



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

RESPONSE TO SGX-ST'S QUERY ON ANNUAL REPORT

Parkway Trust Management Limited, as manager of Parkway Life Real Estate Investment Trust ("PLife REIT", and as manager of PLife REIT, the "Manager"), has received a query from Singapore Exchange Securities Trading Limited ("SGX-ST") on 13 April 2016 in connection with the Annual Report of PLife REIT for the financial year ended 31 December 2015. The Manager sets out their response to the query below.

SGX-ST Query

Rule 1207(12) of the SGX-ST Listing Manual states that the Issuer has to make disclosures as recommended in Guideline 9.2 and 9.3 of the Code of Corporate Governance 2012 (the "Code") or otherwise explain the reason(s) for the deviation from the following Code recommendations.

Paragraph 9.2 of the Code states that there should be a breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

Paragraph 9.3 of the Code states that there should be a breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives.

In addition, the company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are also encouraged to fully disclose the remuneration of the said top five key management personnel.

Manager's Response

The Manager would like to clarify that the board of the Manager has assessed and decided against the disclosure of (a) the breakdown (in percentage or dollar terms) of each director's and the CEO's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives, (b) the breakdown (in percentage or dollar terms) of each key management personnel's remuneration earned through base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives, and (c) the total remuneration paid to the top five key management personnel (who are not directors or the CEO), for the following reasons which were also disclosed in page 55 of the Annual Report:

- (i) the remuneration of directors and employees of the Manager are not paid out of the deposited property of PLife REIT (which is the listed entity), but is remunerated directly by the Manager from the fees that it receives and the Manager's remuneration policy and the

total amount of fees paid by PLife REIT to the Manager have been disclosed in the Annual Report¹;

- (ii) disclosure of specific remuneration information may give rise to recruitment and talent retention issues in light of the highly competitive conditions in the real estate investment trust (“REIT”) industry where poaching of executives with the requisite knowledge, expertise and experience in the area of REITs is commonplace, because there are relatively few REIT manager companies compared to the number of listed companies in Singapore so there are competitive issues in recruiting and retaining competent personnel in this limited space; and
- (iii) the non-disclosures above are not prejudicial to the interests of unitholders of PLife REIT given the disadvantage to PLife REIT if experienced and qualified directors and members of the management team are poached, which would affect the continuity and stability of PLife REIT.

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

Yong Yean Chau
Executive Director / Chief Executive Officer
15 April 2016

¹ As disclosed on pages 54, 55 and 123 of the Annual Report.

Important Notice

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

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

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

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

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