



**PARKWAY
HOLDINGS
LIMITED**

NEWS RELEASE

PARKWAY HOLDINGS ESTABLISHES PARKWAY LIFE REIT

- **Parkway to sponsor the establishment of Asia's largest healthcare REIT**
- **Proposed sale and leaseback of three landmark properties with Parkway Life REIT**

SINGAPORE, 25 May 2007 – Parkway Holdings Limited ("**Parkway**" or "**the Group**"), one of Asia's leading healthcare service providers, is pleased to announce its intention to sponsor the establishment of a real estate investment trust to be known as "Parkway Life REIT".

In connection with the establishment of Parkway Life REIT, Parkway will grant to Parkway Life REIT long-term leases in three properties, which are the Mount Elizabeth Hospital Property (a 67-year term), the Gleneagles Hospital Property (a 75-year term) and the East Shore Hospital Property (a 75-year term) (collectively, the "**Properties**"), for consideration in the form of cash and units. The aggregate consideration for the Properties will not be lower than S\$765 million, and not more than what is permitted under the Property Funds Guidelines (issued by the Monetary Authority of Singapore ("**MAS**") as Appendix 2 to the Code on Collective Investment Schemes).

In conjunction with the long-term leases in the Properties, Parkway intends to lease the Properties back from Parkway Life REIT for an initial term of 15 years, with an option to extend the lease for a further term of 15 years. Furthermore, it is proposed that Parkway Trust Management Limited (currently known as PHR Management Pte. Ltd.), a wholly-owned subsidiary of the Group be appointed the manager of Parkway Life REIT.

The proposed transactions will be subject to shareholders' approval at an extraordinary general meeting to be convened.

"The establishment of Parkway Life REIT will create an integrated and synergistic platform that will spur the acquisition of hospitals and healthcare-related assets in the region, thus enabling Parkway to expand its footprint and position the Group for potential growth in the healthcare sector across Asia Pacific," said Dr Lim Cheok Peng, Managing Director of Parkway.

Parkway intends to use the net proceeds from the disposal of the Properties to pursue investment opportunities in the Asia-Pacific healthcare markets, distribute special dividends to shareholders, refinance existing debt obligations and/or general corporate and working capital purposes.

Additionally, Parkway will retain a stake in Parkway Life REIT, allowing the Group to enjoy steady and growing distributable income as the REIT's strategy is to pursue yield accretive acquisitions in the Asia-Pacific region.

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For media enquiries, please contact:

Gavin Anderson & Company

Tel: +65 633 99110

Ang Shih-Huei

Mobile: +65 918 91039

Email: sang@gavinanderson.com.sg

Jeffrey Fang

Mobile: +65 983 85636

Email: jfang@gavinanderson.com.sg

Parkway Holdings Limited

Andrea Lim

Tel: +65 679 60636

Email: ahy_lim@parkway.sg

About Parkway Holdings Limited

Parkway Holdings Limited (PHL) owns Parkway Hospitals Singapore Pte Ltd which runs three of Singapore's premier private healthcare providers, the East Shore Hospital, the Gleneagles Hospital and the Mount Elizabeth Hospital. The Group also includes Parkway Shenton Pte Ltd, a major provider of primary healthcare services; Medi-Rad Associates Ltd, a leading radiology services provider; and Parkway Laboratory Services Ltd, a major provider of laboratory services. Contract research services are also provided by Gleneagles CRC Pte Ltd. Parkway Group Healthcare Pte Ltd also operates over 45 International Patient Assistance Centres across the globe, accessible via www.ipac.sg and a 24-hour hotline +65 67355000.

Over 1500 accredited medical specialists support Parkway's Clinical Programmes in Heart and Vascular, Neuroscience, Oncology, Musculoskeletal, Transplant and Cellular Therapy, Women and Children, Chronic Disease Management and Surgery. These clinical programmes involve renowned experts in their fields to provide comprehensive, integrated care and are founded on a reputation for quality clinical outcomes and service excellence.

For more information please visit our website at www.ParkwayHealth.com or www.parkway.com.sg

IMPORTANT NOTICE

The information contained in this press release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for Units in Parkway Life REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever.

The information in this press release is qualified in its entirety by, and is subject to, the more detailed information to be set out in the final prospectus to be registered by the MAS. The information presented in this press release is subject to change. Anyone wishing to purchase the Units should read the prospectus before deciding whether to purchase the Units and will need to make an application in the manner set out in the prospectus.

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations or, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in the Units will be subject to investment risks, including the possible loss of the principal amount invested. Investors will have no right to request that the Manager redeem or purchase the Units while the Units are listed. It is intended that holders of units ("**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.

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As of the date of this press release, Parkway Life REIT is not listed on the SGX-ST. When Parkway Life REIT is listed, an investment in Parkway Life REIT will involve risks, including without limitation, risks relating to the Properties, risks relating to Parkway Life REIT's operations and risks relating to investing in real estate. Readers of this press release as well as all prospective investors in the Units should read the prospectus when it is available before taking any action in respect of the Units or deciding whether to purchase the Units on the secondary market.

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