ParkwayLife REIT

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

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009 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 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 21 properties located in the Asia-Pacific region, including three hospitals in Singapore and 18 healthcare assets in Japan. Its total portfolio size stands at approximately S$1.15 billion as at 31 December 2009.

In Singapore, Parkway Life REIT owns the largest portfolio of private hospitals comprising Mount Elizabeth Hospital, Gleneagles Hospital, and East Shore 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 17 high quality nursing homes located in various prefectures of Japan (collectively, the "Japan Properties"). Eight of the nursing homes were acquired in November 2009 as the group further expands its asset size and regional presence. 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 2009

	Notes	2009	2008	Inc/(Dec)	
		S$'000	S$'000	S$'000	%
Gross Revenue		**66,679**	**53,887**	**12,792**	**23.7**
Net Property Income		**61,983**	**50,357**	**11,626**	**23.1**
Distributable Income		**46,716**	**41,186**	**5,530**	**13.4**
Distribution per unit (cents)	(a)	**7.74**	**6.83**	**0.91**	**13.4**
Distribution yield (%), based on - Closing market price of S$1.22 as at 31 December 2009		**6.34**	**5.60**		**13.4**

Notes:

(a) The number of units used to calculate the Distribution per Unit ("DPU") comprises 603,736,267 and 602,347,258 units issued as at 31 December 2009 and 31 December 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	4Q 2009 S$'000	4Q 2008 S$'000	Inc/ (Dec) %	2009 S$'000	2008 S$'000	Inc/ (Dec) %
Gross revenue		**17,744**	**16,178**	**9.7**	**66,679**	**53,887**	**23.7**
Property expenses		(1,282)	(1,108)	15.7	(4,696)	(3,530)	33.0
Net property income		**16,462**	**15,070**	**9.2**	**61,983**	**50,357**	**23.1**
Manager's management fees	(a)	(1,605)	(1,514)	6.0	(6,067)	(5,133)	18.2
Trust expenses		(838)	(848)	(1.2)	(2,408)	(2,251)	7.0
Foreign exchange loss – net		(36)	(7,930)	(99.5)	(156)	(8,222)	(98.1)
Interest income		5	71	(93.0)	34	177	(80.8)
Finance costs	(b)	(2,235)	(2,046)	9.2	(7,937)	(3,992)	98.8
Non-property expenses		**(4,709)**	**(12,267)**	**(61.6)**	**(16,534)**	**(19,421)**	**(14.9)**
Total return before changes in fair value of financial derivatives and investment properties		**11,753**	**2,803**	**319.3**	**45,449**	**30,936**	**46.9**
Net change in fair value of financial derivatives	(c)	476	514	(7.4)	598	(2,227)	126.9
Net change in fair value of investment properties	(d)	28,853	(3,294)	975.9	28,853	(3,294)	975.9
Total return for the period before tax and distribution		**41,082**	**23**	**178,517.4**	**74,900**	**25,415**	**194.7**
Withholding tax expense		(549)	(510)	7.6	(1,963)	(719)	173.0
Total return for the period after tax before distribution		**40,533**	**(487)**	**8,423.0**	**72,937**	**24,696**	**195.3**

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 2009. The net change in fair value of investment properties represents a gain of 2.6% in the total portfolio value.

Distribution Statement

	Notes	4Q 2009 S$'000	4Q 2008 S$'000	Inc/ (Dec) %	2009 S$'000	2008 S$'000	Inc/ (Dec) %
Total return after tax before distribution		**40,533**	**(487)**	**8,423.0**	**72,937**	**24,696**	**195.3**
Non-tax deductible/(non-taxable) items:							
Manager's management fees payable in units		322	303	6.3	1,214	1,027	18.2
Trustee's fees		56	54	3.7	214	193	10.9
Amortisation of transaction costs relating to debt facilities		201	258	(22.1)	765	808	(5.3)
Net change in fair value of financial derivatives		(476)	(514)	(7.4)	(598)	2,227	(126.9)
Net change in fair value of investment properties		(28,853)	3,294	(975.9)	(28,853)	3,294	(975.9)
Unrealised foreign exchange (gain)/loss		(5)	7,930	(100.1)	7	8,222	(99.9)
Others		605	255	137.3	1,030	719	43.3
Net effect of non-tax deductible/(non-taxable) items		**(28,150)**	**11,580**	**(343.1)**	**(26,221)**	**16,490**	**(259.0)**
Distributable income to Unitholders	(a)	**12,383**	**11,093**	**11.6**	**46,716**	**41,186**	**13.4**

Notes:

(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.

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

	Notes	Group 31/12/09 S$'000	Group 31/12/08 S$'000	Trust 31/12/09 S$'000	Trust 31/12/08 S$'000
Current assets					
Trade and other receivables		7,712	7,505	6,345	5,554
Cash and cash equivalents	(a)	21,259	25,078	7,189	15,013
		28,971	**32,583**	**13,534**	**20,567**
Non-current assets					
Investment properties	(b)	1,152,871	1,047,983	862,900	831,590
Subsidiaries		-	-	266,640	184,100
Total assets		**1,181,842**	**1,080,566**	**1,143,074**	**1,036,257**
Current liabilities					
Trade and other payables		18,672	16,444	6,642	7,137
Loans and borrowings		34,417	33,940	34,417	33,940
		53,089	**50,384**	**41,059**	**41,077**
Non-current liabilities					
Loans and borrowings	(c)	291,554	221,051	291,554	221,051
Total liabilities		**344,643**	**271,435**	**332,613**	**262,128**
Net assets		**837,199**	**809,131**	**810,461**	**774,129**
Represented by:					
Unitholders' funds		837,199	809,131	810,461	774,129
Total equity		**837,199**	**809,131**	**810,461**	**774,129**

Notes:

(a) The decrease in cash and cash equivalents is mainly due to payment of acquisition taxes for the Japan Properties acquired in 2008 and asset enhancement capital outlay.

(b) The increase in investment properties is largely due to the recent acquisition of eight nursing homes in Japan executed in November 2009. As at 31 December 2009, the aggregate market value of the investment properties was valued by CB Richard Ellis (Pte) Ltd and Colliers Halifax at S$1,152.9 million. A revaluation surplus of S$28.9 million is credited directly to the Statement of Total Return.

(c) The increase in financial liabilities is mainly due to the term loan of JPY5,300 million drawn down to finance the acquisition of the eight nursing homes in Japan in November 2009.

1(b)(ii) Aggregate amount of borrowings

	Group 31/12/09 S$'000	Group 31/12/08 S$'000	Trust 31/12/09 S$'000	Trust 31/12/08 S$'000
Unsecured gross borrowings				
Amount repayable within one year	34,000	34,000	34,000	34,000
Amount repayable after one year	290,278	218,150	290,278	218,150
Less: Transaction costs in relation to the term loan and revolving credit facilities	(2,511)	(1,348)	(2,511)	(1,348)
	321,767	**250,802**	**321,767**	**250,802**

On 12 June 2009, Fitch Ratings assigned a BBB investment grade rating to Parkway Life REIT. As at 31 December 2009, Parkway Life REIT's gearing was 27.4%, 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 acquisition of eight nursing homes in November 2009, the Group entered into a five year JPY5,300 million (S$81.14 million[1]) unsecured term loan facility.

In 2008, the Group has entered into three year long term facilities amounting to JPY13,660 million (S$209.14 million[1]), comprising a term loan facility and several revolving credit facilities, fully drawn down to finance the acquisition of Japan Properties in 2008.

As at 31 December 2009, the total facilities drawn of JPY18,960 million (S$290.28 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.

In addition, the Group secured a two year committed S$100 million multi-currency revolving credit facility in 2008, which will mature in July 2010. This facility was drawn down by S$34 million, and was unsecured and ranked *pari passu* with all the other present and future unsecured debt obligations of Parkway Life REIT. We are in the midst of obtaining an extension for this credit facility due in 2H 2010. The Group has also further secured a short-term multicurrency revolving credit facility of S$60 million, which remains undrawn as at 31 December 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.

The Group, through its wholly owned subsidiary, Parkway Life MTN Pte Ltd (the "Issuer"), has established an S$500,000,000 Multicurrency Medium Term Note Programme (the "MTN Programme"). 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

[1] Based on the exchange rate of S$1.531 per 100JPY as at 31 December 2009

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 31 December 2009, the Group has not raised funding from this MTN Programme.

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

Further to the acquisition of eight nursing homes in November 2009, the Group has concurrently entered into a five-year interest rate swap to provide fixed rate funding for the term loan and foreign currency forward contract to hedge the net foreign income from these properties for the next five years.

To finance the investment properties acquired in Japan in 2008, 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 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 2009 S$'000	4Q 2008 S$'000	2009 S$'000	2008 S$'000
Operating activities					
Total return before tax and distribution		**41,082**	**23**	**74,900**	**25,415**
Adjustments for					
Interest income		(5)	(71)	(34)	(177)
Finance costs		2,235	2,046	7,937	3,992
Net change in fair value of financial derivatives		(476)	(514)	(598)	2,227
Net change in fair value of investment properties		(28,853)	3,294	(28,853)	3,294
Manager's management fees paid and payable in units		322	303	1,214	1,027
Operating income before working capital changes		**14,305**	**5,081**	**54,566**	**35,778**
Changes in working capital					
Trade and other receivables		(393)	(344)	(340)	(1,695)
Trade and other payables		3,910	(1,214)	2,604	9,149
Cash generated from operations		17,822	3,523	56,830	43,232
Withholding tax paid		(485)	(510)	(1,823)	(719)
Cash flows from operating activities	**(a)**	**17,337**	**3,013**	**55,007**	**42,513**
Investing activities					
Interest received		5	71	34	177
Net cash outflow on asset enhancement works / purchase of investment properties		(83,210)	-	(85,548)	(184,226)
Cash flows (used in)/from investing activities	**(b)**	**(83,205)**	**71**	**(85,514)**	**(184,049)**
Financing activities					
Interest paid		(1,751)	(933)	(7,299)	(2,107)
Distribution to Unitholders		(11,531)	(10,300)	(45,427)	(43,704)
Proceeds from borrowings		81,726	22,545	81,726	191,090
Borrowing costs paid		(1,684)	(670)	(1,928)	(1,432)
Cash flows from financing activities	**(c)**	**66,760**	**10,642**	**27,072**	**143,847**
Net increase/(decrease) in cash and cash equivalents		**892**	**13,726**	**(3,435)**	**2,311**
Cash and cash equivalents at beginning of the period/year		**20,579**	**9,781**	**25,078**	**21,142**
Effects of exchange differences on cash balances		(212)	1,571	(384)	1,625
Cash and cash equivalents at end of the period/year		**21,259**	**25,078**	**21,259**	**25,078**

Notes:

(a) The increase in the cash flows from operating activities in 4Q 2009, as compared to 4Q 2008, resulted from additional operating profits from the eight nursing homes acquired in November 2009. Further, included in 4Q 2008 is a one-time foreign exchange loss amounting to S$7.9 million on a foreign currency forward contract, entered into to lock in the Japanese Yen exchange rate.

(b) The drop in cash flows from investing activities in 4Q 2009 as compared to 4Q 2008, is mainly due to the acquisition of eight nursing homes in Japan done in November 2009.

(c) The cash inflow from financing activities in 4Q 2009 was resulted from loans drawn down to fund the acquisition of Japan Properties in 2009.

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

	Notes	Group 4Q 2009 S$'000	Group 4Q 2008 S$'000	Group 2009 S$'000	Group 2008 S$'000
Unitholders' funds at beginning of period/year		**808,317**	**814,546**	**809,131**	**820,028**
Operations					
Net movement in net assets resulting from operations		**40,533**	**(487)**	**72,937**	**24,696**
Translation transactions					
Net movement in foreign currency translation reserve	(a)	**(66)**	**6,598**	**(43)**	**8,695**
Hedging reserve					
Net movement in hedging reserve	(b)	**(376)**	**(1,529)**	**(613)**	**(1,611)**
Unitholders' transactions					
Manager's management fees paid and payable in units		322	303	1,214	1,027
Distribution to Unitholders		(11,531)	(10,300)	(45,427)	(43,704)
Net decrease in net assets resulting from Unitholders' transactions		**(11,209)**	**(9,997)**	**(44,213)**	**(42,677)**
Unitholders' funds at end of period/year		**837,199**	**809,131**	**837,199**	**809,131**

	Notes	Trust 4Q 2009 S$'000	Trust 4Q 2008 S$'000	Trust 2009 S$'000	Trust 2008 S$'000
Unitholders' funds at beginning of period/year		**773,328**	**811,497**	**774,129**	**820,028**
Operations					
Net movement in net assets resulting from operations		**48,718**	**(25,842)**	**81,158**	**(1,611)**
Hedging reserve					
Net movement in hedging reserve	(b)	**(376)**	**(1,529)**	**(613)**	**(1,611)**
Unitholders' transactions					
Manager's management fees paid and payable in units		322	303	1,214	1,027
Distribution to Unitholders		(11,531)	(10,300)	(45,427)	(43,704)
Net decrease in net assets resulting from Unitholders' transactions		**(11,209)**	**(9,997)**	**(44,213)**	**(42,677)**
Unitholders' funds at end of period/year		**810,461**	**774,129**	**810,461**	**774,129**

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.

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

	Notes	4Q 2009 '000	4Q 2008 '000	2009 '000	2008 '000
Units in issue at beginning of period/year		**603,464**	**602,086**	**602,347**	**601,418**
Issue of new units:					
- Manager's management fees paid in units		272	261	1,389	929
Issued units at the end of period/year		**603,736**	**602,347**	**603,736**	**602,347**
Units to be issued:					
- Manager's management fees payable in units	(a)	265	403	265	403
Total issued and issuable units at the end of period/year		**604,001**	**602,750**	**604,001**	**602,750**

Notes:

(a) These units are issuable to the Manager as partial satisfaction of the Manager's management fee for the period from 1 October 2009 to 31 December 2009 and from 1 October 2008 to 31 December 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.

Except for the adoption of the Amendment to FRS 32 and FRS 1 (refer to item 5 below), 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 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.

The Group and the REIT have adopted the Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation.

The adoption of the Amendments to FRS 32 and FRS 1 has resulted in the net assets attributable to Unitholders of the Group (including the units in issue of the REIT) being classified as equity instead of a financial liability.

This change in accounting policy has been applied retrospectively in accordance with the provisions of the amendments and the comparatives have been restated. This change does not have any impact on the Group's and REIT's statements of total return.

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

	Notes	4Q 2009 '000	4Q 2008 '000	2009 '000	2008 '000
Number of units in issue at end of period/year		**603,736**	**602,347**	**603,736**	**602,347**
Weighted average number of units for the period		**603,739**	**602,352**	**603,277**	**602,006**
Earnings per unit in cents (basic and diluted) (EPU)	(a)	**6.71**	**(0.08)**	**12.09**	**4.10**
Applicable number of units for calculation of DPU		**604,001**	**602,750**	**604,001**	**602,750**
Distribution per unit in cents (DPU)	(b)	**2.05**	**1.84**	**7.74**	**6.83**

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 31/12/09 S$	Group 31/12/08 S$	Trust 31/12/09 S$	Trust 31/12/08 S$
Net asset value ("NAV") per unit	(a)	**1.39**	**1.34**	**1.34**	**1.29**
Adjusted NAV per unit (excluding the distributable income)		**1.37**	**1.32**	**1.32**	**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

	4Q 2009 S$'000	4Q 2008 S$'000	Inc/ (Dec) %	2009 S$'000	2008 S$'000	Inc/ (Dec) %
Gross revenue	**17,744**	**16,178**	**9.7**	**66,679**	**53,887**	**23.7**
Property expenses	(1,282)	(1,108)	15.7	(4,696)	(3,530)	33.0
Net property income	**16,462**	**15,070**	**9.2**	**61,983**	**50,357**	**23.1**
Manager's management fees	(1,605)	(1,514)	6.0	(6,067)	(5,133)	18.2
Trust expenses	(838)	(848)	(1.2)	(2,408)	(2,251)	7.0
Foreign exchange loss – net	(36)	(7,930)	(99.5)	(156)	(8,222)	(98.1)
Interest income	5	71	(93.0)	34	177	(80.8)
Finance costs	(2,235)	(2,046)	9.2	(7,937)	(3,992)	98.8
Non-property expenses	**(4,709)**	**(12,267)**	**(61.6)**	**(16,534)**	**(19,421)**	**(14.9)**
Total return before changes in fair value of financial derivatives and investment properties	**11,753**	**2,803**	**319.3**	**45,449**	**30,936**	**46.9**
Net change in fair value of financial derivatives	476	514	(7.4)	598	(2,227)	126.9
Net change in fair value of investment properties	28,853	(3,294)	975.9	28,853	(3,294)	975.9
Total return for the period before tax and distribution	**41,082**	**23**	**178,517.4**	**74,900**	**25,415**	**194.7**
Less: Withholding tax expense	(549)	(510)	7.6	(1,963)	(719)	173.0
Total return for the period after tax before distribution	**40,533**	**(487)**	**8,423.0**	**72,937**	**24,696**	**195.3**
Net effect of non-tax deductible/ (non-taxable) items	(28,150)	11,580	**(343.1)**	(26,221)	16,490	(259.0)
Distributable income to Unitholders	**12,383**	**11,093**	**11.6**	**46,716**	**41,186**	**13.4**
Distribution per Unit (cents)	**2.05**	**1.84**	**11.6**	**7.74**	**6.83**	**13.4**
Annualised Distribution per Unit (cents)	**8.20**	**7.36**	**11.6**	**7.74**	**6.83**	**13.4**

4Q 2009 Vs 4Q 2008

Gross revenue for 4Q 2009 was S$17.7 million, which exceeds 4Q 2008 by S$1.6 million. The higher revenue was due primarily to additional revenue contribution amounting to S$1.0 million from the eight new nursing homes acquired in Japan in 4Q 2009. Further, higher revenue was also driven by the higher rent from the Singapore Hospitals, mainly due to a high growth rate of CPI + 1% (i.e. 4.36%) in Year 3 of the lease commencing 23 August 2009.

Property expenses for 4Q 2009 were S$1.3 million, a S$0.2 million increase from 4Q 2008. The higher property expenses were primarily incurred for the eight new nursing homes acquired in Japan recently, whose completion was done on 17 November 2009.

The result is a net property income of S$16.5 million for 4Q 2009, which is S$1.4 million higher than 4Q 2008.

Increase in Manager's management fees and Trustee's fee were mainly due to addition of the 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 largely due to the financing costs for the recent acquisition of the eight nursing homes in November 2009.

Overall, annualised income available for distribution to Unitholders per unit for 4Q 2009 of 8.20 cents has outperformed 4Q 2008 of 7.36 cents by 11.6% or 0.84 cents, mainly due to yield accretive acquisitions made in Japan and higher rent from Singapore Hospitals.

2009 Vs 2008

Gross revenue for 2009 was S$66.7 million compared with S$53.9 million for 2008, an increase of S$12.8 million or 23.7%. This was mainly due to full year revenue impact from the Japan Properties acquired in 2008, higher rent from the Singapore Hospitals, and revenue contribution from the eight new Japan nursing homes acquired in November 2009.

Property expenses for 2009 were S$4.7 million, an increase of S$1.2 million or 33.0% over 2008, mainly incurred for the Japan Properties, as completion of the majority of the investment in the Japan Properties was in September 2008.

The result is a net property income of S$62.0 million for 2009, which is S$11.6 million higher than 2008.

Manager's management fees for 2009 were S$6.1 million, an increase of S$0.9 million or 18.2% over 2008 due to higher deposited property value and higher net property income from the addition of the Japan Properties (where the completion of the majority of the investment in the Japan Properties was in September 2008) as well as the latest addition of eight nursing homes in November 2009.

Higher financing cost is mainly due to the full year impact on the investment in the Japan Properties and the financing costs for the recent acquisition of the Japan Properties in November 2009.

Overall, annualised income available for distribution to Unitholders per unit for 2009 of 7.74 cents has outperformed 2008 of 6.83 cents by 13.4% or 0.91 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.

Notwithstanding positive sentiments about the global recovery prospects, the economic outlook remains uncertain. Despite challenging market conditions, we remain cautiously optimistic about our medium to long term prospects. This is due to our favourable rental lease structures where at least 89.7% of the total portfolio has downside revenue protection and at the same time, the portfolio has good future rental growth with the CPI-linked revision formulae; and a 100% occupancy rate across the portfolio.

The demand for quality private healthcare will remain resilient and continue to grow, driven by growing affluence, fast-ageing populations and 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: 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	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.

(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 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 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:** 01 February 2010

(d) **Date payable:** 26 February 2010

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 2009, 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 17 Nursing Homes and one Pharmaceutical Product Distributing and Manufacturing Facility). Accordingly, no geographical segmental analysis is separately presented.

	FY 2009 S$'000	FY 2008 S$'000	Change %
Hospital Properties (Singapore) [1]	51,273	48,667	5.4
Nursing Homes (Japan) [2]	12,890	3,877	232.5
Pharmaceutical Product Distributing and Manufacturing Facility (Japan) [3]	2,516	1,343	87.3
Total gross revenue	66,679	53,887	23.7

	FY 2009 S$'000	FY 2008 S$'000	Change %
Hospital Properties (Singapore) [1]	48,262	45,665	5.7
Nursing Homes (Japan) [2]	11,396	3,455	229.8
Pharmaceutical Product Distributing and Manufacturing Facility (Japan) [3]	2,325	1,237	88.0
Total net property income	61,983	50,357	23.1

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 2008, and additional contribution from the eight new nursing homes acquired in Japan in 4Q 2009.

(3) The increase was mainly due to full year impact of the pharmaceutical product distributing and manufacturing facility acquired in 2008, and 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 2009 S$'000	FY 2008 S$'000	Change %
Gross revenue reported for first half year	32,437	24,362	33.1
Total return after tax before distribution for first half year	21,735	18,932	14.8
Gross revenue reported for second half year	34,242	29,525	16.0
Total return after tax before distribution for second half year	51,202	5,764	788.3

16 Breakdown of the total distribution

In respect of the period:

	FY 2009 S$'000	FY 2008 S$'000
23 August 2007 to 31 December 2007		13,658
1 January 2008 to 31 March 2008		9,751
1 April 2008 to 30 June 2008		9,995
1 July 2008 to 30 September 2008		10,300
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	

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
22 January 2010

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.