill costs and private healthcare.

Patients can use MediSave in both public and private healthcare sectors, including private GP clinics, to make primary care affordable. Additional Government initiatives such as the Community Health Assist Scheme (CHAS) for lower- to middle-class residents allow for subsidies that can be used at participating private GP and dental clinics to improve primary care affordability and accessibility.

Chart 2-5: Healthcare Financing System, Singapore, 2020



Source: Frost & Sullivan analysis (based on data from the MOH Singapore website,) (https://www.moh.gov.sg)

Table 2-1: Key Medical Insurance Schemes, Singapore, 2020

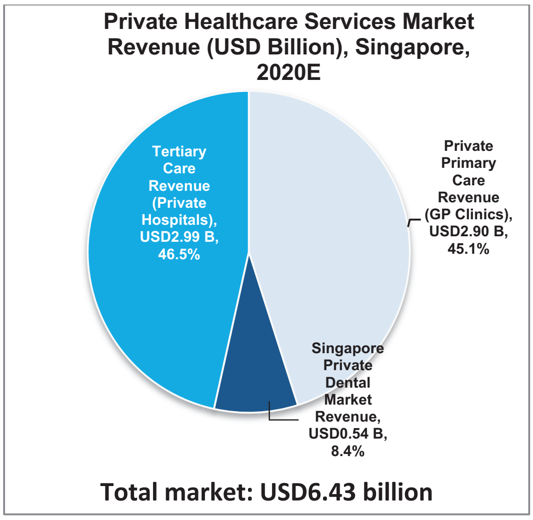
Insurance Scheme	Coverage	Funding	Payment Methods	Treatment Channels
MediSave (Compulsory savings account)	Singapore citizens and permanent residents in the working population as well as immediate family members	Both employee and employer contribute a set percentage (6%–10.5%) of monthly wages, depending on age and sector they serve	Withdrawals can be made up to the withdrawal ceiling limit depending on the treatment, personal or family member's hospitalisation, day surgery, and some outpatient expenses	Used in both public and private healthcare sectors, though less common in the latter
MediShield Life (Replaced MediShield in November 2015)	Singapore citizens and permanent residents in the working population as well as immediate family members	Government funding as part of the CPF; premiums for MediShield Life can be paid by MediSave	A deductible is paid once per policy year (through MediSave or OOP). Co-pays during billing can be done OOP or using MediSave, depending on the limit	Used in both public and private healthcare sectors, though less common in the latter
MediFund	Singapore citizens and permanent residents proven to be unable to pay medical bills even with MediSave and MediShield Life coverage	Government funding as part of a special endowment fund, where interest income from MediSave is granted to pre-approved MediFund hospitals	Once granted MediFund, the upfront payment is directly reduced at the hospital by a percentage calculated based on the individual's socioeconomic status	Used in public hospitals and selected affiliated private hospitals
ElderShield	Singapore citizens and permanent residents with MediSave accounts are automatically covered under ElderShield at age 40	Government funding as part of the CPF	Provides monthly cash payouts to help pay OOP expenses for the long-term care of a severely disabled person, especially in old age	Used in both public and private healthcare sectors
Integrated Shield Plans	Singapore citizens and permanent residents are able to pay higher premiums; a subset of private health insurance	Premiums paid by individuals to a private insurer; can also be funded by MediSave	Coverage depends on the contract with the private insurer; the individual either waits for the insurer to process the claims or if the patient has a letter of guarantee, upfront payment is reduced	Used in both public and private healthcare sectors; only for premium wards in the public sector
Private Health Insurance, e.g., AIA, Great Eastern, Allianz	Middle- to upper-income individuals, non-permanent residents who are not covered under public schemes	Individual contribution depending on the contract with the private insurer	Same as IPs	Mainly used in the private sector, but also utilised in premium wards in the public sector
CareShield Life	Singapore citizens and permanent residents born in 1980 or later are automatically covered	Premium paid (SGD206 for men and SGD253 for women at the start and rises 2% every year) during the working year until the age of 67; it is also payable fully by MediSave	Monthly income will be paid in cash to those who become severely disabled with no limit on the payout period	

Source: Frost & Sullivan analysis (based on data from the MOH Singapore website, https://www.moh.gov.sg)

2.4 MARKET SIZE OF THE PRIVATE HEALTHCARE SECTOR

Tertiary care in the private hospital segment dominates the private healthcare services market in Singapore. From 2017 to 2020E, the private healthcare services market grew at a CAGR of 8.46%, while the tertiary care segment recorded a CAGR of 6.28% in Singapore. The market is forecast to register a CAGR of 10.0% in Singapore from 2021E to 2025F. Growth will be mainly driven by the rising number of middle- and upper-income households, medical tourism, and longer life expectancy in Singapore.

Chart 2-6: Private Healthcare Services Market, Singapore, 2020E



Singapore	CAGR 2021E–2025F
Private Primary Care Revenue (GP Clinics)	12.7%
Private Dental Market Revenue	7.4%
Tertiary Care Revenue (Private Hospitals)	7.3%
Total Private Healthcare Market	10.0%

Note: All figures are rounded. Base year is 2020.

Source: Frost & Sullivan analysis

2.5 KEY OPPORTUNITIES AND CHALLENGES IN THE PRIVATE HEALTHCARE SECTOR

2.5.1 KEY OPPORTUNITIES

Recognising the high burden on the public system, the Singapore MOH is stepping up efforts to work with the private sector to ease the volume of patients going to public health institutions. Emergency Care Collaboration between the MOH and Raffles Hospital is one such initiative where patients referred by the SCDF ambulances receive subsidised emergency care similar to the rates of public hospitals for non-life-threatening conditions at Raffles Hospital.[27] Parkway Hospitals has also signed an agreement to accept dengue patients from 2 public hospitals, indicating the Government's increasing receptiveness towards public-private partnerships to improve healthcare accessibility and quality.

As the elderly population grows in Singapore, the incidence and prevalence of chronic diseases and NCDs are anticipated to escalate as well. Although the Government actively promotes active and healthy lifestyles, patients with chronic ailments still require continuing care to ensure proper chronic disease management. Primary care facilities could oversee regular check-ups; however, given the increased likelihood of complications, these patients will still require specialist care at tertiary hospitals.

[27] "Frequently Asked Questions", Raffles medical group, https://www.rafflesmedicalgroup.com/wp-content/uploads/2020/06/moh-rh-ecc.pdf

Under the Budget 2018, the MOH announced an increase in the MediSave limit for health screenings, chronic illnesses, and vaccinations up to SGD500 (USD378) per year from June 2018 onwards. The Budget also highlighted a host of initiatives targeting the geriatric population, including lowering the eligibility age for the Flexi-MediSave scheme from 65 to 60 years old to use up to SGD200 (USD151) per year for outpatient treatments from June 2018 onwards. These efforts could potentially increase the demand for preventive health screening among the elderly age group.[28]

To tackle the low birth rates in Singapore, both the Ministry of Social and Family Development (MSF) and the MOH plan to launch schemes to encourage married couples to have more children. The MOH has developed a Marriage and Parenthood Scheme, in which under the MediSave Maternity Package (MMP), parents-to-be can claim up to SGD3,000 (USD2,273) for natural vaginal deliveries and SGD4,850 (USD3,674) for normal caesarean deliveries at both public and private hospitals. Newborns born after January 1, 2015, receive an enhanced SGD4,000 (USD3,030) Medisave Grant to support their healthcare needs (e.g., vaccination, hospitalisation). The Medisave Grant can also be used to pay the premium for MediShield Life for babies born to Singaporean citizens, as the scheme automatically covers them from birth. The plan provides lifelong coverage for congenital and neonatal conditions.[29] The incentives in Singapore have played a part in increasing the number of live births to exceed the 10-year average of 32,200 from 2006 to 2016, with 41,251 live births recorded in 2016.[30]

In addition, MediSave can be used for Assisted Conception Procedures (ACP) at any public or private assisted reproduction centre, which initially allowed a withdrawal for up to 3 cycles of up to SGD6,000 (USD4,545), SGD5,000 (USD3,788), and SGD4,000 (USD3,030) for the first, second, and third cycle attempts respectively.[31] The Government's removal of the 3-cycle cap in 2013 provides couples with greater flexibility, encouraging them to have children.

The MSF provides a baby bonus scheme to support married couples in easing the economic burden of raising children. The initiative is also aimed at alleviating cost concerns among young couples seriously considering parenthood. Singaporeans are eligible to receive Baby Bonus Cash Gifts in 5 instalments over a period of 18 months, consisting of SGD8,000 (USD6,061) for the first and second child each and SGD10,000 (USD7,576) for the third child onwards. Private hospitals are working with the Government to become a Baby Bonus One-Stop Service to assist patients with the scheme.[32]

Singapore is recognised for its advanced medical technology and highly skilled health professionals, which attract affluent medical tourists. The Singapore Tourism Board brands Singapore as an advanced medical care destination, continually collaborating with private healthcare providers on marketing and promotional activities to extend their reach to key target markets.

There is a steady demand to improve care across the continuum, emphasising delivering cost-effective and patient-centric services. Ambulatory surgery centres (ASCs) and office-based labs (OBLs) are other opportunity areas for hospitals. These outpatient set-ups limit the patient exposure to tertiary care settings and significantly cut healthcare costs.

COVID-19 also brings transformative changes to Singapore's healthcare landscape. People are advised to limit travel and social gatherings to prevent the spread of the virus. This leads to opportunities for new medical technologies, such as telehealth, telemedicine, virtual care solutions, connected medical devices, diagnostic and imaging equipment, and AI applications. For example, the Government launched the Trace Together mobile app for contact tracing to contain the spread of infection. The GoBusiness COVID portal, COVID-19 Situation Report, FluGoWhere, Gov.sg WhatsApp, and MaskGoWhere are other examples of digital tools the Singapore Government has initiated to combat the virus.

2.5.2 KEY CHALLENGES

Singapore's rapidly growing ageing population and the associated increase in the prevalence of chronic diseases continue to strain the country's healthcare system, given the shortage of healthcare

---

[28] MOH Singapore, "Healthcare for the Future", Ministry of Health 2018 Budget Initiatives Booklet, p. 3-4, https://www.moh.gov.sg/content/dam/moh_web/PressRoom/Current_Issues/2018/COS2018/COS_booklet%202018_All%20languages.pdf

[29] MOH, Singapore, "Marriage and Parenthood Schemes", Schemes & Subsidies, https://www.moh.gov.sg/content/moh_web/home/costs_and_financing/schemes_subsidies/Marriage_and_Parenthood_Schemes.html (last updated March 24, 2016)

[30] "Number of Singaporean babies born fell slightly in 2016, but still above average for past decade", Channel News Asia, September 27, 2016, https://www.channelnewsasia.com/news/singapore/number-of-singaporean-babies-born-fell-slightly-in-2016-but-9254950

[31] "MediSave for Pregnancy and TTC-Financial aid for Making Babies (2021 update)", Singaporemotherhood, January 28, 2021, https://singaporemotherhood.com/articles/2021/01/medisave-for-pregnancy-ttc-2021/

[32] "Baby Bonus Scheme", Ministry of Social and Family Development (MSF), Singapore, https://www.msf.gov.sg/policies/Strong-and-Stable-Families/Supporting-Families/Pages/Baby-Bonus-Scheme.aspx, (last updated March 8, 2017)

professionals and limited resources. To address this challenge, the Government prioritises preventive healthcare by implementing programmes that promote a healthy lifestyle.

The MOH's Singapore Healthcare 2020 Master Plan serves as a roadmap to provide healthcare services that are accessible, affordable, and of high quality to Singaporeans. The Manpower Plan, under the Master Plan, aims to address the shortage of health professionals and high burden on the healthcare system through plans to add new facilities and healthcare professionals to manage the system efficiently. The plans to expand capacity are expected to increase the healthcare budget to SGD13.0 billion (USD9.85 billion) by 2020.

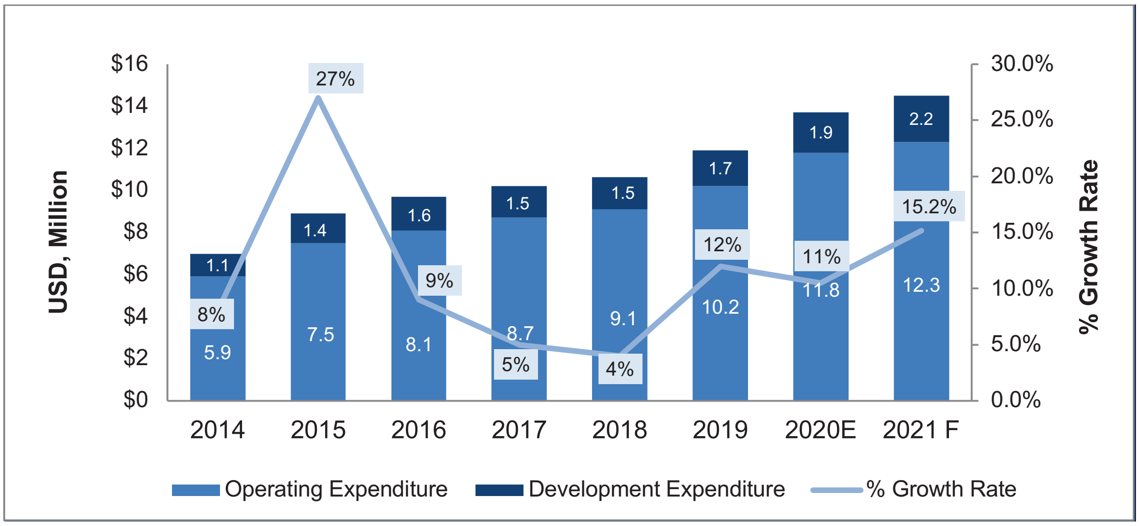
2.6 KEY TRENDS IN THE PRIVATE HEALTHCARE SECTOR

2.6.1 GROWING DEMAND FOR HEALTHCARE

Singapore's healthcare sector is estimated to value USD21.4 billion in 2020, rising about 9% over the previous year, according to Fitch Solutions. The country's healthcare spending from the public and private sectors is forecast to account for 5.9% of GDP in 2020 and increase to approximately 9% by 2029. Healthcare demand is mainly due to increased government spending on healthcare infrastructure, the local population's consumption of healthcare services, primarily older adults, higher chronic disease prevalence, and the popularity of Singapore as a medical tourism destination.

Singapore has one of the best healthcare systems in the ASEAN region. Government healthcare expenditure has grown since 2012, guided by the implementation of the Healthcare 2012–2020 Masterplan and key considerations highlighted in the Population White Paper, during which the Government recognised the need to reform healthcare infrastructure to cater to the healthcare demands of its ageing population. The Government healthcare budget is estimated at USD13.2 billion in 2020 and forecast to increase steadily to accommodate the rising share of older persons and chronic patients in the country (Chart 2-7). Among ASEAN countries, Singapore spends the most annually on healthcare on a per capita basis.

Chart 2-7: Government Healthcare Spending (USD Billion), Singapore, 2014–2021F



Source: Sing Data; MOH, Singapore, latest data available as extracted in June 2021. Compiled by Frost & Sullivan

Singapore is undergoing a demographic shift where 25% of its total population is expected to be aged 65 years and over by 2030 compared to the 14.4% recorded in 2019. The change mainly stems from the increase in life expectancy and lower fertility rates, prompting higher demand for healthcare services, especially long-term care (LTC). Singapore consolidates its aged care, health, and LTC services under the MOH to facilitate integrated delivery of support and services to meet the holistic requirements of the older population. The MOH's key policies and investments include promoting healthy and active ageing focused on disease prevention and health maintenance instead of treatment. MOH policies also aim to deliver quality healthcare affordably. The MOH intends to move healthcare from hospitals to community care, which could help patients get care in a more familiar environment, at lower cost, and with better quality outcomes.

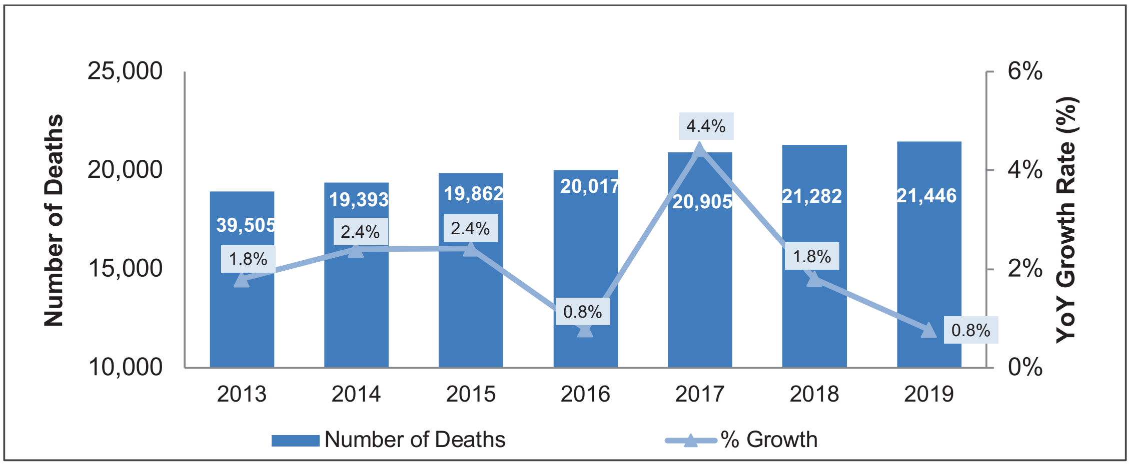
Medical tourism is another factor driving demand for healthcare in Singapore. The private sector is more involved in this segment than public healthcare, which is focused on serving the local population. Regional counterparts such as Malaysia and Thailand that offer affordable medical treatment costs pose stiff competition. However, Singapore's state-of-the-art health facilities and capabilities to manage complex treatments position the country ahead of the competition in ASEAN by catering to the needs of high-end medical tourists from new markets such as China and India.

2.6.2 RATE OF CHRONIC DISEASES AND AGEING POPULATION

Singapore's population is ageing rapidly. As reported by the Singapore Department of Statistics, the country's median age increased from 34.0 years in 2000 to 41.5 years in 2020.[33] The proportion of the population aged 65 and over rose from 7.2% to 15.2% over the same period and is forecast to expand to 25% by 2030, leading to the continued increase in healthcare spending. According to the Ministry of Finance estimates, the annual healthcare spending stands at SGD13 billion in 2020, rising from SGD9.8 billion in 2016.[34]

However, Singaporeans can expect to live longer than the length of healthy life expectancy. It is observed that the life expectancy at birth of Singapore citizens increased 8.7 years to 84.8 years between 1990 and 2017 while for healthy life expectancy at birth, the number of years people are expected to have good health, rose only 7.2 years to 74.2 years.[35] As a result, people spend more years living with disabilities or illnesses. Chronic diseases outpaced infectious diseases to become the primary cause of mortality in Singapore's population, contributing up to 80% of total deaths in 2013 and increasing continually over 13% from 2013 to 2019 (Chart 2-8). In 2019, cancer, pneumonia, and ischaemic heart disease (IHD) were major causes of deaths, which altogether accounted for 67.9% of deaths.[36] In 2019, the disease burden caused a total of 1,047,768 disability-adjusted life years (DALYs) lost due to mortality and illness. The major causes were mainly cancer (15%), musculoskeletal disorders (15%), and cardiovascular diseases (14%).[37]

Chart 2-8: Number of Deaths Caused by Chronic Diseases, Singapore, 2013–2019



Source: Sing Data; MOH Singapore, latest data available as extracted in June 2021. Compiled by Frost & Sullivan

The increasing number of chronic disease patients opens up significant opportunities for health service providers in Singapore, including demand for chronic disease management services, surgical procedures caused by chronic conditions, and rehabilitative care for elderly patients following surgery.

[33] Malhotra R., Bautista M.A.C., Muller A.M., Aw S., Koh G.C.H., Theng Y-L., Hoskins S.J., Wong C.H., Miao C., Lim W-S., Malhotra C., Chan A. (2019), The Aging of a Young Nation: Population Aging in Singapore, *The Gerontologist,* 59 (3), 401-410, doi: 10.1093/geront/gny160
[34] "Singapore Healthcare", SAC Advisors, July 15, 2019, https://www.saccapital.com.sg/file/2019/07/sector_20190715_rev.pdf
[35] "The Burden of Disease in Singapore, 1990-2017, Ministry of Health, 2017, https://www.moh.gov.sg/docs/librariesprovider5/default-documentlibrary/gbd_2017_singapore_reportce6bb0b3ad1a49c19ee6ebadc1273b18.pdf
[36] MOH, Singapore, "Principal causes of death" https://www.moh.gov.sg/resources-statistics/singapore-health-facts/principal-causes-of-death
[37] MOH, Singapore, "Disease burden" https://www.moh.gov.sg/resources-statistics/singapore-health-facts/disease-burden

2.6.3 DISPOSABLE INCOMES AND THE MIDDLE-CLASS POPULATION

Singapore is considered a rich country compared to its regional peers. As at 2019, the GDP per capita is USD65,233, while the median household income of Singaporeans is approximately USD9,425. This is higher than the GDP per capita and median household incomes of regional counterparts and most developed countries worldwide. Despite the median household income falling in 2020 to 2.5% in nominal terms or 2.4% after inflation adjustment to USD9,189 due to the COVID-19 pandemic, the median monthly household income has grown in the past 5 years by 5.2% cumulatively or 0.6% to 2.9% per annum. The rise in household income levels boosts healthcare affordability for Singapore's population. Moreover, the country's higher level of educational attainment is associated with greater awareness levels and demand for high-quality healthcare services. In fact, Singapore is among the countries with the highest healthcare per capita spending of USD2,273 compared to an average expenditure of USD544 or 4% of GDP in ASEAN, as estimated by the World Health Organization.[38]

Despite the higher earning capacity, many Singaporeans face poverty, which recorded a 3-year increase to 43.45% from 2012 to 2015.[39] This has prompted the Government to find ways to address the issue, including healthcare affordability. The introduction of MediShield Life that provides subsidies for lower- to middle-income citizens is one example. However, gaps in healthcare policies still exist, affecting the middle class, especially those related to subsidies and financing of intermediate and long-term care as alternatives to traditional hospital-based treatments.

2.6.4 PRIVATE HEALTHCARE INSURANCE TRENDS

The rise in population ageing and chronic diseases is driving healthcare demand in Singapore. Per capita health expenditures are projected to grow, with spending reaching USD3,232 in 2020. Although the Singapore Government subsidises public healthcare insurance, Singaporeans still incur high OOP payments for their medical bills. The 3M (MediSave, MediShield Life, and MediFund) framework accounts for only about 40% of total healthcare expenditure, while the remaining 60% comes mainly from OOP payments. The high OOP expenditure drives demand for private health insurance. Singapore has a well-established private insurance market. Major factors encouraging the development of private insurance include the fast-growing mass affluent segment, which demands high-end services and lower OOP expenditure, and the ageing population.

Despite the Singapore Government promoting private health insurance, the products health insurers offer are limited compared to other developed markets in terms of the amount covered, total deductible, scope of coverage, and the number of underwriting restrictions. With low coverage from both public and private health insurance, Singaporeans pay the highest OOP payments in Southeast Asia. This opens up opportunities for private insurers to improve their product offerings to close these gaps and capture new demand in healthcare.

2.6.5 TRENDS IN MEDICAL TOURISM

Medical tourism contributes to the rising number of foreign patients in some of ASEAN's world-class medical facilities. Globally, the medical tourism market was valued at USD16,761 million in 2018 and is forecast to reach USD27,247.6 million by 2024. Asia-Pacific accounts for the largest share of about 40% of the whole market.

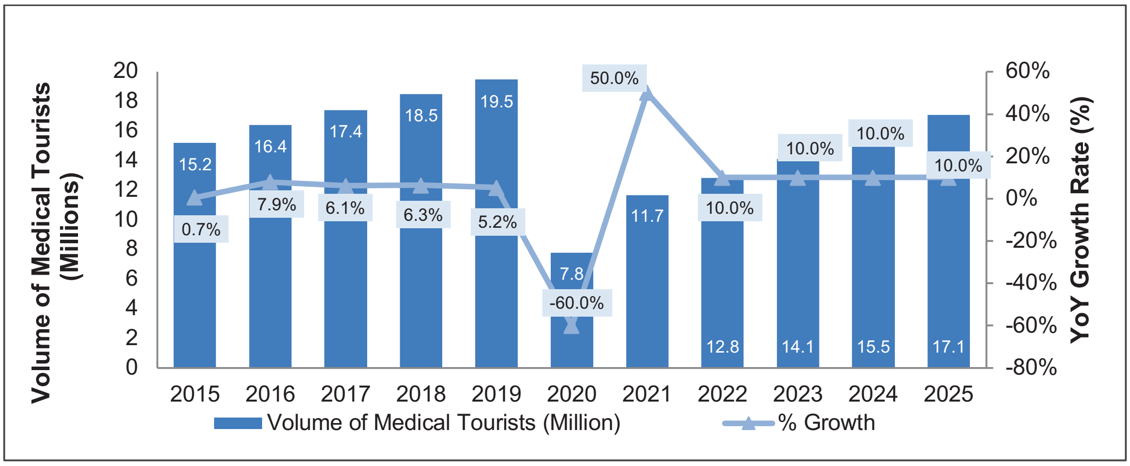
The number of medical tourists in Singapore has increased yearly. In 2015, the total number of medical tourists was 15.2 million, increasing by 28% to 19.5 million tourists in 2019. Most medical tourists in Singapore are from China and Indonesia, which contribute up to 47% of overall visitors. However, the number of medical tourists dropped significantly in 2020 to 7.8 million patients or about 60% due to the pandemic-led travel restrictions. The flow of international tourists is mostly towards private hospitals as public hospitals in Singapore are mandated to serve local citizens. Common treatments for medical tourists include cosmetic surgery, dental care, and heart surgery. Orthopaedics, cancer, and reproductive treatments are also sought after by foreign patients. Medical tourism growth is expected to resume post-COVID-19, although at a smaller extent of about 10% between 2021 and 2025. This is because international patients are increasingly attracted to neighbouring countries such as Thailand, Malaysia, and India that provide more affordable health services and treatments.

---

[38] "Embracing Wellness", Invest in ASEAN, http://investasean.asean.org/index.php/page/view/healthcare

[39] Poverty in Singapore: A New National Priority, The Borgen Project, August 18, 2020, https://borgenproject.org/tag/poverty-in-singapore/

Chart 2-9: Number of Medical Tourists Visiting Singapore, 2015–2025F



Source: Frost & Sullivan analysis (primary interview)

Despite the high growth of foreign patients from medical tourism, tourist spending on healthcare in Singapore remains low, accounting for less than 4% of overall tourism receipts.[40] This is mainly due to the cost of medical treatments and comparatively higher services than other regional counterparts. Medical cost inflation in Singapore was also as high as 9.5% in 2019, while the cost of medical visits and treatments has risen by nearly 9% each year since 2015. As a result, international patients looking for regular healthcare visits and treatments consider Singapore an expensive medical tourism destination and look for alternatives that offer better value for money, such as Thailand, Malaysia, and India. This is leading Singapore to lose medical tourism market share to regional counterparts that offer more affordable healthcare services to tourists. That stated, health experts still expect Singapore to maintain its popularity for complex treatments, such as robotic surgeries and stem cell treatment procedures that draw high-end medical tourists from markets such as China and India who are not as cost-conscious.

2.7 BARRIERS TO ENTRY

2.7.1 COMPETITION BETWEEN EXISTING PRIVATE AND PUBLIC HOSPITALS

Hospitals in Singapore are controlled by the public sector, private sector, and not-for-profit organisations. As of 2019, Singapore has 19 general hospitals and 9 community hospitals in total, many of which are government-owned companies. Primary care is mainly provided by the private sector, while secondary care is mostly provided by the public sector. In the overall healthcare provision, however, the public sector still outweighs the private sector. In Singapore, public hospitals focus more on serving the local mass population, whereas private hospitals target mostly affluent clients and medical tourists. Public healthcare facilities aim to provide subsidised healthcare services to local populations. These facilities are divided into 6 regional clusters, which are overseen by a regional hospital and comprise various healthcare providers on different levels (e.g., primary, secondary). The MOHH, the holding company of Singapore's public healthcare entities, owns the public providers and their facilities. The Government has placed public hospitals under private limited companies to encourage healthy competition between public and private sectors on service and quality. The MOHH also functions as an intermediary organisation, which executes MOH policies and provides human resources and IT strategies. In Singapore, public hospitals can set their own pricing and recruitment strategies. However, the MOH/MOHH does offer direction and sets benchmarks for both public and private hospitals on professional medical standards and pricing. The MOH publishes the prices and quality indicators of both public and private hospitals on its website to facilitate informed patient choices.

Private hospitals compete with well-equipped and reputable public sector hospitals and national specialist medical centres for the high-end, personalised medical services market. Private hospitals can set up their own pricing, though this has to comply with the Ethical Code and Ethical Guidelines 2016,

[40] "Medical Tourism Singapore 2021", Budget Direct, January 2021, https://www.budgetdirect.com.sg/travel-insurance/research/medical-tourism singapore#:~:text=Highlights,4%25%20of%20overall%20tourism%20receipts.

which mandates that the fees are ethical, reasonable, with no additional charges for services rendered by another. Costs between private and public hospitals are similar as they directly compete. As a result, expatriates living in Singapore and medical tourists mostly choose private hospitals as they provide better services with shorter waiting times.

2.7.2 AVAILABILITY OF HEALTHCARE PROFESSIONALS

Three major changes confront Singapore. First is the rapid increase in Singapore's population, growing from 4 million in 2000 to 5.83 million in 2019. Second, it is estimated that up to 25% of Singaporeans will be aged 65 and over by 2030, increasing threefold from 2012. The rapidly ageing population comes with complex health conditions, increasing demand for health services. Third, chronic diseases are the major cause of death in Singapore, accounting for almost 90% of all deaths in 2019. This increase is expected to be from the longer life expectancy, a larger proportion of older persons, and unhealthy lifestyles. The treatment of chronic diseases involves longer hospital stays and long-term care, increasing the need for healthcare and healthcare professionals. However, like other developed countries, Singapore continues to face workforce shortages in the healthcare sector. The Government is stepping up efforts to resolve the shortage through initiatives, including attracting more Singaporeans to join nursing and retaining existing nurses through various incentives. Other measures include creating career paths for mid-career professionals to enter the healthcare profession, increasing the number of training courses, and providing attractive remuneration. The Ministry of Manpower (MOM) includes healthcare professionals under the newly introduced Strategic and Skills-in-Demand List (SSL) of job positions, which will be high in demand in Singapore in the coming years. This allows foreign professionals with the desirable skills keen on gaining employment opportunities in Singapore to receive special consideration. With these initiatives, Singapore is well-positioned to attract foreign talent from nearby countries, such as Malaysia, the Philippines, China, India, and Myanmar. However, efforts to ameliorate the professional healthcare talent shortage have had limited success. The insufficient workforce could be a barrier for new players to set up healthcare operations in Singapore.

2.8 RELEVANT LAWS AND REGULATIONS

The original regulation related to healthcare services in Singapore was called the Private Hospitals and Medical Clinics Act (PHMCA). The regulation, enacted in 1980, was last amended in 1999. The PHMCA was designed to ensure patient safety by licensing physical healthcare providers, including hospitals, medical clinics, clinical laboratories, and other healthcare establishments.

The healthcare sector has changed significantly in recent years. Population ageing and the associated increase in chronic diseases have increased demand for new care models and coordinated team-based care across healthcare settings and providers in Singapore. Advancements in healthcare technologies have also given rise to new and fast-changing health services. While traditional healthcare services rely on physical brick-and-mortar facilities, there are new services delivered wholly or partially through mobile apps or online channels. As a result, healthcare delivery is no longer limited to physical facilities.

As regulation of these new service types did not fall under the PHMCA, the MOH proposed to replace it with the Healthcare Services Act (HCSA) to provide better protection to patients in changing healthcare environments while allowing the development of new and innovative services that benefit patients. Under the HCSA's service-based licensing regime, service providers will need to obtain a licence for the services they provide. This reflects a notable change from the premises-based licensing regime traditionally used by the PHMCA, where licenses were given based on the brick-and-mortar premises of the healthcare providers. In other words, the HCSA will regulate mainstream healthcare service providers similar to the PHMCA and also expand to cover non-premises-based providers, such as telemedicine service providers as well as stem cell therapy and genetic therapy services.

Currently, the HCSA regulation is only applicable to healthcare services previously regulated by the PHMCA and non-premises-based services such as telemedicine. Other services such as allied health services and traditional medicine could potentially be licensed in the near future.[41]

The HCSA aims to strengthen governance and regulatory clarity for better continuity of care to patients and address the broader issue of patient welfare. This regulation will make Singapore one of the best-regulated healthcare centres in the world.

[41] "New service-based licensing regime: Healthcare Services Bill passed to replace the Private Hospitals and Medical Clinics Act ("PHMCA")", Baker McKenzie Wong & Leow, January 2020, https://f.datasrvr.com/fr1/720/49890/BMWL_-_Healthcare_Client_Alert_-_January_2020.pdf.

2.9 IMPACT OF COVID-19

COVID-19 has had both negative and positive impacts on the medical sector in Singapore. Negative impacts include the burden on healthcare resources as a result of the pandemic. To minimise the transmission risk, the MOH mandates doctors to work at a maximum of 3 clinic locations, resulting in manpower shortages at GP clinics. Due to border restrictions implemented by Singapore, outpatients from foreign countries are no longer allowed to enter Singapore for treatment. As of March 19, 2020, the MOH has instructed hospitals and private specialist clinics not to accept new foreign patients not living in Singapore, reducing the number of medical tourists entering Singapore. On the positive side, COVID-19 has helped accelerate digital health by diverting Government attention towards health-related technologies, such as telemedicine and teleconsultation, infection control measures, pandemic readiness, and continuous healthcare delivery and disease management.[42]

For example, Alexandra Hospital is replacing healthcare personnel with BeamPro, a robot that allows doctors to communicate and inspect COVID-19-infected patients remotely. Apart from reducing the need for nurses or caregivers for COVID-19 patients, BeamPro also helps reduce the demand for disposable medical devices such as personal protective equipment and masks, which were in short supply during the outbreak. The KK Women's and Children's Hospital has also launched an online service that allows parents and caregivers to seek advice on common ailments for their children, such as fever, cough, diarrhoea, vomiting, and non-serious injuries. Similarly, Parkway Shenton has launched a new teleconsultation service for regular patients. Apart from virtual consultations, the service also allows doctors to do related activities, such as providing specialist referrals or electronic medical certificates for patients and having medication delivered to patients' homes.

[42] "Impact of COVID-19 on Singapore's healthcare industry", RSM, April 8, 2020, https://www.rsm.global/singapore/insights/our-expert-insights/impact-covid-19-singapores-healthcare-industry

3. HOSPITAL PROFILES

Table 3-1: Profiles, Value Proposition, and Patient Group of Selected Hospitals, Singapore

Hospitals	Description	Value Proposition	Patient Group
Mount Elizabeth (Orchard) Hospital	Mount Elizabeth Hospital is considered the best hospital in Asia due to its in-depth medical expertise and longstanding history of tackling complicated treatments.	• Best In-class medical equipment • Track record in handling complicated treatment cases	• Overseas patients (mainly from Southeast Asia) • Domestic medical cases
Gleneagles Hospital	Gleneagles has top-notch doctors and specialists and is known for its strong track record in treating high-ranking officials in the region. The hospital upgrades its facilities frequently.	• Top-notch specialists and expertise in cardiology, gastroenterology, liver transplant, obstetrics and gynaecology, oncology, and orthopaedics • In-class hospital facilities	• Esteemed visitors, e.g., foreign diplomats and embassy staff • High-income locals
Parkway East Hospital	Parkway East is positioned as a friendly neighbourhood hospital that treats largely emergency cases. It is one of the busiest hospitals among the 3 selected healthcare facilities due to its location in high-density population districts.	• Well-rounded hospital in all treatment areas • Accessible, convenient, and friendly	• Local patients

Source: In-depth Interview with Dr Prem Kumar Nair, CEO, IHH Healthcare Singapore

Table 3-2: Hospital Business Models and Service Offerings, Singapore, 2021

S/N	Name	Hospitals Number of Beds*	Services Offered	Business Model
1	Mount Elizabeth (Orchard) Hospital[43]	345	• Wide range of specialty services, including cardiology, neurosciences, and other tertiary care services • Possess high-tech equipment and advanced medical devices, such as PET-CT scanner, a highly advanced diagnostic tool to scan tumours, minimally-invasive robotic surgery for general surgery, cardiac and urological procedures using the 4-arm da Vinci robotic surgical system	• Offers integrated healthcare services, and a broad array of specialties • Patient-centred, with a wide range of specialists that provide high-quality care to local and international patients (medical tourists)
2	Gleneagles Hospital[44]	258	• Offers a wide range of specialist, diagnostic, and imaging services • Specialises in cardiology, gastroenterology, liver transplant, obstetrics and gynaecology, oncology, and orthopaedics	• Emphasises a strong sense of community and a team dedicated to patient care • Apart from locals, the hospital also provides one-stop services for international patients
3	Parkway East Hospital[45]	143	• Offers a comprehensive range of clinical specialties and subspecialties, like obstetrics and gynaecology, general surgery, orthopaedic surgery, ear, nose and throat (ENT), and ophthalmology • Also offers various ancillary services such as rehabilitation therapy and imaging services	• Focuses on proactive solutions rather than reactive treatments by developing several health screening programmes tailored to patients' individual health needs • Serves both the local population and medical tourists

[43] "Mount Elizabeth Hospital", Mounth Elizabeth Orchard, https://www.mountelizabeth.com.sg/about-us/mount-elizabeth-orchard
[44] "Gleneagles Hospital", Parkway Hospitals Singapore, https://www.parkwayhospitals.com/explore-our-hospitals/gleneagles-hospital
[45] "About Parkway East Hospital", Parkway East Hospital, https://www.parkwayeast.com.sg/about-us

4. HOSPITAL OPERATOR

4.1 OPERATIONAL SYNERGIES WITH IHH HEALTHCARE

IHH Healthcare, a leading international private healthcare operator, aims to become the world's most trusted healthcare network. Today, it is one of the world's largest healthcare networks, with 80 hospitals in 10 countries. With its extensive footprint, IHH Healthcare is able to attract the best talent, invest in state-of-the-art hospital and healthcare management systems, and achieve economies of scale advantages.

IHH Healthcare Singapore's (IHH SG) reputation as a premier specialised healthcare service provider with state-of-the-art facilities attracts local and foreign patients. As the number of foreign patients seeking specialised medical services in Singapore continues to grow, IHH SG enjoys a leadership position in medical travel across Asia. The group's foreign patients comprise nationalities from a host of countries, including Indonesia, Malaysia, South Asia, and the Indochina region.

Under the IHH SG leadership, the group has consolidated its position as the premier destination for private healthcare with its strong Singapore operations. Of the 4 premier hospitals in Singapore, 3 (Mount Elizabeth [Orchard] Hospital, Gleneagles Hospital, and Parkway East Hospital) are part of Parkway Life REIT's portfolio of properties. The table below provides a brief historical overview of the hospital group.

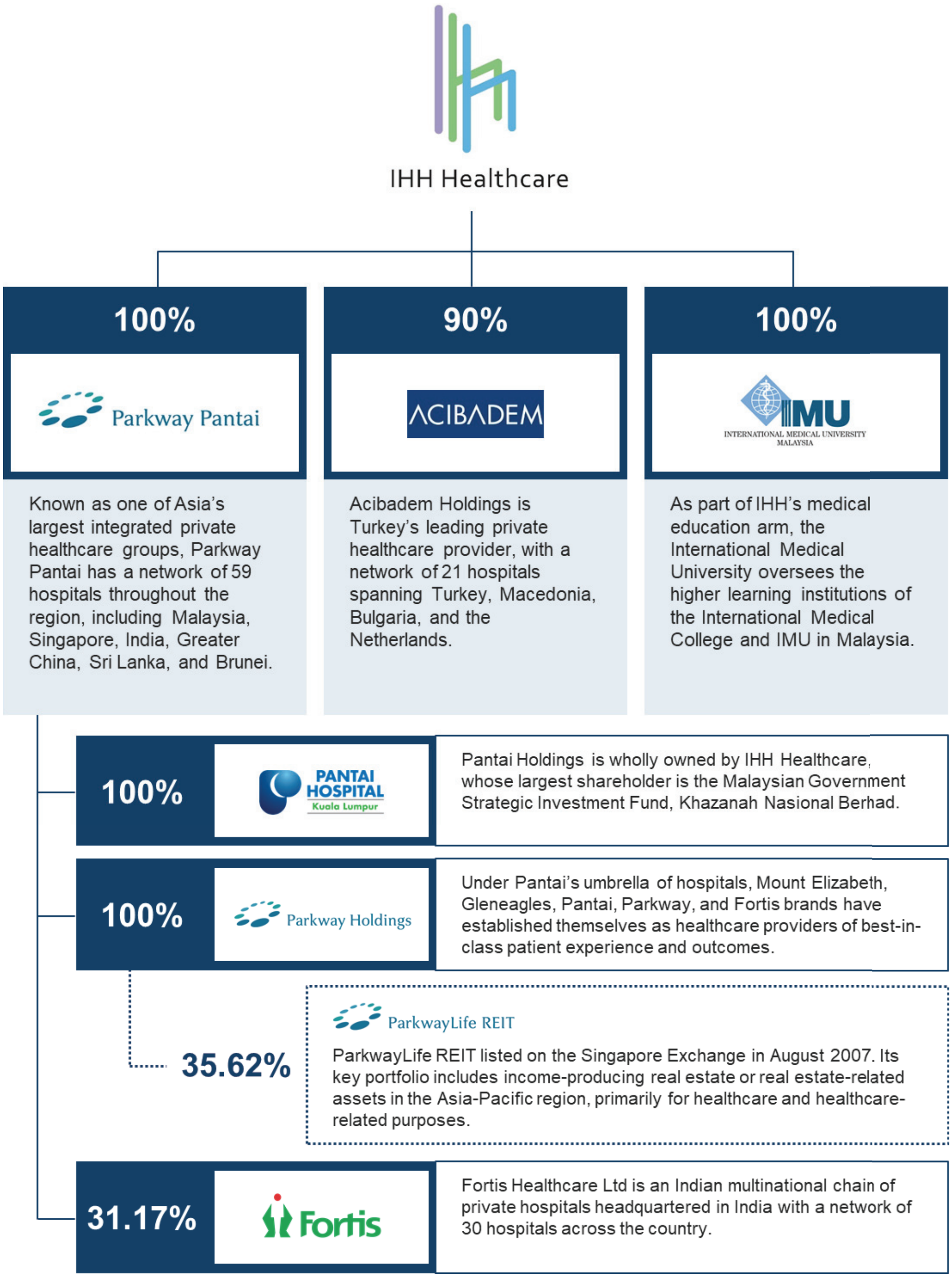
4.2 HISTORICAL DEVELOPMENTS

Table 4-1: Timeline and Key Milestones, Singapore

Hospitals	Period	Timeline
Mount Elizabeth (Orchard) Hospital	1979	Established in 1979, specialising in cardiology, oncology, and neuroscience
	1985	National Medical Enterprises Incorporated (NME) acquired Mount Elizabeth Hospital
	1992	A new wing was added to the medical centre to cope with increasing demand
	1993	The Brunei royal family built the Royal Suite in Mount Elizabeth Hospital for their private use
	1994	Mount Elizabeth Hospital was awarded the Asian Management Award for People Development and Management
	1995	Acquired by Parkway Holdings Ltd
	1997	A 7-storey extension block was added to cope with the increase in patient volumes
	2005	Opened the CT Centre
	2006	Opened the Endoscopy Centre, DCC, and PHC facilities
Gleneagles Hospital	1957	Established in 1957 by the British Association
	1959	The hospital was incorporated as a private company (Gleneagles Hospital Ltd) and opened to the public as a 45-bed nursing home
	1980	Expanded into a 126-bed medical centre
	1987	Acquired by Parkway Holdings Ltd through SGD150 million investment; expanded a new hospital block comprising operating facilities and consultation suites
	1997	Expanded to a 380-bed tertiary care hospital staffed by 150 medical specialists
	1999	Gleneagles became the first hospital in Southeast Asia to use the state-of-the-art Robotic SurgiScope for neurosurgery, ENT, and spinal surgeries
	2002	The Asian American Liver Centre in Gleneagles Hospital became the first hospital in Southeast Asia to perform a living donor liver transplant for children, a high-risk but potentially life-saving procedure
	2006	Gleneagles Hospital Singapore earned the international standard of care and hospital management accreditation by the Joint Commission International (JCI)
Parkway East Hospital	1942	Founded by Dr Paglar, a GP, Parkway East Hospital began operations in 1942 and was first known as the Paglar Clinic and Maternity Hospital
	1974	Sold to Dr Leo Taylor and renamed as Saint Mark's Maternity Hospital
	1982	Expanded and refurbished hospital capacity to 49 beds
	1983	Renamed The American Hospital of Singapore; Parkway Holdings Ltd acquired the hospital, renaming it the East Shore Hospital, which became a general acute care hospital integrated with a medical specialist centre and 24-hour clinic
	2010	In 2010, East Shore Hospital was renamed Parkway East Hospital
	2013	A partnership was inked between Parkway Laboratory Services Ltd and Pathway Genomics Corporation, a San Diego-based clinical laboratory offering genetic testing services. The partnership sought to facilitate a better understanding of the patient's genetic propensity for diet and nutritional needs as well as metabolic health factors and food reaction
	2015	Set up the Medical High School programme in partnership with Victoria Junior College, Victoria School, and Dunman High School. **Technology innovations:** • Adopted the Electronic Medical Records (EMR) to reduce paper wastage through centralised storage • Implemented the Closed Loop Medication Management (CLMM) and Knowledge-Based Medication Administration (KBMA) modules to boost the accuracy of administrative processes for patients • Adopted the Electronic Meal Ordering System (eMOS) in 2016 to transform the manual paper-based meal ordering process into a fully integrated electronic meal ordering system

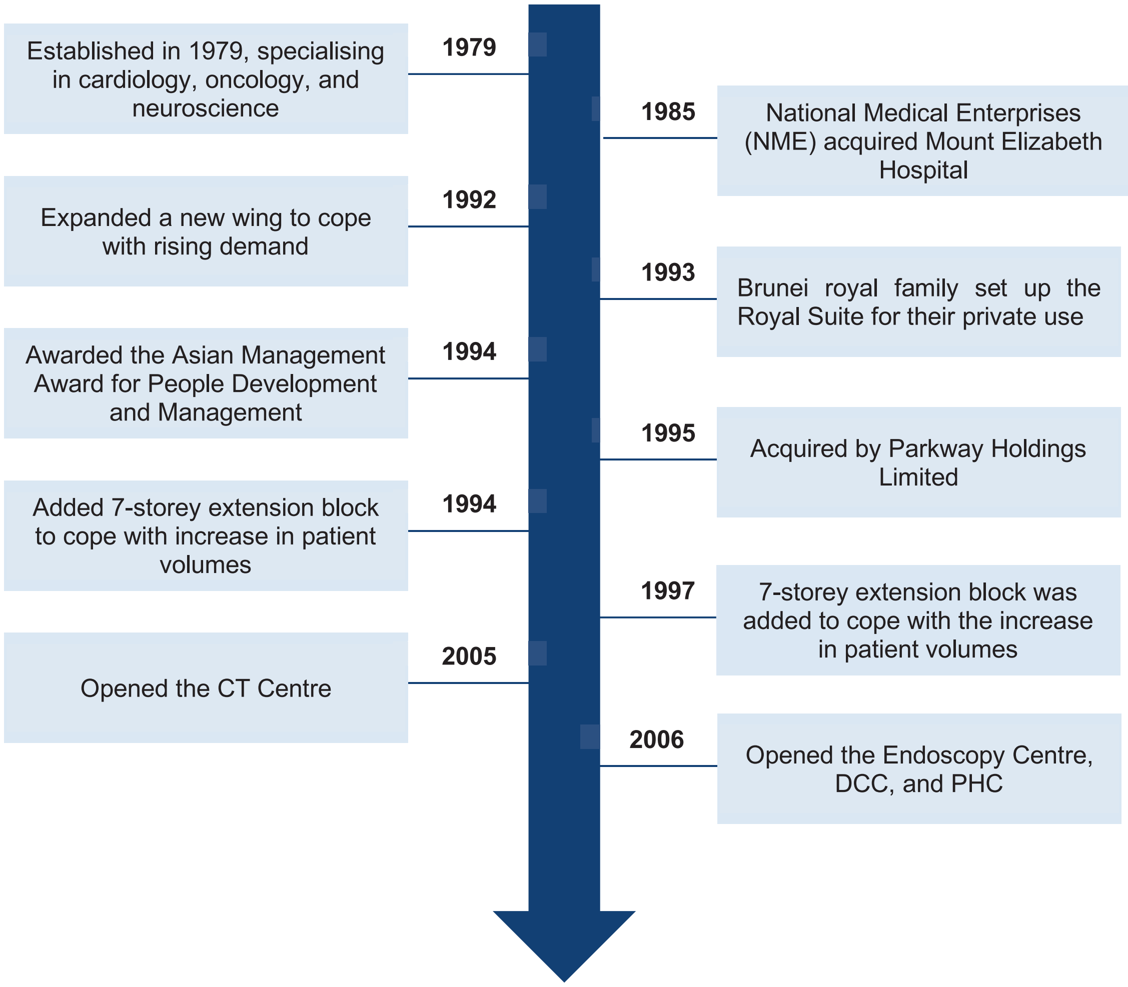
Source: IHH write-ups; In-depth Interviews with Mount Elizabeth Orchard Hospital, Gleneagles Hospital, Parkway East Hospital

4.3 HOLDING COMPANY STRUCTURE

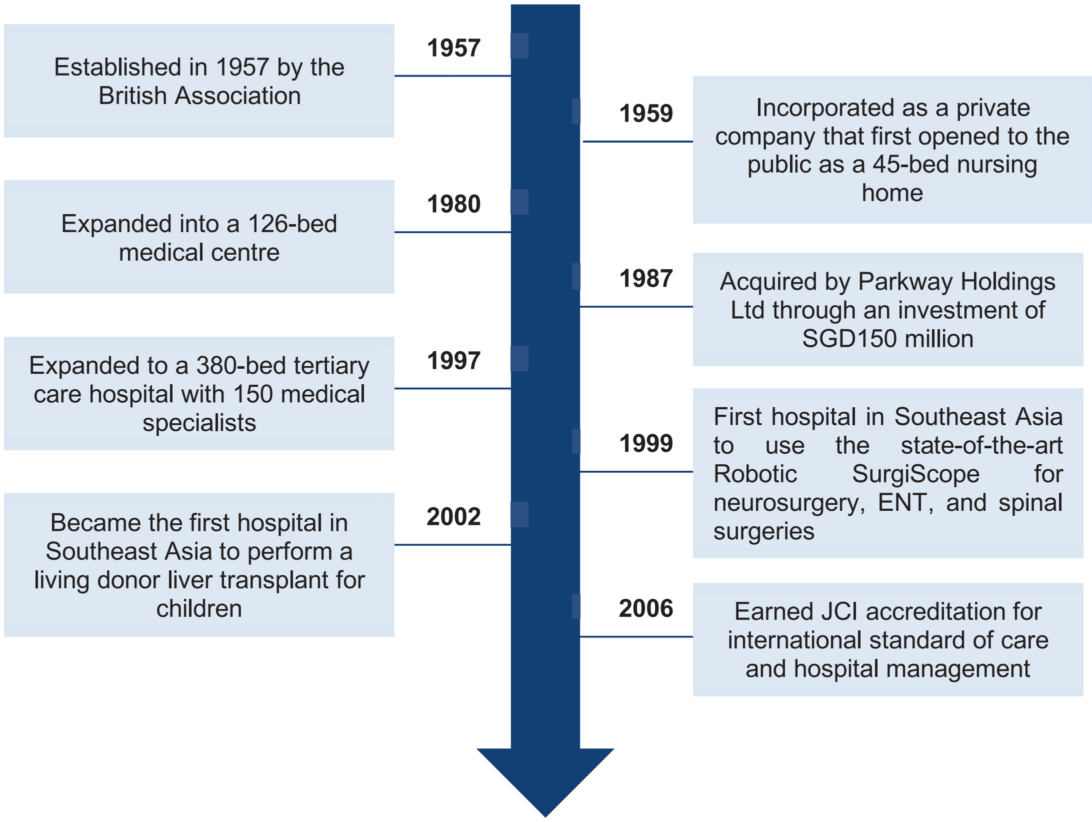


5. APPENDIX

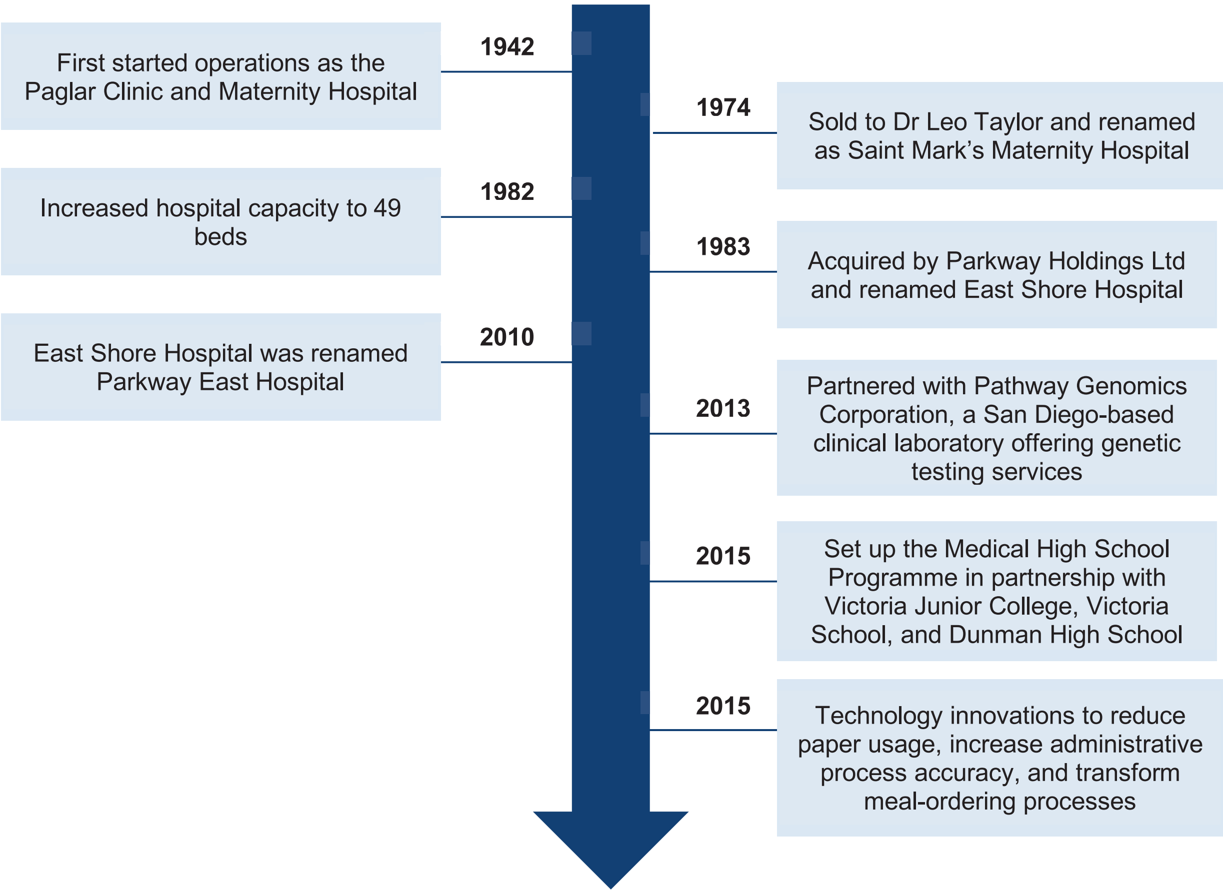
5.1 TIMELINE OF MOUNT ELIZABETH (ORCHARD) HOSPITAL



5.2 TIMELINE OF GLENEAGLES HOSPITAL



5.3 TIMELINE OF PARKWAY EAST HOSPITAL




www.frost.com

ParkwayLife REIT

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the unitholders ("**Unitholders**") of Parkway Life Real Estate Investment Trust ("**Parkway Life REIT**") will be convened and held by way of electronic means on Thursday, 30 September 2021 at 10.00 a.m. (Singapore time), for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular to Unitholders dated 8 September 2021):

THE PROPOSED TRANSACTION COMPRISING THE ENTRY INTO THE NEW MASTER LEASE AGREEMENTS FOR MOUNT ELIZABETH HOSPITAL PROPERTY, GLENEAGLES HOSPITAL PROPERTY AND PARKWAY EAST HOSPITAL PROPERTY AND THE RENEWAL CAPEX AGREEMENT (ORDINARY RESOLUTION)

RESOLVED that:

(i) approval be and is hereby given for the proposed entry into the New Master Lease Agreements and the Renewal Capex Agreement; and

(ii) Parkway Trust Management Limited, in its capacity as manager of Parkway Life REIT (the "**Manager**"), any director of the Manager ("**Director**"), and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Parkway Life REIT (the "**Trustee**") be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Parkway Life REIT to give effect to the New Master Lease Agreements and the Renewal Capex Agreement (including, for the avoidance of doubt, the ROFR).

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
Singapore
8 September 2021

Notes:

1. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this Notice will not be sent to Unitholders. Instead, this Notice will be sent to Unitholders by way of electronic means via publication on Parkway Life REIT's website at the URL https://plifereit.listedcompany.com/egm.html and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.

2. **Due to the current COVID-19 situation in Singapore, Unitholders will not be able to attend the EGM in person.** Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out below. Any reference to a time of day is made by reference to Singapore time.

3. Unitholders will be able to observe and/or listen to the EGM proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Unitholders must pre-register at Parkway Life REIT's pre-registration website at the URL https://plifereit.listedcompany.com/egmregistration/ from now till **10.00 a.m.** on **27 September 2021** to enable the Manager to verify their status as Unitholders.

   Following the verification, authenticated Unitholders will receive an email, which will contain user ID and password details as well as instructions on how to access the live audio-visual webcast and live audio-only stream of the EGM proceedings, by **10.00 a.m.** on **29 September 2021**. Unitholders who do not receive an email by **10.00 a.m.** on **29 September 2021** but have registered by the **27 September 2021** deadline should contact the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., via email to SRS.TeamD@boardroomlimited.com or call at +65 6230 9768 / 6230 9586.

4. Unitholders may also submit questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, in advance of the EGM. In order to do so, their questions must be submitted in the following manner by **10.00 a.m.** on **27 September 2021**:

   (a) via the pre-registration website at the URL https://plifereit.listedcompany.com/egmregistration/; or

   (b) by completing the Submission of Questions Form provided by the Manager on Parkway Life REIT's website at the URL https://plifereit.listedcompany.com/egm.html and on the SGX website at the URL https://www.sgx.com/securities/company-announcements and sending the same in hard copy by post to the office of Parkway Life REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 or electronically via email to SRS.TeamD@boardroomlimited.com. A Unitholder who wishes to submit the form must first download, complete and sign the form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to the current COVID-19 situation, Unitholders are strongly encouraged to submit completed forms electronically via email.

   The Manager's Chairman, Mr. Ho Kian Guan will conduct the proceedings of the EGM. Executive Director and Chief Executive Officer, Mr. Yong Yean Chau, and Chief Portfolio Officer, Ms. Liu Chen Yin will provide an overview of the Proposed Transaction, and Chief Financial Officer, Mr. Loo Hock Leong, will address substantial and relevant questions which the Unitholders have submitted in advance. The Manager will endeavour to address all substantial and relevant questions submitted in advance of the EGM prior to or during the EGM. The Manager will publish the responses to the substantial and relevant questions on Parkway Life REIT's website and on SGXNET prior to the EGM and address certain substantial and relevant questions during the EGM. The Manager will publish the minutes of the EGM on Parkway Life REIT's website and on SGXNET, and the minutes will include the responses to the substantial and relevant questions which are addressed during the EGM.

   Unitholders will not be able to ask questions at the EGM live during the webcast or audio-stream, and therefore it is important for Unitholders who wish to ask questions to submit their questions in advance of the EGM.

5. If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. The Proxy Form may be accessed at Parkway Life REIT's website and SGX website at the URLs https://plifereit.listedcompany.com/egm.html and https://www.sgx.com/securities/company-announcements, respectively. Printed copies of the Proxy Form will not be sent to Unitholders.

   In appointing the Chairman of the EGM as proxy, a Unitholder must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

6. The Proxy Form must be submitted to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:

   (a) if submitted by post, be lodged at the office of the Unit Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or

   (b) if submitted electronically, be submitted via email to the Unit Registrar at SRS.TeamD@boardroomlimited.com, in either case, by **10.00 a.m.** on **27 September 2021**, being 72 hours before the time fixed for the EGM.

A Unitholder who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

Due to the COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.

7. Persons who hold Units through relevant intermediaries (as defined below), including CPF and SRS investors, and who wish to participate in the EGM by (a) observing and/or listening to the EGM proceedings through live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM, should contact the relevant intermediary (which would include, in the case of CPF and SRS investors, their respective CPF Agent Banks or SRS Operators) through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the EGM.

   In addition, CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **20 September 2021**, being 7 working days before the date of the EGM.

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds Units in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

8. The Chairman of the EGM, as proxy, need not be a Unitholder of Parkway Life REIT.

9. Due to the constantly evolving COVID-19 situation in Singapore, the Manager may be required to change the arrangements for the EGM at short notice. Unitholders should check SGX website at the URL https://www.sgx.com/securities/company-announcements and Parkway Life REIT's website at the URL www.plifereit.com for the latest updates on the status of the EGM.

Personal Data Privacy

10. By submitting an instrument appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing, administration, analysis and facilitation by the Manager and the Trustee (or their agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes (including questions and answers) and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

This page has been intentionally left blank.

Parkway Life Real Estate Investment Trust

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

Proxy Form
Extraordinary General Meeting

(Before completing this form, please read the notes behind)

IMPORTANT

1. The EGM (as defined below) is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of EGM dated 8 September 2021 will not be sent to unitholders. Instead, the Notice of EGM will be sent to unitholders by way of electronic means via publication on Parkway Life Real Estate Investment Trust's ("**Parkway Life REIT**") website at the URL https://plifereit.listedcompany.com/egm.html and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the EGM in advance of the EGM, addressing of substantial and relevant questions at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM.
3. **Due to the current COVID-19 situation in Singapore, unitholders will not be able to attend the EGM in person. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM.**
4. If a CPF or SRS investor wishes to appoint the Chairman of the EGM as proxy, he/she should approach his/her respective CPF Agent Banks or SRS Operators to submit his/her votes by **5.00 p.m.** on **20 September 2021**, being 7 working days before the date of the EGM.
5. This Proxy Form may be accessed at Parkway Life REIT's website at the URL https://plifereit.listedcompany.com/egm.html and will be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. Printed copies of this Proxy Form will not be sent to unitholders.
6. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM as a member's proxy to attend, speak and vote on his/her/its behalf at the EGM.**

Personal Data Privacy

By submitting an instrument appointing the Chairman of the EGM as proxy, the unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 8 September 2021.

I/We ______________________________ (Name(s) and NRIC/Passport Number(s)/

Company Registration Number) of ______________________________ (Address)

being a unitholder/unitholders of Parkway Life REIT, hereby appoint the Chairman of the Extraordinary General Meeting ("**EGM**") as my/our proxy to attend, speak and vote for me/us on my/our behalf, at the EGM of Parkway Life REIT to be convened and held by way of electronic means on Thursday, 30 September 2021 at 10.00 a.m. (Singapore Time), and at any adjournment thereof.

I/We direct the Chairman of the EGM as my/our proxy to vote for or against, or to abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder.

No.	Resolution	For *	Against *	Abstain *
	ORDINARY BUSINESS			
1.	To approve the Proposed Transaction comprising the New Master Lease Agreements and the Renewal Capex Agreement			

* If you wish to exercise all your votes "For", "Against", or to "Abstain" please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. In the absence of specified directions in respect of a resolution, the appointment of the Chairman of the EGM as your proxy for that resolution will be treated as invalid.

Dated this ________ day of ______________ 2021

Total number of Units held

____
Signature(s) of Unitholder(s)/Common Seal

IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form:

1. **Due to the current COVID-19 situation in Singapore, Unitholders will not be able to attend the EGM in person.** If a Unitholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. This Proxy Form may be accessed at Parkway Life REIT's website at the URL https://plifereit.listedcompany.com/egm.html and will also be made available on the SGX website at the URL https://www.sgx.com/securities/company-announcements. In appointing the Chairman of the EGM as proxy, a Unitholder must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
2. CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m.** on **20 September 2021**, being 7 working days before the date of the EGM.
3. The Chairman of the EGM, as proxy, need not be a unitholder of Parkway Life REIT.
4. A Unitholder should insert the total number of units in Parkway Life REIT ("**Units**") held. If the Unitholder has Units entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) maintained by The Central Depository (Pte) Limited ("**CDP**"), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of Parkway Life REIT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.

Please fold here

Affix
Postage
Stamp

Parkway Trust Management Limited
(as manager of Parkway Life Real Estate Investment Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Please fold here

5. The Proxy Form must be submitted to the Manager c/o the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., in the following manner:
   a. if submitted by post, be lodged at the office of Parkway Life REIT's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or
   b. if submitted electronically, be submitted via email to Parkway Life REIT's Unit Registrar at SRS.TeamD@boardroomlimited.com,

   in either case, by **10.00 a.m.** on **27 September 2021**, being 72 hours before the time fixed for the EGM.

   A Unitholder who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   Due to the COVID-19 situation in Singapore, Unitholders are strongly encouraged to submit completed Proxy Forms electronically via email.
6. The Proxy Form must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the Proxy Form, or, if the Proxy Form is submitted electronically via email, be emailed with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form.
9. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by CDP to the Manager.
10. All Unitholders will be bound by the outcome of the Meeting regardless of whether they have attended or voted at the Meeting.
11. Any reference to a time of day is made by reference to Singapore time.

ParkwayLife REIT

PARKWAY TRUST MANAGEMENT LIMITED

101 Thomson Road
#28-03 United Square
Singapore 307591
Tel: (65) 6507 0650
Fax: (65) 6507 0651
www.plifereit.com