ParkwayLife REIT

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

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
2009 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 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.

Within almost two years of listing, Parkway Life REIT has expanded its asset size and penetrate into the Asia-Pacific region, via the acquisition of 10 healthcare properties located in various prefectures of Japan in 2008, in addition to its initial portfolio of three hospital properties in Singapore, bringing the total number of assets under its management to 13 properties as at 30 June 2009.

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

Expanding into Japan in 2008, Parkway Life REIT added to its portfolio a pharmaceutical product distributing and manufacturing facility in the Chiba Prefecture, and nine high quality private nursing homes located in the Chiba, Hyogo, Kanagawa, Osaka, Saitama and Tokyo Prefectures of Japan. The costs of acquiring the pharmaceutical product distributing and manufacturing facility, and the nine nursing homes (collectively, 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. For the full financial year ending 31 December 2009, Parkway Life REIT is committed to distributing 100% of its taxable income available for distribution and net overseas income to Unitholders.

SUMMARY OF PARKWAY LIFE REIT'S RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

		Actual 1H2009	Actual 1H2008	Increase/(Decrease)	
	Notes	**S$'000**	**S$'000**	**S$'000**	**%**
Gross Revenue		**32,437**	**24,362**	**8,075**	**33.1**
Net Property Income		30,150	22,817	7,333	32.1
Distributable Income		22,774	19,781	2,993	15.1
Distribution per unit (cents)	(a)	**3.78**	**3.29**	**0.49**	**15.1**
Annualised distribution per unit (cents)		**7.55**	**6.57**	**0.98**	**15.1**
Annualised distribution yield (%), based on					
- Closing market price of S$0.925 as at 30 June 2009		**8.16**	**7.10**		**15.1**

Notes:

(a) The number of units used to calculate the Distribution per Unit ("DPU") comprise 603,130,464 and 601,885,618 units issued as at 30 June 2009 and 30 June 2008 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	Actual 2Q2009 S$'000	Actual 2Q2008 S$'000	Inc/ (Dec) %	Actual 1H2009 S$'000	Actual 1H2008 S$'000	Inc/ (Dec) %
Gross revenue		**16,099**	**12,488**	**28.9**	**32,437**	**24,362**	**33.1**
Property expenses		(1,126)	(784)	43.6	(2,287)	(1,545)	48.0
Net property income		**14,973**	**11,704**	**27.9**	**30,150**	**22,817**	**32.1**
Manager's management fees	(a)	(1,475)	(1,199)	23.0	(2,957)	(2,336)	26.6
Trust expenses		(348)	(342)	1.7	(1,095)	(593)	84.7
Foreign exchange loss – net		(7)	-	100.0	(92)	-	100.0
Interest income		7	9	(22.2)	22	100	(78.0)
Finance costs	(b)	(1,882)	(603)	212.1	(3,808)	(1,089)	249.7
Non-property expenses		**(3,705)**	**(2,135)**	**73.5**	**(7,930)**	**(3,918)**	**102.4**
Total return before changes in fair value of financial derivatives		**11,268**	**9,569**	**17.8**	**22,220**	**18,899**	**17.6**
Net change in fair value of financial derivatives	(c)	278	749	(62.9)	441	102	332.4
Total return for the period before tax and distribution		**11,546**	**10,318**	**11.9**	**22,661**	**19,001**	**19.3**
Less: Withholding tax expense		(426)	(69)	517.4	(926)	(69)	1,242.0
Total return for the period after tax before distribution		**11,120**	**10,249**	**8.5**	**21,735**	**18,932**	**14.8**

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) In 2008, the Group entered into foreign currency forward contracts to hedge its net foreign income from Japan. The changes in fair value of the foreign currency contracts were recognised in Statement of Total Return.

Distribution Statement

	Notes	Actual 2Q2009 S$'000	Actual 2Q2008 S$'000	Inc/ (Dec) %	Actual 1H2009 S$'000	Actual 1H2008 S$'000	Inc/ (Dec) %
Total return after tax before distribution		**11,120**	**10,249**	**8.5**	**21,735**	**18,932**	**14.8**
Non-tax deductible/(non-taxable) items:							
Manager's management fees payable in units		295	240	22.9	591	467	26.6
Trustee's fees		53	46	15.2	105	90	16.7
Amortisation of transaction costs relating to debt facilities		208	170	22.4	408	341	19.6
Net change in fair value of financial derivatives		(278)	(749)	(62.9)	(441)	(102)	332.4
Foreign exchange (gain)/loss		(16)	-	100.0	6	-	100.0
Others	(a)	-	53	(100.0)	370	53	598.1
Net effect of non-tax deductible/(non-taxable) items		**262**	**(240)**	**209.2**	**1,039**	**849**	**22.4**
Distributable income to Unitholders	(b)	**11,382**	**10,009**	**13.7**	**22,774**	**19,781**	**15.1**

Notes:

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

(b) 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. Parkway Life REIT is committed to distribute 100% of its taxable income available for distribution and net overseas income to Unitholders for the full financial year ending 31 December 2009.

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

	Notes	Group 30/06/09 S$'000	Group 31/12/08 S$'000	Trust 30/06/09 S$'000	Trust 31/12/08 S$'000
Current assets					
Trade and other receivables		6,984	7,505	5,693	5,554
Cash and cash equivalents	(b)	22,386	25,078	11,801	15,013
		29,370	**32,583**	**17,494**	**20,567**
Non-current assets					
Investment properties	(a)	1,037,796	1,047,983	831,590	831,590
Subsidiaries		-	-	184,100	184,100
Total assets		**1,067,166**	**1,080,566**	**1,033,184**	**1,036,257**
Current liabilities					
Trade and other payables	(b)	13,763	16,444	6,352	7,137
Financial liabilities	(c)	-	33,940	-	33,940
		13,763	**50,384**	**6,352**	**41,077**
Non-current liabilities					
Financial liabilities	(c)	244,527	221,051	244,527	221,051
Total liabilities (excluding net assets attributable to Unitholders)		**258,290**	**271,435**	**250,879**	**262,128**
Net assets attributable to Unitholders		**808,876**	**809,131**	**782,305**	**774,129**
Total liabilities		**1,067,166**	**1,080,566**	**1,033,184**	**1,036,257**

Notes:

(a) The aggregate market value of the investment properties 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. Decrease in investment properties is mainly due to depreciation in Japanese Yen.

(b) The decrease is mainly due to payment of acquisition taxes for Japan Properties.

(c) The decrease in financial liabilities is mainly due to the depreciation in Japanese Yen. Further, the S$34 million term loan, drawn down on the Listing Date, was repaid in February 2009, at the end of facility term. The repayment was carried out using the Group's existing credit facilities. Refer to 1(b)(ii) for details.

1(b)(ii) Aggregate amount of borrowings

	Group 30/06/09 S$'000	Group 31/12/08 S$'000	Trust 30/06/09 S$'000	Trust 31/12/08 S$'000
Unsecured gross borrowings				
Amount repayable within one year	-	34,000	-	34,000
Amount repayable after one year	241,905	218,150	241,905	218,150
Less: Transaction costs in relation to the term loan and revolving credit facilities	(1,184)	(1,348)	(1,184)	(1,348)
	240,721	**250,802**	**240,721**	**250,802**

On 12 June 2009, Fitch Ratings assigned a BBB investment grade rating to Parkway Life REIT. As at 30 June 2009, Parkway Life REIT's gearing was 22.7%, well within the 60% limit allowed under the Monetary Authority of Singapore's Property Funds Guidelines.

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

In 2008, the Group has entered into three year long term facilities (the "Long Term Facilities") amounting to JPY13,660 million (S$207.9 million), comprising a term loan facility and several revolving credit facilities, which were fully drawn down in 4Q2008 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, in 2008 the Group has secured a two year committed S$100 million multi-currency revolving credit facility, which is used for refinancing the S$34 million which falls due in February 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 30 June 2009, which 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 2008, the Group, through 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) 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.

As at 30 June 2009, the Group has not raised funding from this MTN Programme.

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

In 2008, the Group 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 forward contracts were recognised in Statement of Total Return.

1(c) Consolidated Cashflow Statement

	Notes	Actual 2Q2009 S$'000	Actual 2Q2008 S$'000	Actual 1H2009 S$'000	Actual 1H2008 S$'000
Operating activities					
Total return before tax and distribution		**11,546**	**10,318**	**22,661**	**19,001**
Adjustments for					
Interest Income		(7)	(9)	(22)	(100)
Finance costs		1,882	603	3,808	1,089
Net change in fair value of financial derivatives		(278)	(749)	(441)	(102)
Manager's management fee payable in units		295	240	591	467
Operating income before working capital changes		**13,438**	**10,403**	**26,597**	**20,355**
Changes in working capital					
Trade and other receivables		375	(1,612)	380	(809)
Trade and other payables		(846)	3,648	(1,879)	4,434
Cash generated from operations		12,967	12,439	25,098	23,980
Withholding tax paid		(426)	(69)	(926)	(69)
Cash flows from operating activities	**(a)**	**12,541**	**12,370**	**24,172**	**23,911**
Investing activities					
Interest received		7	9	22	100
Net cash outflow on purchase of investment properties (including acquisition costs)		-	(72,502)	-	(72,502)
Cash flows from/(used in) investing activities		**7**	**(72,493)**	**22**	**(72,402)**
Financing activities					
Interest paid		(1,667)	(315)	(3,814)	(635)
Distribution to Unitholders		(11,399)	(9,751)	(22,490)	(23,409)
Proceeds from borrowings		-	60,000	-	60,000
Borrowing costs paid		(160)	-	(244)	-
Cash flows from financing activities		**(13,226)**	**49,934**	**(26,548)**	**35,956**
Net decrease in cash and cash equivalents		**(678)**	**(10,189)**	**(2,354)**	**(12,535)**
Cash and cash equivalents at beginning of the period		**23,254**	**18,796**	**25,078**	**21,142**
Effects of exchange rate differences on cash		(190)	(57)	(338)	(57)
Cash and cash equivalents at end of the period		**22,386**	**8,550**	**22,386**	**8,550**

Note:

(a) The cash flows from operating activities have remained relatively constant. Increase in total return before tax and distribution in 2Q2009, as compared to 2Q2008, from additional operating profits from the Japan properties is offset by the cash outflow due to payment of acquisition taxes for the Japan properties.

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

	Notes	Group 2Q2009 S$'000	Group 2Q2008 S$'000	Group 1H2009 S$'000	Group 1H2008 S$'000
Net assets attributable to Unitholders at beginning of period		**809,256**	**815,280**	**809,131**	**820,028**
Operations					
Total return for the period		11,120	10,249	21,735	18,932
Net increase in net assets resulting from operations		**11,120**	**10,249**	**21,735**	**18,932**
Translation transactions					
Net movement in foreign currency translation reserve	(a)	**(28)**	**(1,897)**	**(34)**	**(1,897)**
Hedging reserve					
Net movement in hedging reserve	(b)	**(368)**	**-**	**(57)**	**-**
Unitholders' transactions					
Units issued / issuable as satisfaction of the Manager's management fees		295	240	591	467
Distribution to Unitholders		(11,399)	(9,751)	(22,490)	(23,409)
Net decrease in net assets resulting from Unitholders' transactions		**(11,104)**	**(9,511)**	**(21,899)**	**(22,942)**
Net assets attributable to Unitholders at end of period		**808,876**	**814,121**	**808,876**	**814,121**

	Notes	Trust 2Q2009 S$'000	Trust 2Q2008 S$'000	Trust 1H2009 S$'000	Trust 1H2008 S$'000
Net assets attributable to Unitholders at beginning of period		**777,876**	**815,280**	**774,129**	**820,028**
Operations					
Total return for the period		15,901	9,919	30,132	18,602
Net (decrease)/increase in net assets resulting from operations		**15,901**	**9,919**	**30,132**	**18,602**
Hedging reserve					
Net movement in hedging reserve	(b)	**(368)**	**-**	**(57)**	**-**
Unitholders' transactions					
Units issued / issuable as satisfaction of the Manager's management fees		295	240	591	467
Distribution to Unitholders		(11,399)	(9,751)	(22,490)	(23,409)
Net decrease in net assets resulting from Unitholders' transactions		**(11,104)**	**(9,511)**	**(21,899)**	**(22,942)**
Net assets attributable to Unitholders at end of period		**782,305**	**815,688**	**782,305**	**815,688**

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. The movement in 2Q2009 is due to depreciation of Japanese Yen as of 30 June 2009, as compared to 31 March 2009.

(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.

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

	Notes	Actual 2Q2009 ’000	Actual 2Q2008 ’000	Actual 1H2009 ’000	Actual 1H2008 ‘000
Units in issue at beginning of period		**602,750**	**601,691**	**602,347**	**601,418**
Issue of new units:					
- Manager’s management fees paid in units		380	195	783	468
Issued units at the end of period		**603,130**	**601,886**	**603,130**	**601,886**
Units to be issued:					
- Manager’s management fees payable in units	(a)	334	200	334	200
Total issued and issuable units at the end of period		**603,464**	**602,086**	**603,464**	**602,086**

Notes:

(a) These units are issuable to the Manager as partial satisfaction of the Manager’s management fee for the period from 1 April 2009 to 30 June 2009 and from 1 April 2008 to 30 June 2008 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 2008.

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 2Q2009 '000	Actual 2Q2008 '000	Actual 1H2009 '000	Actual 1H2008 '000
Number of units in issue at end of period		**603,130**	**601,886**	**603,130**	**601,886**
Weighted average number of units for the period		**603,134**	**601,888**	**602,945**	**601,790**
Earnings per unit in cents (basic and diluted) (EPU)	(a)	**1.84**	**1.70**	**3.60**	**3.15**
Applicable number of units for calculation of DPU		**603,464**	**602,086**	**603,464**	**602,086**
Distribution per unit in cents (DPU)	(b)	**1.89**	**1.66**	**3.78**	**3.29**

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 30/06/09 S$	Group 31/12/08 S$	Trust 30/06/09 S$	Trust 31/12/08 S$
Net asset value ("NAV") per unit	(a)	**1.34**	**1.34**	**1.30**	**1.29**
Adjusted NAV per unit (excluding the distributable income)		**1.32**	**1.32**	**1.28**	**1.27**

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 2Q2009 S$'000	Actual 2Q2008 S$'000	Inc/ (Dec) %	Actual 1H2009 S$'000	Actual 1H2008 S$'000	Inc/ (Dec) %
Gross revenue	**16,099**	**12,488**	**28.9**	**32,437**	**24,362**	**33.1**
Property expenses	(1,126)	(784)	43.6	(2,287)	(1,545)	48.0
Net property income	**14,973**	**11,704**	**27.9**	**30,150**	**22,817**	**32.1**
Manager's management fees	(1,475)	(1,199)	23.0	(2,957)	(2,336)	26.6
Trust expenses	(348)	(342)	1.7	(1,095)	(593)	84.7
Foreign exchange loss – net	(7)	-	100.0	(92)	-	100.0
Interest income	7	9	(22.2)	22	100	(78.0)
Finance costs	(1,882)	(603)	212.1	(3,808)	(1,089)	249.7
Non-property expenses	**(3,705)**	**(2,135)**	**73.5**	**(7,930)**	**(3,918)**	**102.4**
Total return before changes in fair value of financial derivatives	**11,268**	**9,569**	**17.8**	**22,220**	**18,899**	**17.6**
Net change in fair value of financial derivatives	278	749	(62.9)	441	102	332.4
Total return for the period before tax and distribution	**11,546**	**10,318**	**11.9**	**22,661**	**19,001**	**19.3**
Less: Withholding tax expense	(426)	(69)	517.4	(926)	(69)	1,242.0
Total return for the period after tax before distribution	**11,120**	**10,249**	**8.5**	**21,735**	**18,932**	**14.8**
Net effect of non-tax deductible/ (non-taxable) items	262	(240)	(209.2)	1,039	849	22.4
Distributable income to Unitholders	**11,382**	**10,009**	**13.7**	**22,774**	**19,781**	**15.1**
Distribution per Unit (cents)	**1.89**	**1.66**	**13.7**	**3.78**	**3.29**	**15.1**
Annualised Distribution per Unit (cents)	**7.55**	**6.65**	**13.7**	**7.55**	**6.57**	**15.1**

2Q2009 vs 2Q2008

Gross revenue for 2Q2009 was S$16.1 million, which exceeds 2Q2008 by S$3.6 million. The higher revenue was primarily due to additional revenue contribution from the Japan properties in 2Q2009 as compared to 2Q2008 amounting to S$3.0 million. Further, higher revenue was also 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.

Property expenses for 2Q2009 were S$1.1 million, an S$0.3 million increase from 2Q2008. The higher property expenses were primarily incurred for the Japan Properties, as completion of the majority of the investment in the Japan Properties was done in 3Q2008.

The result is a net property income of S$15.0 million for 2Q2009, which is S$3.3 million higher than 2Q2008.

Increase in Manager's management fees and Trustee's fees was mainly due to addition of Japan properties which led to a corresponding increase in deposited property and net property income.

Foreign exchange loss is mainly made up of loss on foreign currency forward contracts, entered into to lock in the Japanese Yen exchange rate, so as to hedge the net foreign income from Japan. As the Group hedges 100% of its quarterly net dividend income from Japan, the quarterly exchange gain/loss realized from the foreign currency forwards is expected to offset the effects on DPU caused by fluctuations in the Japanese Yen exchange rates, thereby creating a stable DPU for Parkway Life REIT.

Higher financing cost is mainly due to acquisition of Japan properties, as completion of the majority investment in the Japan Properties was done in 3Q2008.

Overall, annualised income available for distribution to Unitholders per unit for 2Q2009 of 7.55 cents has outperformed 2Q2008 of 6.65 cents by 13.7% or 0.90 cents, mainly due to yield accretive acquisitions made in Japan and higher rent from Singapore Hospitals.

1H2009 vs 1H2008

Gross revenue for 1H2009 was S$32.4 million compared with S$24.4 million for 1H 2008, an increase of S$8.1 million or 33.1%. This was mainly due to higher revenue contribution from the Japan properties amounting to S$6.7 million, and higher rent from Singapore Hospitals amounting to S$1.4 million.

Property expenses for 1H2009 were S$2.3 million, an increase of S$0.7 million or 48% over 1H2008, mainly incurred for the Japan investments, which were largely completed in 3Q2008.

The result is a net property income of S$30.2 million for 1H2009, which is S$7.3 million higher than 1H2008.

Increase in trust expenses was mainly due to professional fees of S$0.4 million, which were incurred in relation to valuation, legal and building 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.

Manager’s management fees for 1H2009 were S$3.0 million, an increase of S$0.6 million or 26.6% over 1H2008 due to higher deposited property value and higher net property income from the addition of Japan properties primarily in 3Q2008.

Higher financing cost is mainly due to acquisition of Japan properties, as completion of the majority of the investment in the Japan Properties was done in 3Q2008.

Overall, annualised income available for distribution to Unitholders per unit for 1H2009 of 7.55 cents has outperformed 1H2008 of 6.57 cents by 15.1% or 0.98 cents, mainly due to yield accretive acquisitions made in Japan and higher rent from Singapore Hospitals.

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.

Despite the weak economic outlook for the rest of the year, we remain optimistic about our medium to long term prospects. This is due to our favourable rental lease structures that have at least 96% of total portfolio with downside revenue protection while providing for good future rental growth with CPI-linked revision formulae; and 100% occupancy across the portfolio.

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

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 2009 to 30 June 2009

Distribution Type	Distribution Rate (cents per unit)
Taxable Income	1.69
Exempt Income	0.04
Capital	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%.

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 2008 to 30 June 2008

Distribution Type: Taxable Income

Distribution Rate: 1.66 cents per unit

Par value of units: Not meaningful

	Tax Rate:	These distributions are made out of Parkway Life REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).
(c)	**Book closure date:**	17 August 2009
(d)	**Date payable:**	11 September 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.

Investors 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 table included in this announcement between the listed amounts an 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 2009

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 interim financial results to be false or misleading in any material aspect.

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

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

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

UBS AG, acting through its business group, UBS Investment Bank ("**UBS**") was the sole financial advisor and manager to the initial public offering. Citigroup Global Markets Singapore Pte. Ltd. and UBS 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 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.