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

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
UNAUDITED FINANCIAL STATEMENT & DISTRIBUTION ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

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 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 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 31 December 2008, Parkway Life REIT owns the largest portfolio of strategically located private hospitals in Singapore comprising Mount Elizabeth Hospital, Gleneagles Hospital, and East Shore Hospital collectively, (the "Hospital Properties", or the "Initial Portfolio"), covering an aggregate of 1,039 licensed beds.

On 16 May 2008, Parkway Life REIT completed its first investment of a pharmaceutical products distributing and manufacturing facility in Chiba prefecture Japan. On 30 May 2008, Parkway Life REIT completed its investment of two high quality nursing homes in Yokohama City, Kanagawa Prefecture, and Ibaraki City, Osaka. On 29 September 2008, Parkway Life REIT completed its investment of a portfolio of seven high quality nursing homes located in various parts of Japan: Hyogo, Chiba, Kanagawa, Saitama and Tokyo prefectures.

The purchase of the pharmaceutical products distributing and manufacturing facility, and the nine nursing homes, collectively, (the "Japan Properties") and the acquisition costs were fully funded by debt, and resulted in an increase of the total portfolio size by S$176 million to a total book value of S$1 billion.

As disclosed in the prospectus of Parkway Life REIT dated 7 August 2007, Parkway Life REIT will distribute 100.0% of its taxable income and net overseas income for the period commencing from Listing Date to 31 December 2008 and thereafter, 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. For FY2009, Parkway Life REIT will continue to distribute 100% of its taxable income and net overseas income.

COMPARATIVES

As disclosed in the prospectus of Parkway Life REIT dated 7 August 2007 (the "Prospectus"), the SGX-ST has granted Parkway Life REIT a waiver from the requirement to prepare historical pro forma statements of total return, cash flow statements and balance sheets. Accordingly, we have included the comparative figures for the financial period for 2007 from 23 August 2007 to 31 December 2007 in the announcement for information only.

Where appropriate, for the year ended 31 December 2008, comparisons are made against prorated forecast figures for the Projection Year 2008 (from 1 January 2008 to 31 December 2008) based on full exercise of the Over-allotment Units as disclosed in the Prospectus dated 7 August 2007.

Unless otherwise stated, all capitalised terms used in this announcement shall have the same meaning as in the Prospectus.

SUMMARY OF PARKWAY LIFE REIT'S RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

		YTD2008 (1 January 08 to 31 December 08)			
		Actual	**Forecast**	**Increase/(Decrease)**	
	Notes	**S$'000**	**Note (a) S$'000**	**S$'000**	**%**
Gross Revenue		**53,887**	**45,900**	**7,987**	**17.40**
Net Property Income		50,357	43,294	7,063	16.31
Distributable Income		41,186	37,644	3,542	9.41
Distribution per unit (cents)	(b)	**6.83**	**6.25**	**0.58**	**9.41**
Annualised distribution yield (%), based on					
- Initial public offer price of S$1.28		**5.34**	**4.88**		**9.41**
- Closing market price of S$0.76 as at 31 December 2008		**8.99**	**8.22**		**9.41**

Notes:

(a) The forecast figures are derived by pro-rating the forecast figures for the Projection Year 2008 (from 1 January 2008 to 31 December 2008) based on full exercise of the Over-allotment Units as disclosed in the Prospectus dated 7 August 2007.

(b) The number of units used to calculate the Distribution per Unit ("DPU") comprise 602,347,258 units issued as at 31 December 2008, and units to be issued as partial settlement 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	Actual 4Q2008 01/10/08 to 31/12/08 S$'000	Actual 4Q2007 01/10/07 to 31/12/07 S$'000	Inc/ (Dec) %	Actual FY2008 01/01/08 to 31/12/08 S$'000	Actual FY2007 12/07/07 to 31/12/07 Note (a) S$'000	Inc/ (Dec) %
Gross revenue		**16,178**	**11,864**	**36.4**	**53,887**	**16,900**	**218.9**
Property expenses		(1,108)	(762)	45.4	(3,530)	(1,088)	224.4
Net property income		**15,070**	**11,102**	**35.7**	**50,357**	**15,812**	**218.5**
Manager's management fees	(b)	(1,514)	(1,118)	35.4	(5,133)	(1,584)	224.1
Trust expenses		(848)	(433)	95.8	(2,251)	(622)	261.9
Foreign exchange loss – net	(c)	(7,930)	-	100.0	(8,222)	-	100.0
Interest income		71	65	9.2	177	94	88.3
Finance costs	(d)	(2,046)	(387)	428.7	(3,992)	(1,002)	298.4
Non-property expenses		**(12,267)**	**(1,873)**	**554.9**	**(19,421)**	**(3,114)**	**523.7**
Total return before changes in fair value of financial derivatives and investment properties		**2,803**	**9,229**	**(69.6)**	**30,936**	**12,698**	**143.6**
Net change in fair value of financial derivatives	(e)	514	41	1,153.7	(2,227)	(351)	534.5
Net change in fair value of investment properties	(f)	(3,294)	56,291	(105.9)	(3,294)	56,291	(105.9)
Total return for the period before tax and distribution		**23**	**65,561**	**(99.9)**	**25,415**	**68,638**	**(63.0)**
Less: Withholding tax expense		(510)	-	100.0	(719)	-	100.0
Total return for the period after tax before distribution		**(487)**	**65,561**	**(100.7)**	**24,696**	**68,638**	**(64.0)**

Notes:

(a) Although Parkway Life REIT was constituted on 12 July 2007, it was dormant during its private trust period from 12 July 2007 to 22 August 2007. The acquisition of the Initial Portfolio was completed on 23 August 2007 upon which, it was officially listed on the SGX-ST. Consequently, the actual income derived from the Initial Portfolio was for the period from 23 August 2007 to 31 December 2007, which was not comparable to the full year operations for FY2008.

(b) As stated in the Prospectus, 80% of the Manager's management fee is payable in the form of cash and the remaining 20% is to be settled in units.

(c) The foreign exchange loss is mainly made up of loss on a foreign currency forward contract, entered into to lock in the Japanese Yen exchange rate. However, as the foreign currency forward was locked in at the initial exchange rate at acquisition, from the net asset perspective, the loss is offset by an increase in the value of the Japan Properties, as seen by a corresponding gain amounting to S$8.7 million in the foreign currency translation reserve.

(d) Finance costs represent interest expense on loan, loss on interest rate swap and amortisation of transaction costs of establishing debt facilities.

(e) A 36-month interest rate swap was entered into on 23 August 2007 to lock-in fixed rate funding for S$34.0 million. The fair value of this swap amounting S$849,000 is included in financial liabilities as at 31 December 2008. During the current financial year, the Group also entered into foreign currency forward contracts to hedge its net foreign income from Japan. The changes in fair value of the foreign currency contracts were recognised in Statement of Total Return.

(f) Valuations are performed by independent professional valuers for all investment properties as at 31 December 2008. The change in fair value of investment properties represent a marginal drop of 0.3% in the total portfolio value, which arises mainly from writing down of capitalised acquisition costs from the Japan properties.

Distribution Statement

	Notes	Actual 4Q2008 01/10/08 to 31/12/08 S$'000	Actual 4Q2007 01/10/07 to 31/12/07 S$'000	Inc/ (Dec) %	Actual FY2008 01/01/08 to 31/12/08 S$'000	Actual FY2007 12/07/07 to 31/12/07 Note (a) S$'000	Inc/ (Dec) %
Total return after tax before distribution		**(487)**	**65,561**	**(100.7)**	**24,696**	**68,638**	**(64.0)**
Non-tax deductible/(non-taxable) items:							
Manager's management fees payable in units		303	224	35.3	1,027	317	224.0
Trustee's fees		54	44	22.7	193	62	211.3
Amortisation of transaction costs relating to debt facilities		258	76	239.5	808	98	724.5
Net change in fair value of financial derivatives		(514)	(41)	1,153.7	2,227	351	534.5
Net change in fair value of investment properties		3,294	(56,291)	105.9	3,294	(56,291)	105.9
Foreign exchange loss – net		7,930	-	100.0	8,222	-	100.0
Transaction cost relating to financial derivatives		-	-	-	-	460	(100.0)
Others	(b)	255	-	100.0	719	-	100.0
Net effect of non-tax deductible/(non-taxable) items		**11,580**	**(55,988)**	**120.7**	**16,490**	**(55,003)**	**130.0**
Distributable income to Unitholders	(c)	**11,093**	**9,573**	**15.9**	**41,186**	**13,635**	**202.1**

Notes:

(a) Although Parkway Life REIT was constituted on 12 July 2007, it was dormant during its private trust period from 12 July 2007 to 22 August 2007. The acquisition of the Initial Portfolio was completed on 23 August 2007 upon which, it was officially listed on the SGX-ST. Consequently, the distributable income for FY2007 was derived for the period from 23 August 2007 to 31 December 2007, which was not comparable to the full year operations for FY2008.

(b) Others comprise mainly professional fees incurred in relation to valuation and technical due diligence for target investments that were non-income generating.

(c) As disclosed in the Prospectus, Parkway Life REIT will distribute 100.0% of its taxable income and net overseas income for the period commencing from Listing Date to 31 December 2008 and thereafter, 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. For FY2009, Parkway Life REIT will continue to distribute 100% of its taxable income and net overseas income.

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

	Notes	Group 31/12/08 S$'000	Group 31/12/07 S$'000	Trust 31/12/08 S$'000	Trust 31/12/07 S$'000
Current assets					
Trade and other receivables		7,505	5,512	5,554	5,512
Cash and cash equivalents		25,078	21,142	15,013	21,142
		32,583	**26,654**	**20,567**	**26,654**
Non-current assets					
Investment properties	(a)	1,047,983	831,570	831,590	831,570
Subsidiaries		-	-	184,100	-
Total assets		**1,080,566**	**858,224**	**1,036,257**	**858,224**
Current liabilities					
Trade and other payables	(b)	16,444	4,569	7,137	4,569
Financial liabilities	(c)	33,940	351	33,940	351
		50,384	**4,920**	**41,077**	**4,920**
Non-current liabilities					
Financial liabilities	(c)	221,051	33,276	221,051	33,276
Total liabilities (excluding net assets attributable to Unitholders)		**271,435**	**38,196**	**262,128**	**38,196**
Net assets attributable to Unitholders		**809,131**	**820,028**	**774,129**	**820,028**
Total liabilities		**1,080,566**	**858,224**	**1,036,257**	**858,224**

Notes:

(a) Investment properties have increased due to the acquisition of the Japan Properties in May 2008 and September 2008. The aggregate market value of the investment was last valued by DTZ Debenham Tie Leung (SEA) Pte Ltd, DTZ Debenham Tie Leung K.K and Colliers Halifax at S$1,048.0 million as at 31 December 2008.

(b) Includes an amount of S$630,000, being retention sum on acquisition of the Hospital Properties. The rectification works are estimated to take approximately another one year to complete. The increase in 2008 was mainly due to increase in security deposits, acquisition costs payable and rent received in advance relating to the Japan Properties.

(c) During the year ended 31 December 2008, the term loan and revolving credit facilities were drawn down to finance the acquisition of the Japan Properties. Refer to 1 (b)(ii) for details.

1(b)(ii) Aggregate amount of borrowings

	Notes	Group 31/12/08 S$'000	Group 31/12/07 S$'000	Trust 31/12/08 S$'000	Trust 31/12/07 S$'000
Unsecured gross borrowings					
Amount repayable within one year		34,000	-	34,000	-
Amount repayable after one year		218,150	34,000	218,150	34,000
Less: Transaction costs in relation to the term loan and revolving credit facilities		(1,348)	(724)	(1,348)	(724)
		250,802	**33,276**	**250,802**	**33,276**

In February 2008, Fitch Ratings assigned a BBB+ investment grade rating to Parkway Life REIT. As at 31 December 2008, Parkway Life REIT's gearing was 23.3%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Fund Guidelines.

(a) **<u>Details of borrowings and collateral</u>**

During the IPO, the Group has entered into a term loan and revolving credit facilities (the "Initial Facilities") comprising a term loan facility of up to S$200 million and a revolving credit facility of up to S$50 million. The term loan facility has been drawn down on the Listing Date in an amount of S$34 million as part payment of the acquisition of the Hospital Properties. On 10 August 2007, the Group served a notice to the Facility Agent to cancel the remaining amount of the term loan facility. The revolving credit facility of S$50 million remains undrawn as at 31 December 2008.

The Initial Facilities were unsecured for an initial term of 18 months. The Group had an option to extend the Initial Facilities for an additional period of 18 months, which was to be secured on the Hospital Properties of Parkway Life REIT, and the rights, titles and interests in leases, insurances and rental proceeds relating to the Hospital Properties, and the rights and interests under the Property Management Agreement, as the case may be.

During the financial year, the Group entered into three year long term facilities (the "Long Term Facilities") amounting to JPY13,660 million (S$218.2 million), comprising a term loan facility and several multi-currency revolving credit facilities, which were fully drawn down by to finance the acquisition of Japan properties. The Long Term Facilities were unsecured and ranked pari passu with all the other present and future unsecured debt obligations of Parkway Life REIT.

In addition, the Group secured a two year committed S$100 million multi-currency revolving credit facility, which is available for refinancing the S$34 million when it falls due in 2009. This facility was unsecured and ranked pari passu with all the other present and future unsecured debt obligations of Parkway Life REIT. The Group has also further secured a short-term multicurrency revolving credit facility of S$60 million, which remains undrawn as at 31 December 2008, and was unsecured and ranked pari passu with all the other present and future unsecured debt obligations of Parkway Life REIT.

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

In August 2008, the Group, though its wholly owned subsidiary, Parkway Life MTN Pte Ltd (the "Issuer"), established a S$500,000,000 Multicurrency Medium Term Note Programme (the "MTN Programme"). 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). (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.

The net proceeds from the issue of the Notes (after deducting issue expenses) will be on-lent by the Issuer as loans to the Group. It is further intended that the Group will use the proceeds of each loan advanced to it by the Issuer to refinance existing borrowings, the investments and general working capital and funding purposes of Parkway Life REIT. The MTN Programme has been assigned a rating of "BBB+" by Fitch Ratings.

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

On the Listing date, the Group entered into an interest rate swap to fix the floating interest rate for the term loan amount drawn down against the Initial Facilities for a period of three years (with an early termination option exercisable on 23 February 2009). The fair value of this swap amounting to S$849,000 is included in financial liabilities as at 31 December 2008. In accordance with FRS39, fair value adjustment on interest rate swap is recognized in the Statement of Total Return. In determining the distribution to Unitholders, this amount is adjusted back as a non-tax deductible expense.

During the current financial year, the Group also 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 changes in the fair value are recognised directly in net assets attributable to Unitholders. The changes in fair value of the foreign currency contracts were recognised in Statement of Total Return.

1(c) Consolidated Cashflow Statement

	Actual 4Q2008 01/10/08 to 31/12/08 S$'000	Actual 4Q2007 01/10/07 to 31/12/07 S$'000	Actual FY2008 01/01/08 to 31/12/08 S$'000	Actual FY2007 12/07/07 to 31/12/07 Note (a) S$'000
Operating activities				
Total return before tax and distribution	**23**	**65,561**	**25,415**	**68,638**
Adjustments for				
Interest Income	(71)	(65)	(177)	(94)
Finance costs	2,046	387	3,992	1,002
Net change in fair value of financial derivatives	(514)	(41)	2,227	351
Net change in fair value of investment properties	3,294	(56,291)	3,294	(56,291)
Manager's management fee payable in units	303	224	1,027	317
Operating income before working capital changes	**5,081**	**9,775**	**35,778**	**13,923**
Changes in working capital				
Trade and other receivables	(344)	(2,164)	(1,695)	(5,512)
Trade and other payables	(1,214)	(1,128)	9,149	3,804
Cash generated from operations	3,523	**6,483**	43,232	**12,215**
Withholding tax paid	(510)	-	(719)	-
Cash flows from operating activities	**3,013**	**6,483**	**42,513**	**12,215**
Investing activities				
Interest received	71	65	177	94
Net cash outflow on purchase of investment properties (including acquisition costs) (Note b)	-	-	(184,226)	(487,476)
Cash flows from/(used in) investing activities	**71**	**65**	**(184,049)**	**(487,382)**
Financing activities				
Interest paid	(933)	(307)	(2,107)	(769)
Distribution to Unitholders	(10,300)	-	(43,704)	-
Proceeds from borrowings	22,545	-	191,090	34,000
Borrowing costs paid	(670)	-	(1,432)	(822)
Proceeds from issue of new units	-	-	-	482,642
Issue expenses paid	-	-	-	(18,742)
Cash flows from/(used in) financing activities	**10,642**	**(307)**	**143,847**	**496,309**
Net increase in cash and cash equivalents	**13,726**	**6,241**	**2,311**	**21,142**
Cash and cash equivalents at beginning of the period	**9,781**	**14,901**	**21,142**	**-**
Effects of exchange rate differences on cash	1,571	-	1,625	-
Cash and cash equivalents at end of the period	**25,078**	**21,142**	**25,078**	**21,142**

(a) Although Parkway Life REIT was constituted on 12 July 2007, it was dormant during its private trust period from 12 July 2007 to 22 August 2007. As such, no YTD comparatives were presented except for the period from 23 August 2007 to 31 December 2007.

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

	Actual 4Q2008 01/10/08 to 31/12/08 S$'000	Actual 4Q2007 01/10/07 to 31/12/07 S$'000	Actual FY2008 01/01/08 to 31/12/08 S$'000	Actual FY2007 12/07/07 to 31/12/07 S$'000
Investment properties	-	-	176,892	774,620
Acquisition related costs	-	-	7,334	659
Investment properties acquired (including acquisition related costs)	**-**	**-**	**184,226**	**775,279**
Purchase consideration paid in units	-	-	-	(287,173)
Retention sums	-	-	-	(630)
Net cash outflow/Cash consideration paid	**-**	**-**	**184,226**	**487,476**

1(d)(i) Statement of changes in net assets attributable to Unitholders

	Notes	Group 4Q2008 01/10/08 to 31/12/08 S$'000	Group 4Q2007 01/10/07 to 31/12/07 S$'000	Group FY2008 01/01/08 to 31/12/08 S$'000	Group FY2007 12/07/07 to 31/12/07 Note (a) S$'000
Net assets attributable to Unitholders at beginning of year/period		**814,546**	**754,243**	**820,028**	**-**
Operations					
Total return after tax before changes in fair value of financial derivatives and investment properties		2,293	9,229	30,217	12,698
Net change in fair value of financial derivatives		514	41	(2,227)	(351)
Net change in fair value of investment properties		(3,294)	56,291	(3,294)	56,291
Net (decrease)/increase in net assets resulting from operations		**(487)**	**65,561**	**24,696**	**68,638**
Translation transactions					
Foreign currency translation reserve movement for the year/period	(b)	**6,598**	**-**	**8,695**	**-**
Hedging reserve	(c)	**(1,529)**	**-**	**(1,611)**	**-**
Unitholders' transactions					
Issue of new units:					
- Units issued as partial settlement for the acquisition of investment properties		-	-	-	287,173
- Private placement		-	-	-	112,895
- Initial public offering		-	-	-	369,747
Units issued / issuable as satisfaction of the Manager's management fees	(d)	303	224	1,027	317
Issue expenses		-	-	-	(18,742)
Distribution to Unitholders		(10,300)	-	(43,704)	-
Net (decrease)/increase in net assets resulting from Unitholders' transactions		**(9,997)**	**224**	**(42,677)**	**751,390**
Net assets attributable to Unitholders at end of year/period		**809,131**	**820,028**	**809,131**	**820,028**

	Notes	Trust 4Q2008 01/10/08 to 31/12/08 S$'000	Trust 4Q2007 01/10/07 to 31/12/07 S$'000	Trust FY2008 01/01/08 to 31/12/08 S$'000	Trust FY2007 12/07/07 To 31/12/07 Note (a) S$'000
Net assets attributable to Unitholders at beginning of year/period		**811,497**	**754,243**	**820,028**	**-**
Operations					
Total return before changes in fair value of financial derivatives and investment properties		(26,376)	9,229	596	12,698
Net change in fair value of financial derivatives		514	41	(2,227)	(351)
Net change in fair value of investment properties		20	56,291	20	56,291
Net (decrease)/increase in net assets resulting from operations		**(25,842)**	**65,561**	**(1,611)**	**68,638**
Hedging reserve	(c)	**(1,529)**	**-**	**(1,611)**	**-**
Unitholders' transactions					
Issue of new units:					
- Units issued as partial settlement for the acquisition of investment properties		-	-	-	287,173
- Private placement		-	-	-	112,895
- Initial public offering		-	-	-	369,747
Units issued / issuable as satisfaction of the Manager's management fees	(d)	303	224	1,027	317
Issue expenses		-	-	-	(18,742)
Distribution to Unitholders		(10,300)	-	(43,704)	-
Net decrease)/increase in net assets resulting from Unitholders' transactions		**(9,997)**	**224**	**(42,677)**	**751,390**
Net assets attributable to Unitholders at end of year/period		**774,129**	**820,028**	**774,129**	**820,028**

Notes:

(a) Although Parkway Life REIT was constituted on 12 July 2007, it was dormant during its private trust period from 12 July 2007 to 22 August 2007. As such, no YTD comparatives were presented except for the period from 23 August 2007 to 31 December 2007.

(b) The movement in foreign currency translation reserve relates to 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.

(c) 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.

(d) This consists of 403,096 units which are issuable to the Manager as partial settlement of the Manager's management fee for the period from 1 October 2008 to 31 December 2008.

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

	Notes	Actual 4Q2008 01/10/08 to 31/12/08 ’000	Actual 4Q2007 01/10/07 to 31/12/07 ’000	Actual FY2008 01/01/08 to 31/12/08 ’000	Actual FY2007 12/07/07 to 31/12/07 Note (a) ‘000
Units in issue at beginning of period		**602,086**	**601,418**	**601,418**	**-**
Issue of new units:					
- Units issued as partial settlement for the acquisition of investment properties		-	-	-	**224,354**
- Private placement		-	-	-	**88,199**
- Initial public offering		-	-	-	**288,865**
- Manager’s management fees paid in units	(b)	261	-	929	**-**
Issued units at the end of period		**602,347**	**601,418**	**602,347**	**601,418**
Units to be issued:					
- Manager’s management fees payable in units	(c)	403	273	403	273
Total issued and issuable units at the end of period		**602,750**	**601,691**	**602,750**	**601,691**

Notes:

(a) Although Parkway Life REIT was constituted on 12 July 2007, it was dormant during its private trust period from 12 July 2007 to 22 August 2007. As such, no YTD comparatives were presented except for the period from 23 August 2007 to 31 December 2007.

(b) These units were issued to the Manager as partial settlement of the Manager’s management fee for the period from 1 July 2008 to 30 September 2008 and from 23 August 2007 to 30 September 2008 respectively.

(c) These units are issuable to the Manager as partial settlement of the Manager’s management fee for the period from 1 October 2008 to 31 December 2008 and from 23 August 2007 to 31 December 2007 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 specified in the audited financial statements for the financial period ended 31 December 2007.

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	Actual 4Q2008 01/10/08 to 31/12/08 ’000	Actual 4Q2007 01/10/07 to 31/12/07 ’000	Actual FY2008 01/01/08 to 31/12/08 ’000	Actual FY2007 12/07/07 to 31/12/07 Note (a) ‘000
Number of units in issue at end of period		**602,347**	**601,418**	**602,347**	**601,418**
Weighted average number of units for the period		**602,352**	**601,420**	**602,006**	**455,411**
Earnings per unit in cents (basic and diluted) (EPU)	(b)	**(0.08)**	**10.90**	**4.10**	**15.07**
Applicable number of units for calculation of DPU		**602,750**	**601,691**	**602,750**	**601,691**
Distribution per unit in cents (DPU)	(c)	**1.84**	**1.59**	**6.83**	**2.27**

Notes:

(a) Although Parkway Life REIT was constituted on 12 July 2007, it was dormant during its private trust period from 12 July 2007 to 22 August 2007. As such, no YTD comparative was presented except for the period from 23 August 2007 to 31 December 2007.

(b) 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.

(c) 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 31/12/08 S$’000	Group 31/12/07 S$’000	Trust 31/12/08 S$’000	Trust 31/12/07 S$’000
Net asset value ("NAV") per unit (cents)	(a)	**1.34**	**1.36**	**1.29**	**1.36**
Adjusted NAV per unit (excluding the distributable income)		**1.32**	**1.34**	**1.27**	**1.34**

Notes:

(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

	Actual 4Q2008 01/10/08 to 31/12/08 S$'000	Actual 4Q2007 01/10/07 to 31/12/07 S$'000	Inc/ (Dec) %	Actual FY2008 01/01/08 to 31/12/08 S$'000	Actual FY2007 12/07/07 To 31/12/07 Note (a) S$'000	Inc/ (Dec) %
Gross revenue	**16,178**	**11,864**	**36.4**	**53,887**	**16,900**	**218.9**
Property expenses	(1,108)	(762)	45.4	(3,530)	(1,088)	224.4
Net property income	**15,070**	**11,102**	**35.7**	**50,357**	**15,812**	**218.5**
Manager's management fees	(1,514)	(1,118)	35.4	(5,133)	(1,584)	224.1
Trust expenses	(848)	(433)	95.8	(2,251)	(622)	261.9
Foreign exchange loss – net	(7,930)	-	100.0	(8,222)	-	100.0
Interest income	71	65	9.2	177	94	88.3
Finance costs	(2,046)	(387)	428.7	(3,992)	(1,002)	298.4
Non-property expenses	**(12,267)**	**(1,873)**	**554.9**	**(19,421)**	**(3,114)**	**523.7**
Total return before changes in fair value of financial derivatives and investment properties	**2,803**	**9,229**	**(69.6)**	**30,936**	**12,698**	**143.6**
Net change in fair value of financial derivatives	514	41	1,153.7	(2,227)	(351)	534.5
Net change in fair value of investment properties	(3,294)	56,291	(105.9)	(3,294)	56,291	(105.9)
Total return for the period before tax and distribution	**23**	**65,561**	**(99.9)**	**25,415**	**68,638**	**(63.0)**
Less: Withholding tax expense	(510)	-	100.0	(719)	-	100.0
Total return for the period after tax before distribution	**(487)**	**65,561**	**(100.7)**	**24,696**	**68,638**	**(64.0)**
Net effect of non-tax deductible expenses	11,580	(55,988)	(120.7)	16,490	(55,003)	(130.0)
Distributable income to Unitholders	**11,093**	**9,573**	**15.9**	**41,186**	**13,635**	**202.1**
Distribution per Unit (cents)	**1.84**	**1.59**	**15.9**	**6.83**	**2.27**	**202.1**
Annualised Distribution per Unit (cents)	**7.36**	**6.36**	**15.9**	**6.83**	**6.32**	**8.0**

Notes:

(a) Although Parkway Life REIT was constituted on 12 July 2007, it was dormant during its private trust period from 12 July 2007 to 22 August 2007. The acquisition of the initial 3 properties was completed on 23 August 2007 upon which, it was officially listed on the SGX-ST. Consequently, the distributable income for FY2007 was derived for the period from 23 August 2007 to 31 December 2007, which was not comparable to the full year operations for FY2008.

Gross revenue for 4Q2008 was S$16.2 million, which exceeded 4Q2007 by S$4.3 million. The higher revenue was primarily driven by the higher rent from Singapore Hospitals, mainly due to a high growth rate of CPI + 1% (ie 6.25%) in Year 2 of lease commencing 23 August 2008. With the completion of the acquisition of the Japan Properties in May and September 2008, the gross rental income contributed from the Japan Properties in Q42008 amounted to S$3.6 million.

Property expenses for 4Q2008 were S$1.1 million, which was S$0.3 million increase from 4Q2007. The higher property expenses were primarily incurred for the Japan Properties, following the completion of the investment in the Japan Properties. The impact of the increase to DPU is not expected to be significant.

The result is a net property income of S$15.1 million for 4Q2008, which is S$4.0 million higher than the 4Q2007.

Increase in trust expenses was mainly due to professional fees of S$0.5 million were incurred in relation to valuation, technical and engineering due diligence for target investments that were non-income generating. However there was no impact to the DPU as these fees are non-tax deductible and were added back to the distributable income.

The foreign exchange loss is mainly made up of loss on a foreign currency forward contract, entered into to lock in the Japanese Yen exchange rate. However, as the foreign currency forward was locked in at the initial exchange rate at acquisition, from a net asset perspective, the loss is offset by an increase in the value of the Japan Properties, as seen by a corresponding gain amounting to S$8.7 million in the foreign currency translation reserve.

Higher financing cost is mainly due to acquisition of Japan properties being fully funded by debt.

Change in fair value of investment properties represent a marginal drop of 0.3% in the total portfolio value, which arises mainly from writing down of capitalised acquisition costs from the Japan properties.

Overall, annualised income available for distribution to Unitholders per unit for 4Q2008 was 7.36 cents, which exceeded 4Q2007 of 6.36 cents by 15.9% or 1.0 cents, mainly due to higher variable rent from Singapore Hospitals, and yield accretive acquisitions made in Japan.

9 Review of the performance against Forecast/Prospect Statement

Consolidated Statements of Total Return and Distribution

	Notes	Actual 01/10/08 to 31/12/08 S$'000	Forecast 01/10/08 to 31/12/08 Note (a) S$'000	Increase/ (Decrease) %	Actual 01/01/08 to 31/12/08 S$'000	Forecast 01/01/08 to 31/12/08 Note (a) S$'000	Increase/ (Decrease) %
Gross revenue		**16,178**	**11,475**	**41.0%**	**53,887**	**45,900**	**17.4%**
Less: Property expenses		(1,108)	(652)	69.9%	(3,530)	(2,606)	35.5%
Net property income		**15,070**	**10,823**	**39.2%**	**50,357**	**43,294**	**16.3%**
Manager's management fees		(1,514)	(1,080)	40.2%	(5,133)	(4,320)	18.8%
Trust expenses		(848)	(273)	210.6%	(2,251)	(1,093)	106.0%
Foreign exchange loss - net		(7,930)	-	n.m.	(8,222)	-	n.m.
Interest income		71	45	57.8%	177	178	-0.6%
Finance costs		(2,046)	(431)	374.7%	(3,992)	(1,723)	131.7%
		(12,267)	(1,739)	605.4%	(19,421)	(6,958)	179.1%
Total return before changes in fair value of financial derivatives, income tax & distribution		**2,803**	**9,084**	**-69.1%**	**30,936**	**36,336**	**-14.9%**
Net change in fair value of financial derivatives	(b)	514	-	100.0%	(2,227)	-	100.0%
Net change in fair value of investment properties		(3,294)	-	100.0%	(3,294)	-	100.0%
Total return for the period before income tax & distribution		**23**	**9,084**	**-99.7%**	**25,415**	**36,336**	**-30.1%**
Less: Income tax/ withholding tax expense		(510)	-	100.0%	(719)	-	100.0%
Total return for the period after income tax before distribution		(487)	9,084	-105.4%	24,696	36,336	-32.0%
Add: Non-tax deductible expenses	(c)	11,580	327	3441.3%	16,490	1,308	1160.7%
Taxable income available for distribution to Unitholders		**11,093**	**9,411**	**17.9%**	**41,186**	**37,644**	**9.4%**
Available for distribution per unit (cents)							
For the period	(d)	**1.84**	**1.56**	**17.9%**	**6.83**	**6.25**	**9.4%**
Annualised		**7.36**	**6.25**	**17.9%**	**6.83**	**6.25**	**9.4%**

Notes:

n.m. – Not meaningful

(a) The forecast figures are derived by pro-rating the forecast figures for the Projection Year 2008 based on full exercise of the Over-allotment Units as disclosed in the Prospectus dated 7 August 2007.

(b) A 36-month interest rate swap was entered into on 23 August 2007 to provide fixed rate funding for S$34.0 million. The fair value of this swap amounting S$849,000 is included in financial liabilities as at 31 December 2008. During the current financial year, the Group also entered into foreign currency forward contracts to hedge its net foreign income from Japan. The changes in fair value of the foreign currency contracts were recognised in Statement of Total Return.

(c) These include management fees payable in units to the Manager, net change in fair value of financial derivatives and investment properties, amortisation of transaction costs relating to debt facilities, and other non-tax deductible items.

(d) The number of units used to calculate the Distribution per Unit ("DPU") comprises units in issue as at 31 December 2008, and units to be issued as partial settlement of the Manager's management fees.

Variance from Forecast/Prospect Statement

Gross revenue for the 4Q2008 was S$16.2 million, which was an increase of S$4.7 million or 41.0% from our forecast of S$11.5 million. The higher revenue was primarily driven by the higher rent from Singapore Hospitals, mainly due to a high growth rate of CPI + 1% (ie 6.25%) in Year 2 of lease commencing 23 August 2008. With the completion of the acquisition of the Japan Properties in May and September 2008, the gross rental income contributed from the Japan Properties in Q42008 amounted to S$3.6 million.

Actual property expenses were S$1.1 million, which was S$0.5 million or 69.9% increase from forecast of S$0.7 million. Under the Master Lease Agreements in respect of the Hospital Properties, the Master Lessee will be responsible for all property expenses including property tax, insurance and all outgoings to be incurred in respect of the Hospital Properties. Property expenses in relation to the Hospital Properties comprise mainly Management Corporation Strata Title ("MCST") charges for the Mount Elizabeth Hospital ("MEH") and Gleneagles Hospital ("GEH"). The increase was largely due to increase in contributions to management and sinking fund in respect of MEH. In addition, the Group's property expenses increased by S$0.4 million due to property expenses incurred for the Japan Properties, following the completion of the investment in the Japan Properties. The impact of the increase to DPU is not expected to be significant.

Increase in trust expenses was mainly due to professional fees of S$0.5 million were incurred in relation to valuation, technical and engineering due diligence for target investments that were non-income generating. However there was no impact to the DPU as these fees are non-tax deductible and were added back to the distributable income.

The foreign exchange loss is mainly made up of loss on a foreign currency forward contract, entered into to lock in the Japanese Yen exchange rate. However, as the foreign currency forward was locked in at the initial exchange rate at acquisition, from a net asset perspective, the loss is offset by an increase in the value of the Japan Properties, as seen by a corresponding gain amounting to S$8.7 million in the foreign currency translation reserve.

Higher financing cost is mainly due to acquisition of Japan properties being fully funded by debt.

Change in fair value of investment properties represent a marginal drop of 0.3% in the total portfolio value, which arises mainly from writing down of capitalised acquisition costs from the Japan properties.

The result is a net property income of S$15.1 million, which is S$4.2 million or 39.2% higher than the forecast.

Overall, annualised income available for distribution to Unitholders per unit was 7.36 cents, which exceeded forecast of 6.25 cents by 17.87% or 1.11 cents, mainly due to higher variable rent from Singapore Hospitals, and yield accretive acquisitions made in Japan.

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.

Despite challenging market conditions, we remain optimistic about our medium and long term prospects. This is due to our rental lease structures that protect downside risk while providing for good future rental growth with CPI-linked revision formulae; low gearing; 100% occupancy across the portfolio and investment grade credit rating of BBB+. The demand for quality private healthcare will remain resilient and continue to grow, driven by growing affluence and an ageing population.

Parkway Life REIT has also zero refinancing risks for the next 2 years, with secured financing for its acquisitions, in order to deliver stable distributions to its Unitholders.

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: Fourth quarter distribution for the period from 1 October 2008 to 31 December 2008

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	1.58
Capital	0.26
Total	**1.84**

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 18%.

Capital Distribution

Capital distribution represents a return of capital to Unitholders for tax purposes and is therefore not subject to withholding tax. For Unitholders who are liable to tax on profits from sale of Parkway Life REIT Units, the amount of capital distribution will be applied to reduce the cost base of their Parkway Life REIT Units for tax purposes.

(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period: Not applicable.

(c) Book closure date: 6 February 2009

(d) Date payable: 27 February 2009

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

Ho Li Li
Company Secretary
29 January 2009

Citigroup Global Markets Singapore Pte. Ltd. and UBS AG, acting through its business group, UBS Investment Bank were the joint global co-ordinators, joint bookrunners and joint lead underwriters to the initial public offering 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.

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 the Sponsor, the Manager, HSBC Institutional Trust Services (Singapore) Limited as trustee of Parkway Life REIT, the Joint Lead Underwriters, DBS Bank Ltd, or any of their affiliates. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on 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.