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

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
2010 SECOND 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 the largest listed healthcare REIT 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.

As at 30 Jun 2010, Parkway Life REIT owns a well-diversified portfolio of 27 properties located in the Asia-Pacific region, including three hospitals in Singapore and 24 healthcare and healthcare-related assets in Japan. Its total portfolio size stands at approximately S$1.2 billion as at 30 June 2010.

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 1,039 licensed beds.

In Japan, it owns one pharmaceutical product distributing and manufacturing facility in Chiba Prefecture, as well as 23 high quality nursing home and care facility properties located in various prefectures of Japan. Six of the nursing home and care facility properties were acquired in June 2010 as the group expands its asset size and regional presence. In addition, Parkway Life REIT has in July 2010, further boosted its Japan presence with five new nursing homes, bringing its total Japan portfolio to 29 properties (collectively, the "Japan Properties"). The costs of acquiring the Japan Properties were fully funded by debt.

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.

SUMMARY OF PARKWAY LIFE REIT'S RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

		1H 2010	1H 2009	Inc/(Dec)	
	Notes	**S$'000**	**S$'000**	**S$'000**	**%**
Gross Revenue		**37,385**	**32,437**	**4,948**	**15.3**
Net Property Income		**34,510**	**30,150**	**4,360**	**14.5**
Distributable Income		**25,124**	**22,774**	**2,350**	**10.3**
Distribution per unit (cents)	(a)	**4.16**	**3.78**	**0.38**	**10.3**
Annualised distribution per unit (cents)		**8.31**	**7.55**	**0.76**	**10.3**
Annualised distribution yield (%), based on - Closing market price of S$1.36 as at 30 June 2010		**6.11**	**5.55**		**10.3**

Note:

(a) The number of units used to calculate the Distribution per Unit ("DPU") comprise 604,245,217 and 603,130,464 units issued as at 30 June 2010 and 30 June 2009 respectively, and units to be issued as partial satisfaction of the Manager's management fees.

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

Consolidated Statement of Total Return

	Notes	2Q 2010 S$'000	2Q 2009 S$'000	Inc/ (Dec) %	1H 2010 S$'000	1H 2009 S$'000	Inc/ (Dec) %
Gross revenue		**18,736**	**16,099**	**16.4**	**37,385**	**32,437**	**15.3**
Property expenses		(1,432)	(1,126)	27.2	(2,875)	(2,287)	25.7
Net property income		**17,304**	**14,973**	**15.6**	**34,510**	**30,150**	**14.5**
Manager's management fees	(a)	(1,693)	(1,475)	14.8	(3,348)	(2,957)	13.2
Trust expenses		(447)	(348)	28.4	(957)	(1,095)	(12.6)
Foreign exchange gain/(loss)		57	(7)	(914.3)	38	(92)	(141.3)
Interest income		10	7	42.9	15	22	(31.8)
Finance costs	(b)	(2,653)	(1,882)	41.0	(5,212)	(3,808)	36.9
Non-property expenses		**(4,726)**	**(3,705)**	**27.6**	**(9,464)**	**(7,930)**	**19.3**
Total return before changes in fair value of financial derivatives		**12,578**	**11,268**	**11.6**	**25,046**	**22,220**	**12.7**
Net change in fair value of financial derivatives	(c)	165	278	(40.6)	483	441	9.5
Total return for the period before tax and distribution		**12,743**	**11,546**	**10.4**	**25,529**	**22,661**	**12.7**
Withholding tax expense		(616)	(426)	44.6	(1,252)	(926)	35.2
Total return for the period after tax before distribution		**12,127**	**11,120**	**9.1**	**24,277**	**21,735**	**11.7**

Notes:

(a) The Manager has elected to receive 80% of the Manager's management fee in the form of cash and the remaining 20% is to be settled in units.

(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 since 2008. The changes in fair value of the foreign currency contracts were recognised in Statement of Total Return. In addition, the fair value gain in respect to the interest rate swap, which was previously recorded in the hedging reserve was credited to the Statement of Total Return upon repayment of the S$34 million loan.

Distribution Statement

	Notes	2Q 2010 S$'000	2Q 2009 S$'000	Inc/ (Dec) %	1H 2010 S$'000	1H 2009 S$'000	Inc/ (Dec) %
Total return after tax before distribution		**12,127**	**11,120**	**9.1**	**24,277**	**21,735**	**11.7**
Non-tax deductible/(non-taxable) items:							
Manager's management fees payable in units		339	295	14.9	670	591	13.4
Trustee's fees		58	53	9.4	114	105	8.6
Amortisation of transaction costs relating to debt facilities		266	208	27.9	504	408	23.5
Net change in fair value of financial derivatives		(165)	(278)	(40.6)	(483)	(441)	9.5
Foreign exchange difference		(73)	(16)	356.3	(94)	6	(1,666.7)
Others		72	-	100.0	136	370	(63.2)
Net effect of non-tax deductible/(non-taxable) items		**497**	**262**	**89.7**	**847**	**1,039**	**(18.5)**
Distributable income to Unitholders	(a)	**12,624**	**11,382**	**10.9**	**25,124**	**22,774**	**10.3**

Note:

(a) 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) Balance Sheet, together with comparatives as at the end of the immediately preceding financial year

	Notes	Group 30/06/10 S$'000	Group 31/12/09 S$'000	Trust 30/06/10 S$'000	Trust 31/12/09 S$'000
Current assets					
Trade and other receivables		7,942	7,712	6,164	6,345
Cash and cash equivalents	(a)	37,381	21,259	17,646	7,189
		45,323	**28,971**	**23,810**	**13,534**
Non-current assets					
Investment properties	(b)	1,230,634	1,152,871	863,878	862,900
Subsidiaries		-	-	331,360	266,640
Total assets		**1,275,957**	**1,181,842**	**1,219,048**	**1,143,074**
Current liabilities					
Trade and other payables		22,078	18,672	7,056	6,642
Loans and borrowings	(c)	132	34,417	132	34,417
		22,210	**53,089**	**7,188**	**41,059**
Non-current liabilities					
Loans and borrowings	(c)	416,452	291,554	416,452	291,554
Total liabilities		**438,662**	**344,643**	**423,640**	**332,613**
Net assets		**837,295**	**837,199**	**795,408**	**810,461**
Represented by:					
Unitholders' funds		837,295	837,199	795,408	810,461
Total equity		**837,295**	**837,199**	**795,408**	**810,461**

Notes:

(a) The increase in cash and cash equivalents is mainly from the proceeds from the issue of the S$50 million Floating Rate Notes in March 2010, offset by the repayment of S$34 million bank borrowing and the payment of acquisition taxes for the Japan Properties acquired in 2009.

(b) The aggregate market value of the existing investment properties was last valued by CB Richard Ellis (Pte) Ltd and Colliers Halifax at S$1,152.9 million as at 31 December 2009. Increase in investment properties is mainly due to acquisition of six nursing home and care facility properties in 2Q 2010, and the capital expenditure incurred by the Singapore Hospitals.

(c) The Group issued a 3-year S$50 million Floating Rate Notes in March 2010, which was used to repay the S$34 million bank borrowing which falls due in July 2010. The cost of acquiring the six new properties in June 2010 was also fully funded by debt. As a result, the loans and borrowings have increased as compared to 31 December 2009. Refer to 1(b)(ii) for details.

1(b)(ii) Aggregate amount of borrowings

	Group 30/06/10 S$'000	Group 31/12/09 S$'000	Trust 30/06/10 S$'000	Trust 31/12/09 S$'000
Unsecured gross borrowings				
Amount repayable within one year	-	34,000	-	34,000
Amount repayable after one year	415,465	290,278	415,465	290,278
Less: Transaction costs in relation to the term loan and revolving credit facilities	(2,535)	(2,511)	(2,535)	(2,511)
	412,930	**321,767**	**412,930**	**321,767**

From the latest rating report released by Fitch Ratings in July 2010, Parkway Life REIT has maintained its BBB investment grade rating. As at 30 June 2010, Parkway Life REIT's gearing was 32.6%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Funds Guidelines.

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

To fund the acquisitions of the properties in Japan, the Group has, since 2008, drawndown several five year unsecured term loan facilities of JPY9,500 million (S$149.9 million[1]), and several three year facilities amounting to JPY13,660 million (S$215.6 million[1]) respectively. Further, the Group has secured a JPY3,200 million (S$50.5 million[1]) revolving credit facility to fund the acquisition of five new nursing home properties on 30 June 2010.

As at 30 June 2010, the total facilities drawn of JPY23,160 million (S$365.5 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.

The JPY3,200 million (S$50.5 million[1]) revolving credit facility was drawn down to fund the acquisition of five new nursing home properties in July 2010.

Interest on all the above facilities is based on floating rate plus a margin.

The Group, through its wholly owned subsidiary, Parkway Life MTN Pte Ltd (the "Issuer"), has established an S$500,000,000 Multicurrency Medium Term Note Programme (the "MTN Programme") in 2008. Under the MTN Programme, the Issuer may from time to time issue notes in Singapore dollars, United States dollars or any other currency as may be agreed between the relevant dealer of the MTN Programme and the Issuer (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 the Group.

To refinance the S$34 million bank borrowings due in July 2010, the Group issued a S$50 million 3-year Floating Rate Notes ("FRN") under the MTN Programme in March 2010, bearing a floating interest rate at the 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 proceeds of the loan were used to repay the S$34 million bank borrowings, which falls due in 2H 2010. The balance of the loan will be used for general working capital and funding purposes of Parkway Life REIT.

[1] Based on the exchange rate of S$1.578 per 100JPY as at 30 June 2010

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) Consolidated Cashflow Statement

	Notes	2Q 2010 S$'000	2Q 2009 S$'000	1H 2010 S$'000	1H 2009 S$'000
Operating activities					
Total return before tax and distribution		**12,743**	**11,546**	**25,529**	**22,661**
Adjustments for					
Interest Income		(10)	(7)	(15)	(22)
Finance costs		2,653	1,882	5,212	3,808
Net change in fair value of financial derivatives		(165)	(278)	(483)	(441)
Manager's management fees paid and payable in units		339	295	670	591
Operating income before working capital changes		**15,560**	**13,438**	**30,913**	**26,597**
Changes in working capital					
Trade and other receivables		(206)	375	(181)	380
Trade and other payables		1,112	(846)	192	(1,879)
Cash generated from operations		16,466	12,967	30,924	25,098
Withholding tax paid		(620)	(426)	(1,155)	(926)
Cash flows from operating activities	**(a)**	**15,846**	**12,541**	**29,769**	**24,172**
Investing activities					
Interest received		10	7	15	22
Net cash outflow on capital expenditure		-	-	(71)	-
Net cash outflow on purchase of investment properties (including acquisition related costs) (Note d)		(64,510)	-	(64,510)	-
Cash flows (used in)/from investing activities	**(b)**	**(64,500)**	**7**	**(64,566)**	**22**
Financing activities					
Interest paid		(2,105)	(1,667)	(4.503)	(3,814)
Distribution to Unitholders		(12,508)	(11,399)	(24,890)	(22,490)
Proceeds from issue of Floating Rate Notes		-	-	50,000	-
Proceeds from borrowings		64,050	-	64,050	-
Repayment of borrowing		-	-	(34,000)	-
Borrowing costs paid		(379)	(160)	(529)	(244)
Cash flows from/(used in) financing activities	**(c)**	**49,058**	**(13,226)**	**50,128**	**(26,548)**
Net increase/(decrease) in cash and cash equivalents		**404**	**(678)**	**15,331**	**(2,354)**
Cash and cash equivalents at beginning of the period		**36,069**	**23,254**	**21,259**	**25,078**
Effects of exchange differences on cash balances		908	(190)	791	(338)
Cash and cash equivalents at end of the period		**37,381**	**22,386**	**37,381**	**22,386**

Notes:

(a) The increase in the cash flows from operating activities in 2Q 2010, as compared to 2Q 2009, mainly resulted from additional operating cash flows from the eight nursing homes acquired in 4Q 2009.

(b) The cash outflow in investing activities in 2Q 2010 as compared to 2Q 2009, is mainly due to the acquisition of six nursing home and care facility properties in Japan done in June 2010.

(c) The cash flow from financing activities was resulted from loan drawn down to fund the acquisition in June 2010.

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

	2Q 2010 S$'000	**2Q 2009 S$'000**	**1H 2010 S$'000**	**1H 2009 S$'000**
Investment properties	62,411	-	62,411	-
Acquisition related costs	2,099	-	2,099	-
Net cash outflow/Cash consideration paid	**64,510**	**-**	**64,510**	**-**

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

	Notes	Group 2Q2010 S$'000	Group 2Q2009 S$'000	Group 1H2010 S$'000	Group 1H2009 S$'000
Unitholders' funds at beginning of period		**837,836**	**809,256**	**837,199**	**809,131**
Operations					
Net movement in net assets resulting from operations		**12,127**	**11,120**	**24,277**	**21,735**
Translation transactions					
Net movement in foreign currency translation reserve	(a)	**48**	**(28)**	**(27)**	**(34)**
Hedging reserve					
Net movement in hedging reserve	(b)	**(547)**	**(368)**	**66**	**(57)**
Unitholders' transactions					
Manager's management fees paid and payable in units		339	295	670	591
Distribution to Unitholders		(12,508)	(11,399)	(24,890)	(22,490)
Net decrease in net assets resulting from Unitholders' transactions		**(12,169)**	**(11,104)**	**(24,220)**	**(21,899)**
Unitholders' funds at end of period		**837,295**	**808,876**	**837,295**	**808,876**

	Notes	Trust 2Q2010 S$'000	Trust 2Q2009 S$'000	Trust 1H2010 S$'000	Trust 1H2009 S$'000
Unitholders' funds at beginning of period		**812,866**	**777,876**	**810,461**	**774,129**
Operations					
Net movement in net assets resulting from operations		**(4,742)**	**15,901**	**9,101**	**30,132**
Hedging reserve					
Net movement in hedging reserve	(b)	**(547)**	**(368)**	**66**	**(57)**
Unitholders' transactions					
Manager's management fees paid and payable in units		339	295	670	591
Distribution to Unitholders		(12,508)	(11,399)	(24,890)	(22,490)
Net decrease in net assets resulting from Unitholders' transactions		**(12,169)**	**(11,104)**	**(24,220)**	**(21,899)**
Unitholders' funds at end of period		**795,408**	**782,305**	**795,408**	**782,305**

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

	Notes	2Q 2010 ’000	2Q 2009 ’000	1H 2010 ’000	1H 2009 ’000
Units in issue at beginning of period		**604,001**	**602,750**	**603,736**	**602,347**
Issue of new units:					
- Manager’s management fees paid in units		244	380	509	783
Issued units at the end of period		**604,245**	**603,130**	**604,245**	**603,130**
Units to be issued:					
- Manager’s management fees payable in units	(a)	250	334	250	334
Total issued and issuable units at the end of period		**604,495**	**603,464**	**604,495**	**603,464**

Notes:

(a) These units are issuable to the Manager as partial satisfaction of the Manager’s management fee for the period from 1 April 2010 to 30 June 2010 and from 1 April 2009 to 30 June 2009 respectively.

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 2009.

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	2Q 2010 '000	2Q 2009 '000	1H 2010 '000	1H 2009 '000
Number of units in issue at end of period		**604,245**	**603,130**	**604,245**	**603,130**
Weighted average number of units for the period		**604,248**	**603,134**	**604,127**	**602,945**
Earnings per unit in cents (basic and diluted) (EPU)	(a)	**2.01**	**1.84**	**4.02**	**3.60**
Applicable number of units for calculation of DPU		**604,495**	**603,464**	**604,495**	**603,464**
Distribution per unit in cents (DPU)	(b)	**2.09**	**1.89**	**4.16**	**3.78**

Notes:

(a) In calculating EPU, the total return for the period after tax, and the weighted average number of units issued and issuable 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 and issuable 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 30/06/10 S$	Group 31/12/09 S$	Trust 30/06/10 S$	Trust 31/12/09 S$
Net asset value ("NAV") per unit	(a)	**1.39**	**1.39**	**1.32**	**1.34**
Adjusted NAV per unit (excluding the distributable income)		**1.36**	**1.37**	**1.30**	**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

	2Q 2010 S$'000	2Q 2009 S$'000	Inc/ (Dec) %	1H 2010 S$'000	1H 2009 S$'000	Inc/ (Dec) %
Gross revenue	**18,736**	**16,099**	**16.4**	**37,385**	**32,437**	**15.3**
Property expenses	(1,432)	(1,126)	27.2	(2,875)	(2,287)	25.7
Net property income	**17,304**	**14,973**	**15.6**	**34,510**	**30,150**	**14.5**
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Trust expenses	(447)	(348)	28.4	(957)	(1,095)	(12.6)
Foreign exchange gain/(loss)	57	(7)	(914.3)	38	(92)	(141.3)
Interest income	10	7	42.9	15	22	(31.8)
Finance costs	(2,653)	(1,882)	41.0	(5,212)	(3,808)	36.9
Non-property expenses	**(4,726)**	**(3,705)**	**27.6**	**(9,464)**	**(7,930)**	**19.3**
Total return before changes in fair value of financial derivatives	**12,578**	**11,268**	**11.6**	**25,046**	**22,220**	**12.7**
Net change in fair value of financial derivatives	165	278	(40.6)	483	441	9.5
Total return for the period before tax and distribution	**12,743**	**11,546**	**10.4**	**25,529**	**22,661**	**12.7**
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Total return for the period after tax before distribution	**12,127**	**11,120**	**9.1**	**24,277**	**21,735**	**11.7**
Net effect of non-tax deductible/(non-taxable) items	497	262	89.7	847	1,039	(18.5)
Distributable income to Unitholders	**12,624**	**11,382**	**10.9**	**25,124**	**22,774**	**10.3**
Distribution per Unit (cents)	**2.09**	**1.89**	**10.9**	**4.16**	**3.78**	**10.3**
Annualised Distribution per Unit (cents)	**8.35**	**7.55**	**10.9**	**8.31**	**7.55**	**10.3**

2Q 2010 Vs 2Q 2009

Gross revenue for 2Q 2010 was S$18.7 million, which exceeded 2Q 2009 by S$2.6 million. The higher revenue was due primarily to additional revenue contribution amounting to S$1.8 million from the eight nursing homes acquired in Japan in 4Q 2009. The acquisition of the six nursing home and care facility properties in June 2010 has contributed half a month of rental revenue amounting to S$0.2 million after its completion on 17 June 2010. Further, higher revenue was also driven by the higher rent from the existing properties.

Property expenses for 2Q 2010 were S$1.4 million, an increase of S$0.3 million from 2Q 2009. The higher property expenses were primarily incurred for the eight nursing homes acquired in Japan in 4Q 2009.

The result is a net property income of S$17.3 million for 2Q 2010, which is S$2.3 million higher than 2Q 2009.

Increase in Manager's management fees and Trustee's fee were mainly due to the addition of new properties acquired in November 2009 and June 2010, as well as valuation gains on the existing property portfolio as at 31 December 2009, which led to a corresponding increase in deposited property and net property income.

Higher financing cost is largely due to the financing costs for the acquisition of the eight nursing homes in 4Q 2009 and half a month of financing for the June 2010 acquisition.

Overall, annualised income available for distribution to Unitholders per unit (DPU) of 8.35 cents for 2Q 2010 has outperformed the DPU of 7.55 cents for 2Q 2009 by 10.9% or 0.80 cents, mainly due to the yield accretive acquisitions made in Japan and higher rent from existing properties.

<u>1H 2010 Vs 1H 2009</u>

Gross revenue for 1H 2010 was S$37.4 million compared with S$32.4 million for 1H 2009, an increase of S$5.0 million or 15.3%. This was mainly due to a half year revenue contribution from the properties acquired in November 2009, higher rent from the existing properties, and half a month of revenue contribution from the six new properties acquired in June 2010.

Correspondingly, property expenses for 1H 2010 were S$2.9 million, an increase of S$0.6 million or 25.7% over 1H 2009.

The result is a net property income of S$34.5 million for 1H 2010, which is S$4.4 million higher than 1H 2009.

Manager's management fees for 1H 2010 were S$3.3 million, an increase of S$0.4 million or 13.2% over 1H 2009 due to higher deposited property value and higher net property income from the addition of new properties in November 2009 and June 2010, as well as valuation gains on the existing property portfolio as at 31 December 2009, which led to a corresponding increase in deposited property and net property income.

Higher financing cost is mainly incurred to finance the properties acquired in November 2009.

Overall, annualised income available for distribution to Unitholders per unit for 1H 2010 of 8.31 cents has outperformed 1H 2009 of 7.55 cents by 10.3% or 0.76 cents, mainly due to the yield accretive acquisitions made in Japan and higher rent from existing properties.

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.

While the global economy has shown signs of improvement in recent months, its sustainability remains uncertain.

Nevertheless, PLife REIT remains cautiously optimistic about our medium to long term prospects, supported by our favourable rental lease structures where at least 88.1% of the total portfolio has downside revenue protection, good future rental growth with the CPI-linked revision formulae, long term master leases, and a 100% occupancy rate across the portfolio. The demand for quality private healthcare will remain resilient and continue to grow, driven by growing affluence, fast-ageing populations and increasing social acceptance of the elderly living in nursing care facilities, further driving demand for PLife REIT's quality healthcare assets.

Barring any unforeseen circumstances, Parkway Life REIT does not expect any adverse changes in its performance.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Second quarter distribution for the period from 1 April 2010 to 30 June 2010

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	1.77
Exempt Income	0.02
Capital	0.30
Total	**2.09**

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: Second quarter distribution for the period from 1 April 2009 to 30 June 2009

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	1.69
Exempt Income	0.04
Capital Income	0.16
Total	**1.89**

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%.

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Capital Distribution

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(c) Book closure date: 17 August 2010

(d) Date payable: 09 September 2010

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

Not Applicable.

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
6 August 2010

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) 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
Chief Executive Officer

Lim Kok Hoong
Chairman and Independent Director

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.