ParkwayLife REIT

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

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
2012 FIRST QUARTER UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT

INTRODUCTION

Parkway Life Real Estate Investment Trust ("Parkway Life REIT") is a real estate investment trust constituted by the Trust Deed entered into on 12 July 2007 (as amended) between Parkway Trust Management Limited as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. Parkway Life REIT was listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 23 August 2007 ("Listing Date").

Parkway Life REIT is one of the largest listed healthcare REITs in Asia by asset size. It was established to invest primarily in income-producing real estate and/or real estate-related assets in the Asia-Pacific region (including Singapore) that are used primarily for healthcare and/or healthcare-related purposes (including but not limited to, hospitals, healthcare facilities and real estate and/or real estate assets used in connection with healthcare research, education, and the manufacture or storage of drugs, medicine and other healthcare goods and devices), whether wholly or partially owned, and whether directly or indirectly held through the ownership of special purpose vehicles whose primary purpose is to own such real estate.

Parkway Life REIT owns a well-diversified portfolio of 36 properties located in the Asia-Pacific region, including three hospitals in Singapore and 33 healthcare and healthcare-related assets in Japan. Its total portfolio size stands at approximately S$1.4 billion as at 31 March 2012.

In Singapore, Parkway Life REIT owns the largest portfolio of private hospitals comprising Mount Elizabeth Hospital, Gleneagles Hospital, and Parkway East Hospital (collectively, the "Singapore Hospital Properties"), covering an aggregate of 730 beds.

In Japan, it owns one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture, as well as 32 high quality nursing home and care facility properties located in various prefectures of Japan (collectively, the "Japan Properties"). Three of the nursing homes were acquired in March 2012 as the group further expands its asset size and consolidates its regional presence.

In February 2012, Parkway Life REIT, through its wholly-owned Malaysia incorporated subsidiary, Parkway Life Malaysia Sdn. Bhd., entered into an agreement to acquire strata titled units/lots in Gleneagles Medical Centre, Kuala Lumpur, in Malaysia. Completion of the acquisition is expected by August 2012.

Parkway Life REIT's policy is to distribute at least 90% of its taxable income and net overseas income, with the actual level of distribution to be determined by the Manager. In FY 2012, approximately S$3 million of amount available for distribution will be retained for capital expenditure of existing properties.

SUMMARY OF PARKWAY LIFE REIT'S RESULTS FOR THE QUARTER ENDED 31 MARCH 2012

		1Q 2012	1Q 2011	Increase	
	Notes	**S$'000**	**S$'000**	**S$'000**	**%**
Gross Revenue		**22,776**	**21,492**	**1,284**	**6.0**
Net Property Income		**20,830**	**19,720**	**1,110**	**5.6**
Amount Available for Distribution		16,260	14,297	1,963	13.7
Amount Retained for Capital Expenditure	(a)	(750)	-	750	100.0
Distributable Income to Unitholders		**15,510**	**14,297**	**1,213**	**8.5**
Distribution per unit (cents)	(b)	**2.56**	**2.36**	**0.20**	**8.5**
Annualised distribution per unit (cents)		**10.24**	**9.44**	**0.80**	**8.5**
Annualised Distribution yield (%), based on - Closing market price of S$1.795 as at 30 March 2012		**5.70**	**5.26**		**8.5**

Note:

(a) In FY 2012, approximately S$3 million of amount available for distribution will be retained for capital expenditure of existing properties.

(b) In computing the Distribution per Unit ("DPU"), the number of units in issue as at the end of each period is used.

1(a) Income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Total Return

	Notes	1Q 2012 S$'000	1Q 2011 S$'000	Inc/ (Dec) %
Gross revenue		**22,776**	**21,492**	**6.0**
Property expenses		(1,946)	(1,772)	9.8
Net property income		**20,830**	**19,720**	**5.6**
Manager's management fees		(2,001)	(1,887)	6.0
Trust expenses	(a)	(522)	(636)	(17.9)
Foreign exchange (loss)/gain		(364)	(49)	642.9
Interest income		4	7	(42.9)
Finance costs	(b)	(2,044)	(2,276)	(10.2)
Non-property expenses		**(4,927)**	**(4,841)**	**1.8**
Total return before changes in fair value of financial derivatives		**15,903**	**14,879**	**6.9**
Net change in fair value of financial derivatives	(c)	2,489	1,017	144.7
Total return for the period before tax and distribution		**18,392**	**15,896**	**15.7**
Income tax expense	(d)	(1,277)	(1,065)	19.9
Total return for the period after tax before distribution		**17,115**	**14,831**	**15.4**

Notes:

(a) Trust expenses comprise mainly of Trustee fees, professional fees and travelling expenses.

(b) Finance costs represent interest expense on loans, settlement on interest rate swaps that provide fixed rate funding on loans and amortisation of transaction costs of establishing debt facilities.

(c) The Group entered into foreign currency forward contracts to hedge its net foreign income from Japan. The changes in fair value of the foreign currency forward contracts were recognised in Statement of Total Return.

(d) Included in 1Q 2012 income tax expense is deferred tax expense amounting to $0.34 million recognised in respect of the Japan investment properties for the temporary differences between the fair value and the tax written down value at the applicable income tax rate.

Distribution Statement

	Notes	1Q 2012 S$'000	1Q 2011 S$'000	Inc/ (Dec) %
Total return after tax before distribution		**17,115**	**14,831**	**15.4**
Non-tax deductible/(non-taxable) items:				
Trustee's fees		65	62	4.8
Amortisation of transaction costs relating to debt facilities		188	183	2.7
Net change in fair value of financial derivatives		(2,489)	(1,017)	144.7
Foreign exchange difference		429	29	1,379.3
Temporary differences and other adjustments	(a)	364	209	74.2
Net effect of non-tax deductible/(non-taxable) items		**(1,443)**	**(534)**	**170.2**
Rollover adjustment	(b)	588	**-**	100.0
Amount available for distribution to Unitholders		**16,260**	**14,297**	**13.7**
Amount retained for capital expenditure	(c)	(750)	-	100.0
Distributable income to Unitholders	(d)	**15,510**	**14,297**	**8.5**

Note:

(a) This includes deferred tax expense provided on the temporary differences between the fair value and the tax written down value at the applicable income tax rate in respect of the Japan investment properties.

(b) This represents the difference between the taxable income previously distributed and the quantum finally agreed with the Inland Revenue Authority of Singapore ("IRAS") for the Years of Assessment 2008 to 2010 and had been adjusted under the rollover adjustment mechanism agreed with the IRAS.

(c) In FY 2012, approximately S$3 million of amount available for distribution will be retained for capital expenditure of existing properties.

(d) Parkway Life REIT's distribution policy is to distribute at least 90% of its taxable income and net overseas income, with the actual level of distribution to be determined at the Manager's discretion.

1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Notes	Group 31/03/12 S$'000	Group 31/12/11 S$'000	Trust 31/03/12 S$'000	Trust 31/12/11 S$'000
Current assets					
Trade and other receivables		9,021	8,393	7,318	7,135
Cash and cash equivalents		36,624	36,184	2,813	6,063
		45,645	**44,577**	**10,131**	**13,198**
Non-current assets					
Investment properties	(a)	1,397,872	1,384,032	925,666	924,000
Investment in subsidiaries		-	-	432,260	382,356
Advances to subsidiary		-	-	657	-
Security deposit receivable		917	1,004	-	-
Financial derivatives		435	-	435	-
Total assets		**1,444,869**	**1,429,613**	**1,369,149**	**1,319,554**
Current liabilities					
Financial derivatives		109	-	109	-
Trade and other payables		13,622	12,757	7,161	7,191
Current portion of security deposits		1,943	2,129	-	-
Loans and borrowings	(b)	58,532	5,800	58,532	5,800
		74,206	**20,686**	**65,802**	**12,991**
Non-current liabilities					
Financial derivatives		1,738	4,063	1,738	4,063
Non-current portion of security deposits		14,707	13,227	-	-
Loans and borrowings	(b)	449,313	489,181	449,313	489,181
Deferred tax liabilities		6,057	6,280	-	-
Total liabilities		**546,021**	**533,437**	**516,853**	**506,235**
Net assets		**898,848**	**896,176**	**852,296**	**813,319**
Represented by:					
Unitholders' funds		898,848	896,176	852,296	813,319
Total equity		**898,848**	**896,176**	**852,296**	**813,319**

Notes:

(a) The increase in investment properties is mainly due to the acquisition of three nursing home properties in March 2012, offset by the depreciation of Japanese Yen. The aggregate market value of the existing investment properties was last valued by independent valuers at S$1.4 billion as at 31 December 2011.

(b) The increase in borrowings is mainly due to the drawdown of loan facility to finance the March 2012 acquisition, offset by the depreciation of Japanese Yen. Further, the S$50 million Floating Rate Notes issued in March 2010 will mature in the next 12 months, hence was reclassified to current liabilities as at 31 March 2012.Refer to 1(b)(ii) for details.

1(b)(ii) Aggregate amount of borrowings

	Group 31/03/12 S$'000	Group 31/12/11 S$'000	Trust 31/03/12 S$'000	Trust 31/12/11 S$'000
Unsecured gross borrowings				
Amount repayable within one year	58,600	5,800	58,600	5,800
Amount repayable after one year	451,677	491,266	451,677	491,266
Less: Transaction costs in relation to the term loan and revolving credit facilities	(2,432)	(2,085)	(2,432)	(2,085)
	507,845	**494,981**	**507,845**	**494,981**

Parkway Life REIT has maintained its BBB investment grade rating, as in the latest rating report released by Fitch Ratings dated 17 August 2011.

As at 31 March 2012, Parkway Life REIT's gearing was 35.3%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Funds Guidelines.

(a) **Details of borrowings and collateral**

Parkway Life REIT has several unsecured term loans and revolving credit facility amounting to JPY26,360 million (S$402.8 million[2]).

On 28 February 2012, the Group has further secured a JPY3,200 million (S$48.9 million[1]) term loan facility to fund the acquisition of three new nursing home properties.

As at 31 March 2012, the total facilities drawn of JPY29,560 million (S$451.7 million[1]) (the "Long Term Facilities") were unsecured and ranked pari passu with all the other present and future unsecured debt obligations of Parkway Life REIT.

Interest on the above Long Term Facilities is based on floating rate plus a margin.

Parkway Life REIT, has entered into three unsecured and uncommitted short term multi-currency facilities (the "Short Term Facilities") of up to S$50 million each for general working capital purposes. As at 31 March 2012, a total of S$8.6 million was drawndown via the "Short Term Facilities" for 1 month.

In addition, Parkway Life REIT, through its wholly owned subsidiary, Parkway Life MTN Pte Ltd (the "Issuer"), has established a S$500 million Multicurrency Medium Term Note Programme (the "MTN Programme") in 2008. Under the MTN Programme, the Issuer may, subject to the compliance with all relevant laws, regulations and directives, from time to time issue notes in series or in tranches in Singapore dollars, United States dollars or any other currency (the "Notes"). The Notes shall constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. All sums payable in respect of the Notes will be unconditionally and irrevocably guaranteed by Parkway Life REIT.

In March 2010, the Group issued a S$50 million 3-year Floating Rate Notes ("FRN") under the MTN Programme, bearing a floating interest rate per annum equal to the sum of 1.05 per cent and the six-month Singapore dollar swap offer rate payable semi-annually in arrear, which will mature on or about 23 March 2013.

The proceed of the loan was used to repay a then existing bank borrowing, as well as used for the general working capital purposes of Parkway Life REIT.

[2] Based on the exchange rate of S$1.528 per JPY100 as at 31 March 2012.

Both the MTN Programme and the FRN have been assigned a rating of “BBB” by Fitch Ratings.

(b) **Interest Rate Swaps and Foreign Currency Forwards**

For the investment properties acquired in Japan, the Group has entered into various interest rate swaps and foreign currency forward contracts to hedge its floating rate loans and net foreign income from Japan respectively.

The interest rate swaps were designated as cash flow hedges, and the effective portion of changes in the fair value are recognised directly in Unitholders’ funds. The changes in fair value of the foreign currency forward contracts were recognised in Statement of Total Return.

1(c) Statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Notes	1Q 2012 S$'000	1Q 2011 S$'000
Operating activities			
Total return before tax and distribution		**18,392**	**15,896**
Adjustments for			
Interest Income		(4)	(7)
Finance costs		2,044	2,276
Net change in fair value of financial derivatives		(2,489)	(1,017)
Operating income before working capital changes		**17,943**	**17,148**
Changes in working capital			
Trade and other receivables		(75)	169
Trade and other payables		871	341
Security deposits		2,629	195
Cash generated from operations		21,368	17,853
Withholding tax paid		(968)	(952)
Cash flows from operating activities	**(a)**	**20,400**	**16,901**
Investing activities			
Interest received		4	7
Net cash outflow on capital expenditure		(1,522)	(224)
Net cash outflow on purchase of investment properties (including acquisition related costs)	**(b)**	(50,278)	(9,688)
Cash flows used in investing activities	**(c)**	**(51,796)**	**(9,905)**
Financing activities			
Interest paid		(2,131)	(2,448)
Distribution to Unitholders		(14,943)	(14,398)
Proceeds from borrowings		57,976	9,300
Repayment of borrowings		(5,800)	-
Borrowing costs paid		(535)	(56)
Cash flows from/(used in) financing activities	**(d)**	**34,567**	**(7,602)**
Net increase/(decrease) in cash and cash equivalents		**3,171**	**(606)**
Cash and cash equivalents at beginning of the period		**33,600**	**38,143**
Effects of exchange differences on cash balances		(2,505)	(1,025)
Cash and cash equivalents at end of the period[3]		**34,266**	**36,512**

[3] Cash and cash equivalents at the respective period end exclude a cash deposit of JPY 154.4 million (S$2.4 million and $2.4 million as at 31 March 2012 and 31 March 2011 respectively) placed with the Group by a vendor, for the purpose of Rental Income Guarantee. For more information on the Rental Income Guarantee, please refer to our announcement dated 13 July 2010 on the acquisition of five Japan properties.

Notes:

(a) The increase in cash flows from operating activities in 2012 is mainly due to additional security deposits received from certain existing Japan properties and higher operating cash flows from the Singapore properties and acquisition made in March 2012.

(b) Net cash outflow on purchase of investment properties (including acquisition related costs) is as follows:

	1Q 2012 S$'000	1Q 2011 S$'000
Investment properties	48,812	9,112
Acquisition related costs	1,466	576
Net cash outflow/Cash consideration paid	**50,278**	**9,688**

(c) The cash outflow in investing activities in 1Q 2012 is mainly due to payment for the capital expenditure for Singapore properties as well as payment of acquisition costs of the nursing home properties acquired in March 2012.

(d) The increase in cash flows from financing activities in 1Q 2012 resulted primarily from drawdown of long term facility to fund the acquisition in March 2012, offset by the payment of 4Q 2011 distribution to Unitholders.

1(d)(i) Statement of changes in Unitholders' funds

	Notes	Group 1Q2012 S$'000	Group 1Q2011 S$'000
Unitholders' funds at beginning of period		**896,176**	**852,950**
Operations			
Total return after tax		**17,115**	**14,831**
Translation transactions			
Net movement in foreign currency translation reserve	(a)	**339**	**(133)**
Hedging reserve			
Net movement in hedging reserve	(b)	**161**	**498**
Unitholders' transactions			
Distribution to Unitholders		**(14,943)**	**(14,398)**
Unitholders' funds at end of period		**898,848**	**853,748**

	Notes	Trust 1Q2012 S$'000	Trust 1Q2011 S$'000
Unitholders' funds at beginning of period		**813,319**	**804,487**
Operations			
Total return after tax		**53,759**	**29,000**
Hedging reserve			
Net movement in hedging reserve	(b)	**161**	**498**
Unitholders' transactions			
Distribution to Unitholders		**(14,943)**	**(14,398)**
Unitholders' funds at end of period		**852,296**	**819,587**

Notes:

(a) Foreign currency translation reserve encompass the exchange differences arising on the translation of foreign controlled entities that form part of the Group's investment in the foreign entities and the gains or losses on instruments used to hedge the Group's net investment in foreign operations that are determined to be effective hedges.

(b) Hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments used to hedge against cash flow variability arising from interest payments on floating rate loans.

1(d)(ii) Details of any changes in the units

	1Q 2012 '000	1Q 2011 '000
Units in issue at beginning of period	**604,970**	**604,739**
Issue of new units:		
- Manager's management fees paid in units	-	231
Issued units at the end of period	**604,970**	**604,970**

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not Applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements for the year ended 31 December 2011.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not Applicable.

6 Earnings per unit ("EPU") and distribution per unit ("DPU") for the period

	Notes	1Q 2012 '000	1Q 2011 '000
Number of units in issue at end of period		**604,970**	**604,970**
Weighted average number of units for the period		**604,970**	**604,970**
Earnings per unit in cents (basic and diluted) (EPU)	(a)	**2.83**	**2.45**
Applicable number of units for calculation of DPU		**604,970**	**604,970**
Distribution per unit in cents (DPU)	(b)	**2.56**	**2.36**

Notes:

(a) In calculating EPU, the total return for the period after tax, and the weighted average number of units issued as at the end of each period is used. The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

(b) In computing DPU, the number of units in issue as at the end of each period is used.

7 Net asset value per unit based on units issued at the end of the period

	Notes	Group 31/03/12 S$	Group 31/12/11 S$	Trust 31/03/12 S$	Trust 31/12/11 S$
Net asset value ("NAV") per unit	(a)	**1.49**	**1.48**	**1.41**	**1.34**
Adjusted NAV per unit (excluding the distributable income)		**1.46**	**1.46**	**1.38**	**1.32**

Note:

(a) Net asset value per unit is calculated based on the number of units in issue as at the respective period end.

8 Review of the performance

	1Q 2012 S$'000	1Q 2011 S$'000	Inc/ (Dec) %
Gross revenue	**22,776**	**21,492**	**6.0**
Property expenses	(1,946)	(1,772)	9.8
Net property income	**20,830**	**19,720**	**5.6**
Manager's management fees	(2,001)	(1,887)	6.0
Trust expenses	(522)	(636)	(17.9)
Foreign exchange (loss)/gain	(364)	(49)	642.9
Interest income	4	7	(42.9)
Finance costs	(2,044)	(2,276)	(10.2)
Non-property expenses	**(4,927)**	**(4,841)**	**1.8**
Total return before changes in fair value of financial derivatives	**15,903**	**14,879**	**6.9**
Net change in fair value of financial derivatives	2,489	1,017	144.7
Total return for the period before tax and distribution	**18,392**	**15,896**	**15.7**
Income tax expense	(1,277)	(1,065)	19.9
Total return for the period after tax before distribution	**17,115**	**14,831**	**15.4**
Net effect of non-tax deductible/(non-taxable) items	(1,443)	(534)	170.2
Rollover Adjustment[4]	588	-	100.0
Amount available for distribution to Unitholders	**16,260**	**14,297**	**13.7**
Amount retained for capital expenditure	(750)	-	100.0
Distributable income to Unitholders	**15,510**	**14,297**	**8.5**
Distribution per Unit (cents)	**2.56**	**2.36**	**8.5**
Annualised Distribution per Unit (cents)	**10.24**	**9.44**	**8.5**

1Q 2012 Vs 1Q 2011

Gross revenue for 1Q 2012 was S$22.8 million, which exceeded 1Q 2011 by S$1.3 million. The higher revenue was primarily due to a full quarter's revenue contribution from the Japan property acquired in January 2011 and contribution from a further acquisition made in March 2012. Further, higher revenue was also driven by higher rent from the Singapore properties mainly due to increased growth rate of CPI + 1% (ie 5.3%) in Year 5 of lease commencing 23 August 2011.

Property expenses for 1Q 2012 were S$2.0 million, an increase of S$0.2 million over 1Q 2011. The higher property expenses were in tandem with the growth of the portfolio.

The result was a net property income of S$20.8 million for 1Q 2012, which was S$1.1 million higher than 1Q 2011.

The increase in the Manager's management fees were mainly due to higher deposited property value and higher net property income from the addition of new properties in March 2012, as well as valuation gains on the existing property portfolio, which led to a corresponding increase in deposited property.

Finance costs have decreased despite the growth of the portfolio mainly due to interest cost savings from the lower locked in hedged rates arising from the extension of interest rate hedges completed in August 2011. This was offset by additional financing costs incurred to finance the properties acquired in March 2012.

Overall, annualised distribution per unit (DPU) of 10.24 cents for 1Q 2012 outperformed 1Q 2011's DPU of 9.44 cents by 8.5% or 0.80 cents, mainly due to the yield accretive acquisitions made in Japan, higher

[4] This represents the difference between the taxable income previously distributed and the quantum finally agreed with the Inland Revenue Authority of Singapore ("IRAS") for the Years of Assessment 2008 to 2010 and had been adjusted under the rollover adjustment mechanism agreed with the IRAS.

rent from Singapore properties, and savings from lower financing costs. In addition, for FY2012, approximately S$3 million (S$0.75 million per quarter) of amount available for distribution will be retained for capital expenditure of existing properties, which is offset by the one-off IRAS adjustment for the Years of Assessment 2008 to 2010 in 1Q 2012.

9 Review of the performance against Forecast/Prospect Statement

Not Applicable.

10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Parkway Life REIT remains cautiously optimistic about its near-term to medium-term acquisition prospects. In spite of ongoing uncertainties in the global markets, the long-term prospects of the regional healthcare industry continues to be robust due to rising demand for better quality private healthcare services driven by growing affluence and fast-ageing populations.

Parkway Life REIT's enlarged portfolio of 36 high-quality healthcare and healthcare-related assets places it in a good position to benefit from the resilient growth of the healthcare industry in the Asia Pacific region.

In addition, Parkway Life REIT is supported by favourable rental lease structures, where at least 89% of its Singapore and Japan portfolios have downside revenue protection and 64% of the total portfolio is pegged to CPI-linked revision formulae, ensuring steady future rental growth whilst protecting revenue stability amid uncertain market conditions.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: First quarter distribution for the period from 1 January 2012 to 31 March 2012

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	2.00
Exempt Income	0.22
Capital	0.34
Total	**2.56**

Par value of units: Not meaningful

Tax rate : **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Exempt Income Distribution

Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders.

Capital Distribution

Capital distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: First quarter distribution for the period from 1 January 2011 to 31 March 2011

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	1.81
Exempt Income	0.18
Capital Income	0.37
Total	**2.36**

Par value of units: Not meaningful

Tax Rate: **Taxable Income Distribution**

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Exempt Income Distribution

Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders.

Capital Distribution

Capital distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

(c) Book closure date: 11 May 2012

(d) Date payable: 5 June 2012

12 If no distribution has been declared/recommended, a statement to that effect

Not Applicable.

13 If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Parkway Life REIT has not obtained a general mandate from Unitholders for IPTs.

14 Confirmation pursuant to Rule 705(5)

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of Parkway Trust Management Limited (as Manager of Parkway Life REIT) which may render these unaudited interim financial results to be false or misleading in any material aspect.

On behalf of the Board of Directors of
Parkway Trust Management Limited
(as Manager of Parkway Life REIT)

Yong Yean Chau	**Lim Kok Hoong**
Chief Executive Officer and Executive Director	Chairman and Independent Director

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This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition, shifts in expected levels of property rental income, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board
Parkway Trust Management Limited
(as Manager of Parkway Life REIT)
Company Registration No. 200706697Z

Tan Ping Ping
Company Secretary
3 May 2012

This announcement has been prepared and released by Parkway Trust Management Limited, as manager of Parkway Life REIT.

Important Notice

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

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, Parkway Trust Management Limited, as manager of Parkway Life REIT (the "**Manager**"), or any of its affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Parkway Life REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Parkway Life REIT or the Manager is not necessarily indicative of the future performance of Parkway Life REIT or the Manager. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.