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

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010 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.

Parkway Life REIT owns a well-diversified portfolio of 32 properties located in the Asia-Pacific region, including three hospitals in Singapore and 29 healthcare and healthcare-related assets in Japan. Its total portfolio size stands at approximately S$1.3 billion as at 31 December 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 28 high quality nursing home and care facility properties located in various prefectures of Japan (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 YEAR ENDED 31 DECEMBER 2010

		2010	2009	Inc/(Dec)	
	Notes	**S$'000**	**S$'000**	**S$'000**	**%**
Gross Revenue		**80,048**	**66,679**	**13,369**	**20.0**
Net Property Income		**73,625**	**61,983**	**11,642**	**18.8**
Distributable Income		**53,173**	**46,716**	**6,457**	**13.8**
Distribution per unit (cents)	(a)	**8.79**	**7.74**	**1.05**	**13.8**
Distribution yield (%), based on					
- Closing market price of S$1.65 at 31 December 2010		**5.33**	**4.69**		**13.8**

Note:

(a) The number of units used to calculate the Distribution per Unit ("DPU") comprise of the number of units in issue and issuable as at 31 December 2010 and 31 December 2009 respectively.

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	4Q 2010 S$'000	4Q 2009 S$'000	Inc/ (Dec) %	2010 S$'000	2009 S$'000	Inc/ (Dec) %
Gross revenue		**21,492**	**17,744**	**21.1**	**80,048**	**66,679**	**20.0**
Property expenses		(1,814)	(1,282)	41.5	(6,423)	(4,696)	36.8
Net property income		**19,678**	**16,462**	**19.5**	**73,625**	**61,983**	**18.8**
Manager's management fees	(a)	(1,902)	(1,605)	18.5	(7,135)	(6,067)	17.6
Trust expenses		(488)	(838)	(41.8)	(2,255)	(2,408)	(6.4)
Foreign exchange loss		(70)	(36)	94.4	(101)	(156)	(35.3)
Interest income		6	5	20.0	31	34	(8.8)
Finance costs	(b)	(2,528)	(2,235)	13.1	(11,047)	(7,937)	39.2
Non-property expenses		**(4,982)**	**(4,709)**	**5.8**	**(20,507)**	**(16,534)**	**24.0**
Total return before changes in fair value of financial derivatives and investment properties		**14,696**	**11,753**	**25.0**	**53,118**	**45,449**	**16.9**
Net change in fair value of financial derivatives	(c)	(95)	476	(120.0)	594	598	(0.7)
Net change in fair value of Investment properties	(d)	18,664	28,853	(35.3)	18,664	28,853	(35.3)
Total return for the period before tax and distribution		**33,265**	**41,082**	**(19.0)**	**72,376**	**74,900**	**(3.4)**
Income tax expense	(e)	(5,109)	(549)	830.6	(7,324)	(1,963)	273.1
Total return for the period after tax before distribution		**28,156**	**40,533**	**(30.5)**	**65,052**	**72,937**	**(10.8)**

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.

(d) Valuations are performed by independent professional valuers for all investment properties as at 31 December 2010. The net change in fair value of investment properties represents a gain of 1.45% in the total portfolio value.

(e) Included in the income tax expense is deferred tax expense amounting to $4.1 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	4Q 2010 S$'000	4Q 2009 S$'000	Inc/ (Dec) %	2010 S$'000	2009 S$'000	Inc/ (Dec) %
Total return after tax before distribution		**28,156**	**40,533**	**(30.5)**	**65,052**	**72,937**	**(10.8)**
Non-tax deductible/(non-taxable) items:							
Manager's management fees payable in units		380	322	18.0	1,427	1,214	17.5
Trustee's fees		63	56	12.5	240	214	12.1
Amortisation of transaction costs relating to debt facilities		173	201	(13.9)	1,379	765	80.3
Net change in fair value of financial derivatives		95	(476)	120.0	(594)	(598)	(0.7)
Net fair value gain on investment properties (net of deferred tax impact)		(14,525)	(28,853)	(49.7)	(14,525)	(28,853)	(49.7)
Foreign exchange difference		31	(5)	720.0	(41)	7	(685.7)
Others		60	605	(90.1)	235	1,030	(77.2)
Net effect of non-tax deductible/(non-taxable) items		**(13,723)**	**(28,150)**	**(51.3)**	**(11,879)**	**(26,221)**	**(54.7)**
Distributable income to Unitholders	(a)	**14,433**	**12,383**	**16.6**	**53,173**	**46,716**	**13.8**

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 31/12/10 S$'000	Group 31/12/09 S$'000	Trust 31/12/10 S$'000	Trust 31/12/09 S$'000
Current assets					
Trade and other receivables		7,575	6,793	6,469	6,345
Cash and cash equivalents	(a)	40,588	21,259	11,892	7,189
		48,163	**28,052**	**18,361**	**13,534**
Non-current assets					
Investment properties	(b)	1,302,563	1,152,871	878,700	862,900
Subsidiaries		-	-	382,210	266,640
Security deposit receivable		950	919	-	-
Financial derivatives		92	-	92	-
Total assets		**1,351,768**	**1,181,842**	**1,279,363**	**1,143,074**
Current liabilities					
Financial derivatives		971	532	971	532
Trade and other payables		12,282	10,481	6,808	6,642
Current portion of security deposits		2,014	1,947	-	-
Interest-bearing borrowings	(c)	-	33,885	-	33,885
		15,267	**46,845**	**7,779**	**41,059**
Non-current liabilities					
Financial derivatives		2,343	3,672	2,343	3,672
Non-current portion of security deposits		12,314	6,244	-	-
Interest-bearing borrowings	(c)	464,755	287,882	464,755	287,882
Deferred tax liabilities		4,139	-	-	-
Total liabilities		**498,818**	**344,643**	**474,877**	**332,613**
Net assets		**852,950**	**837,199**	**804,486**	**810,461**
Represented by:					
Unitholders' funds		852,950	837,199	804,486	810,461
Total equity		**852,950**	**837,199**	**804,486**	**810,461**

Notes:

(a) The increase in cash and cash equivalents is mainly due to 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.

(b) The increase in investment properties is mainly due to acquisition of eleven nursing home and care facility properties in June and July 2010. As at 31 December 2010, the aggregate market value of the existing investment properties stands at S$1,302.6 million. External valuations were carried out by CB Richard Ellis (Pte) Ltd for the Singapore properties and International Appraisals Incorporated, Colliers Halifax and DTZ Debenham Tie Leung K.K. for the Japan properties. A revaluation surplus of S$18.7 million is credited directly to the Statement of Total Return.

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

1(b)(ii) Aggregate amount of borrowings

	Group 31/12/10 S$'000	Group 31/12/09 S$'000	Trust 31/12/10 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	467,542	290,278	467,542	290,278
Less: Transaction costs in relation to the term loan and revolving credit facilities	(2,787)	(2,511)	(2,787)	(2,511)
	464,755	**321,767**	**464,755**	**321,767**

From the latest rating report released by Fitch Ratings dated 24 August 2010, Parkway Life REIT has maintained its BBB investment grade rating. As at 31 December 2010, Parkway Life REIT's gearing was 34.6%, 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 5-year and 3-year unsecured term loan and revolving credit facilities of JPY12,700 million (S$201.1 million[1]) and JPY13,660 million (S$216.4 million[1]) respectively. In August 2010, the above-mentioned 3-year facilities, which will be due in 2nd half of 2011, have been re-financed by a JPY6,830 million (S$108.2 million[1]) 4-year unsecured term loan facility and a JPY6,830 million (S$108.2 million[1]) 5-year unsecured term loan facility respectively.

As at 31 December 2010, the total facilities drawn of JPY26,360 million (S$417.5 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.

To finance the acquisition of the Sawayaka Fukfuku-kan nursing home property, the Group has on 21 January 2011, entered into a supplemental agreement to an existing 5-year term loan facility[2] ("Extension Facility"), to extend the availability period of a lapsed undrawn facility amounting to JPY830 million (S$13.1 million[1]) to June 2011.

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

In addition, Parkway Life REIT, through its wholly owned subsidiary, Parkway Life MTN Pte Ltd (the "Issuer"), has established an S$500 million 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 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 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.

[1] Based on the exchange rate of S$1.584 per 100JPY as at 31 December 2010
[2] Refers to a 5-year committed and unsecured term loan facility of up to JPY5.03 billion signed on 09 June 2010

The proceed of the loan was used to repay the S$34 million bank borrowings, as well as for the general working capital and funding purposes of Parkway Life REIT.

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	4Q 2010 S$'000	4Q 2009 S$'000	2010 S$'000	2009 S$'000
Operating activities					
Total return before tax and distribution		**33,265**	**41,082**	**72,376**	**74,900**
Adjustments for					
Interest Income		(6)	(5)	(31)	(34)
Finance costs		2,528	2,235	11,047	7,937
Net change in fair value of financial derivatives		95	(476)	(594)	(598)
Net change in fair value of investment properties		(18,664)	(28,853)	(18,664)	(28,853)
Manager's management fees paid and payable in units		380	322	1,427	1,214
Operating income before working capital changes		**17,598**	**14,305**	**65,561**	**54,566**
Changes in working capital					
Trade and other receivables		(26)	(393)	(734)	(340)
Trade and other payables		253	3,910	3,429	2,604
Cash generated from operations		17,825	17,822	68,256	56,830
Withholding tax paid		(951)	(485)	(2,768)	(1,823)
Cash flows from operating activities	**(a)**	**16,874**	**17,337**	**65,488**	**55,007**
Investing activities					
Interest received		6	5	31	34
Net cash outflow on capital expenditure		(259)	(254)	(609)	(2,592)
Net cash outflow on purchase of investment properties (including acquisition related costs)	**(b)**	(778)	(82,956)	(117,225)	(82,956)
Cash flows used in investing activities	**(c)**	**(1,031)**	**(83,205)**	**(117,803)**	**(85,514)**
Financing activities					
Interest paid		(2,132)	(1,751)	(9,433)	(7,299)
Distribution to Unitholders		(13,606)	(11,531)	(51,130)	(45,427)
Proceeds from issue of Floating Rate Notes		-	-	50,000	-
Proceeds from borrowings		-	81,726	330,400	81,726
Repayment of borrowings		-	-	(250,238)	-
Borrowing costs paid		-	(1,684)	(1,655)	(1,928)
Cash flows (used in)/from financing activities	**(d)**	**(15,738)**	**66,760**	**67,944**	**27,072**

1(c) Consolidated Cashflow Statement (cont'd)

Net increase/(decrease) in cash and cash equivalents		**105**	**892**	**15,629**	**(3,435)**
Cash and cash equivalents at beginning of the period/year		**37,754**	**20,579**	**21,259**	**25,078**
Effects of exchange differences on cash balances		284	(212)	1,255	(384)
Cash and cash equivalents at end of the period/year[3]		**38,143**	**21,259**	**38,143**	**21,259**

Notes:

(a) The increase in cash flows from operating activities in 2010 reflects the additional operating cash flows from the eleven properties acquired in June and July 2010. A slight drop in cash flows from operating activities in 4Q 2010, as compared to Q4 2009, is mainly due to cash received in Q4 2009 relating to security deposits and advance rent for the properties acquired in November 2009.

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

	4Q 2010 S$'000	**4Q 2009 S$'000**	**2010 S$'000**	**2009 S$'000**
Investment properties	-	79,798	112,134	79,798
Acquisition related costs	778	3,158	5,091	3,158
Net cash outflow/Cash consideration paid	**778**	**82,956**	**117,225**	**82,956**

(c) The cash outflow in investing activities in 4Q 2010 is mainly due to the payment of acquisition taxes of the eleven nursing home and care facility properties in Japan completed in June and July 2010.

(d) The cash inflow in financing activities for the year 2010 resulted from loan drawn down to fund the acquisition in June and July 2010, offset the net proceeds from the issue of the S$50 million Floating Rate Notes in March 2010 to repay the S$34 million bank borrowing due in 2H 2010.

[3] Cash and cash equivalents as at 31 December 2010 excludes a cash deposit of JPY154.4 million (S$2.4 million) 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.

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

	Notes	Group 4Q2010 S$'000	Group 4Q2009 S$'000	Group 2010 S$'000	Group 2009 S$'000
Unitholders' funds at beginning of period/year		**836,721**	**808,317**	**837,199**	**809,131**
Operations					
Total return after tax		**28,156**	**40,533**	**65,052**	**72,937**
Translation transactions					
Net movement in foreign currency translation reserve	(a)	**68**	**(66)**	**14**	**(43)**
Hedging reserve					
Net movement in hedging reserve	(b)	**1,231**	**(376)**	**388**	**(613)**
Unitholders' transactions					
Manager's management fees paid and payable in units		380	322	1,427	1,214
Distribution to Unitholders		(13,606)	(11,531)	(51,130)	(45,427)
Net decrease in net assets resulting from Unitholders' transactions		**(13,226)**	**(11,209)**	**(49,703)**	**(44,213)**
Unitholders' funds at end of period/year		**852,950**	**837,199**	**852,950**	**837,199**

	Notes	Trust 4Q2010 S$'000	Trust 4Q2009 S$'000	Trust 2010 S$'000	Trust 2009 S$'000
Unitholders' funds at beginning of period/year		**792,433**	**773,328**	**810,461**	**774,129**
Operations					
Total return after tax		**24,048**	**48,718**	**43,340**	**81,158**
Hedging reserve					
Net movement in hedging reserve	(b)	**1,231**	**(376)**	**388**	**(613)**
Unitholders' transactions					
Manager's management fees paid and payable in units		380	322	1,427	1,214
Distribution to Unitholders		(13,606)	(11,531)	(51,130)	(45,427)
Net decrease in net assets resulting from Unitholders' transactions		**(13,226)**	**(11,209)**	**(49,703)**	**(44,213)**
Unitholders' funds at end of period/year		**804,486**	**810,461**	**804,486**	**810,461**

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	4Q 2010 ’000	4Q 2009 ’000	2010 ’000	2009 ’000
Units in issue at beginning of period/year		**604,495**	**603,464**	**603,736**	**602,347**
Issue of new units: - Manager’s management fees paid in units		244	272	1,003	1,389
Issued units at the end of period/year		**604,739**	**603,736**	**604,739**	**603,736**
Units to be issued: - Manager’s management fees payable in units	(a)	231	265	231	265
Total issued and issuable units at the end of period/year		**604,970**	**604,001**	**604,970**	**604,001**

Notes:

(a) These units are issuable to the Manager as partial satisfaction of the Manager’s management fee for the period from 1 October 2010 to 31 December 2010 and from 1 October 2009 to 31 December 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	4Q 2010 '000	4Q 2009 '000	2010 '000	2009 '000
Number of units in issue at end of period/year		**604,739**	**603,736**	**604,739**	**603,736**
Weighted average number of units for the period		**604,742**	**603,739**	**604,375**	**603,277**
Earnings per unit in cents (basic and diluted) (EPU)	(a)	**4.66**	**6.71**	**10.76**	**12.09**
Applicable number of units for calculation of DPU		**604,970**	**604,001**	**604,970**	**604,001**
Distribution per unit in cents (DPU)	(b)	**2.38**	**2.05**	**8.79**	**7.74**

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 31/12/10 S$	Group 31/12/09 S$	Trust 31/12/10 S$	Trust 31/12/09 S$
Net asset value ("NAV") per unit	(a)	**1.41**	**1.39**	**1.33**	**1.34**
Adjusted NAV per unit (excluding the distributable income)		**1.39**	**1.37**	**1.31**	**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

	4Q 2010 S$'000	4Q 2009 S$'000	Inc/ (Dec) %	2010 S$'000	2009 S$'000	Inc/ (Dec) %
Gross revenue	**21,492**	**17,744**	**21.1**	**80,048**	**66,679**	**20.0**
Property expenses	(1,814)	(1,282)	41.5	(6,423)	(4,696)	36.8
Net property income	**19,678**	**16,462**	**19.5**	**73,625**	**61,983**	**18.8**
Manager's management fees	(1,902)	(1,605)	18.5	(7,135)	(6,067)	17.6
Trust expenses	(488)	(838)	(41.8)	(2,255)	(2,408)	(6.4)
Foreign exchange loss	(70)	(36)	94.4	(101)	(156)	(35.3)
Interest income	6	5	20.0	31	34	(8.8)
Finance costs	(2,528)	(2,235)	13.1	(11,047)	(7,937)	39.2
Non-property expenses	**(4,982)**	**(4,709)**	**5.8**	**(20,507)**	**(16,534)**	**24.0**
Total return before changes in fair value of financial derivatives and investment properties	**14,696**	**11,753**	**25.0**	**53,118**	**45,449**	**16.9**
Net change in fair value of financial derivatives	(95)	476	(120.0)	594	598	(0.7)
Net change in fair value of investment properties	18,664	28,853	(35.3)	18,664	28,853	(35.3)
Total return for the period before tax and distribution	**33,265**	**41,082**	**(19.0)**	**72,376**	**74,900**	**(3.4)**
Income tax expense	(5,109)	(549)	830.6	(7,324)	(1,963)	273.1
Total return for the period after tax before distribution	**28,156**	**40,533**	**(30.5)**	**65,052**	**72,937**	**(10.8)**
Net effect of non-tax deductible/(non-taxable) items	(13,723)	(28,150)	(51.3)	(11,879)	(26,221)	(54.7)
Distributable income to Unitholders	**14,433**	**12,383**	**16.6**	**53,173**	**46,716**	**13.8**
Distribution per Unit (cents)	**2.38**	**2.05**	**16.6**	**8.79**	**7.74**	**13.8**
Annualised Distribution per Unit (cents)	**9.52**	**8.20**	**16.6**	**8.79**	**7.74**	**13.8**

<u>4Q 2010 Vs 4Q 2009</u>

Gross revenue for 4Q 2010 was S$21.5 million, which exceeded 4Q 2009 by S$3.7 million. The higher revenue was due primarily to full quarter revenue contribution amounting to S$0.9 million from the Japan properties acquired in November 2009. In 4Q 2010, the Group has also recognised revenue contribution from the eleven Japan properties acquired in June and July 2010 amounting to S$2.5 million. Further, higher revenue was also driven by the higher rent from the Singapore properties mainly due to increased growth rate of CPI + 1% (ie 1.73%) in Year 4 of lease commencing 23 August 2010.

Property expenses for 4Q 2010 were S$1.8 million, an increase of S$0.5 million over 4Q 2009. The higher property expenses were due to the full quarter impact for the eight properties acquired in Japan in November 2009, as well as the eleven new properties acquired in 2010.

The result is a net property income of S$19.7 million for 4Q 2010, which is S$3.2 million higher than 4Q 2009.

Increase in Manager's management fees were mainly due to higher deposited property value and higher net property income from the addition of new properties in 4Q 2009 and 2010, as well as valuation gains on the existing property portfolio, which led to a corresponding increase in deposited property.

Higher financing cost is mainly incurred to finance the properties acquired in 4Q 2009, as well as the new properties acquired in 2010, offset by the interest cost savings from the refinancing exercise completed, as announced on 16 August 2010.

Overall, annualised income available for distribution to Unitholders per unit (DPU) of 9.52 cents for 4Q 2010 has outperformed the DPU of 8.20 cents for 4Q 2009 by 16.6% or 1.32 cents, mainly due to the yield accretive acquisitions made in Japan and higher rent from Singapore properties.

2010 Vs 2009

Gross revenue for 2010 was S$80.0 million compared with S$66.7 million for 2009, an increase of S$13.4 million or 20.0%. This was mainly due to full year revenue contribution from the eight properties acquired in 4Q 2009, additional revenue contribution from eleven new properties acquired in June and July 2010, as well as higher rent from the Singapore properties.

Correspondingly, property expenses for 2010 were S$6.4 million, an increase of S$1.7 million or 36.8% over 2009.

The result is a net property income of S$73.6 million for 2010, which is S$11.6 million higher than 2009.

Manager's management fees for 2010 were S$7.1 million, an increase of S$1.1 million or 17.6% over 2009 due to higher deposited property value and higher net property income from the acquisition of new properties in 2009 and 2010, as well as valuation gains on the existing property portfolio, which led to a corresponding increase in deposited property.

Higher financing cost is largely due to the full year impact for the financing costs for the acquisition of the eight Japan properties in 4Q 2009, as well as the financing for the eleven new properties acquired in 2010, offset by the interest cost savings from the refinancing exercise completed, as announced on 16 August 2010.

Overall, annualised income available for distribution to Unitholders per unit for 2010 of 8.79 cents has outperformed 2009 of 7.74 cents by 13.8% or 1.05 cents, mainly due to the yield accretive acquisitions made in Japan and higher rent from Singapore 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.

Notwithstanding positive sentiments about the recovery prospects in Asia, the global economic outlook remains uncertain. Parkway Life REIT remains cautiously optimistic about its medium to long term prospects. This is due to our favourable rental lease structures where at least 87.9% of the Singapore and Japan portfolio has downside revenue protection with good future rental growth.

The demand for quality private healthcare will remain resilient and continue to grow, driven by growing affluence, fast-ageing populations and social acceptance of the elderly living in care facilities.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: Fourth quarter distribution for the period from 1 October 2010 to 31 December 2010

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	1.86
Exempt Income	0.08
Capital	0.44
Total	**2.38**

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: Fourth quarter distribution for the period from 1 October 2009 to 31 December 2009

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	1.83
Exempt Income	0.04
Capital Income	0.18
Total	**2.05**

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: 1 February 2011

(d) Date payable: 28 February 2011

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

Not Applicable.

PART II – ADDITIONAL INFORMATION FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

As at 31 December 2010, the business segments of the Group comprise the following segments – Hospital Properties, Nursing Homes, and Pharmaceutical Product Distributing and Manufacturing Facility.

The Group's operations and its identifiable assets are located in Singapore (consisting of Hospital Properties) and Japan (consisting of 28 Nursing Homes and one Pharmaceutical Product Distributing and Manufacturing Facility). Accordingly, no geographical segmental analysis is separately presented.

	FY 2010 S$'000	FY 2009 S$'000	Change %
Hospital Properties (Singapore) [1]	53,013	51,273	3.4
Nursing Homes (Japan) [2]	24,258	12,890	88.2
Pharmaceutical Product Distributing and Manufacturing Facility (Japan) [3]	2,777	2,516	10.4
Total gross revenue	80,048	66,679	20.0

	FY 2010 S$'000	FY 2009 S$'000	Change %
Hospital Properties (Singapore) [1]	49,961	48,262	3.5
Nursing Homes (Japan) [2]	21,090	11,396	85.1
Pharmaceutical Product Distributing and Manufacturing Facility (Japan) [3]	2,574	2,325	10.7
Total net property income	73,625	61,983	18.8

Footnotes

(1) The higher revenue and net property income was driven by the higher rent as a result of the high growth rate of the inflation-linked CPI + 1% formula.

(2) The increase was mainly due to full year impact from the properties acquired in 2009, and additional contribution from the eleven new nursing home and care facility properties acquired in Japan in June and July 2010.

(3) The increase was mainly due to full year impact of revenue increase from the asset enhancement works done in 2009.

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Refer to section 8 for the review of actual performance.

15 Breakdown of gross revenue and total return after tax before distribution

	FY 2010 S$'000	FY 2009 S$'000	Change %
Gross revenue reported for first half year	37,385	32,437	15.3
Total return after tax before distribution for first half year	24,277	21,735	11.7
Gross revenue reported for second half year	42,663	34,242	24.6
Total return after tax before distribution for second half year	40,775	51,202	(20.4)

16 Breakdown of the total distribution

In respect of the period:

	FY 2010 S$'000	FY 2009 S$'000
1 October 2008 to 31 December 2008		11,091
1 January 2009 to 31 March 2009		11,399
1 April 2009 to 30 June 2009		11,406
1 July 2009 to 30 September 2009		11,531
1 October 2009 to 31 December 2009	12,382	
1 January 2010 to 31 March 2010	12,508	
1 April 2010 to 30 June 2010	12,634	
1 July 2010 to 30 September 2010	13,606	

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

Yong Yean Chau
Director / Chief Executive Officer
24 January 2011

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.