



ParkwayLife REIT

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

PARKWAY LIFE REAL ESTATE INVESTMENT TRUST 2008 FIRST 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 Singapore 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 March 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 "Properties", or the "initial portfolio"), covering an aggregate of 1,039 licensed beds. On 16 April 2008, Parkway Life REIT announced its first investment of a pharmaceutical products manufacturing facility in Japan, which, on completion, will increase the total portfolio size by S\$35 million to a total book value of S\$867 million.

Parkway Life REIT's current distribution policy is to distribute 100.0% of its taxable income for the period commencing from Listing Date to 31 December 2008 and thereafter, to distribute at least 90% of its taxable income.

COMPARATIVES

There are no comparatives for the corresponding period of the immediately preceding financial year. 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 not presented a comparative statement for the announcement.

Where appropriate, for the period ended 31 March 2008, comparisons are made against prorated forecast figures from 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.

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

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Summary of Parkway Life REIT's Results

		Q12008 (1 January 2008 to 31 March 2008)			
		Actual	Forecast	Increase/(Decrease)	
	Notes	S\$'000	Note (a) S\$'000	S\$'000	%
Gross Revenue		11,874	11,475	399	3.48
Net Property Income		11,112	10,823	289	2.67
Distributable Income		9,772	9,411	361	3.84
Distribution per unit (cents)	(b)	1.62	1.56	0.06	3.84
Annualised distribution per unit (cents)		6.49	6.25	0.24	3.84
Annualised distribution yield (%), based on					
- Initial public offer price of S\$1.28		5.07	4.88		3.89
- Closing market price of S\$1.21 as at 23 April 2008		5.37	5.17		3.87

Notes:

- (a) The forecast figures are derived by prorating the forecast figures from 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.
- (b) The number of units used to calculate the Distribution per Unit ("DPU") comprise 601,690,558 units issued as at 31 March 2008, and units to be issued as partial settlement of the Manager's management fees.

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

Statement of Total Return

	Notes	Actual 01/01/08 to 31/03/08 Note (a) S\$'000
Gross revenue		11,874
Property expenses		(762)
Net property income		11,112
Manager's management fees	(b)	(1,137)
Trust expenses		(250)
Interest income		91
Finance costs	(c)	(486)
Non-property expenses		(1,782)
Total return before changes in fair value of financial derivative, income tax and distribution		9,330
Net change in fair value of financial derivative	(d)	(647)
Total return for the period before income tax and distribution		8,683
Less: Income tax expense		-
Total return for the period after income tax before distribution		8,683

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, there is no comparative Statement of Total Return for the corresponding period of the immediately preceding financial year.
- (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) Finance costs represent interest expense on loan, loss on interest rate swap and amortisation of transaction costs of establishing debt facilities.
- (d) 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\$1.0 million is included in other payables as at 31 March 2008. In accordance with FRS 39, fair value adjustment on interest rate swap is recognized in the Statement of Total Return.

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Distribution Statement

	Notes	Actual 01/01/08 to 31/03/08 Note (a) S\$'000
Total return after income tax before distribution		8,683
Non-tax deductible items:		
Manager's management fees payable in units		227
Trustee's fees		44
Amortisation of transaction costs relating to debt facilities		171
Net change in fair value of financial derivative		647
Net effect of non-tax deductible expenses		1,089
Distributable income to Unitholders	(b)	9,772

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, there is no comparative Distribution Statement for the corresponding period of the immediately preceding financial year.
- (b) Parkway Life REIT's current distribution policy is to distribute 100.0% of its taxable income (after adjustment for non-tax deductible/(chargeable) items) for the period commencing from Listing Date to 31 December 2008 and thereafter, to distribute at least 90% of its taxable income.

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

	Notes	As at 31/03/08 S\$'000	As at 31/12/07 S\$'000
Current assets			
Trade and other receivables		4,709	5,512
Cash and cash equivalents		18,796	21,142
		23,505	26,654
Non-current assets			
Investment properties	(a)	831,570	831,570
Total assets		855,075	858,224
Current liabilities			
Trade and other payables	(b)	6,348	4,920
Interest-bearing borrowings		33,447	-
		39,795	4,920
Non-current liabilities			
Interest-bearing borrowings		-	33,276
Total liabilities (excluding net assets attributable to Unitholders)		39,795	38,196
Net assets attributable to Unitholders		815,280	820,028
Total liabilities		855,075	858,224

Notes:

- (a) The investment properties were last valued by DTZ Debenham Tie Leung (SEA) Pte Ltd ("DTZ") at S\$831.6 million as at 31 December 2007.
- (b) Includes an amount of S\$630,000, being retention sum on acquisition of the investment properties. The rectification works are estimated to take approximately one year to complete and the retention sum will be repaid one year after Listing Date.

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1(b)(ii) Aggregate amount of borrowings

	Notes	As at 31/03/08 S\$'000	As at 31/12/07 S\$'000
Unsecured gross borrowings			
Amount repayable within one year	(a)	34,000	-
Amount repayable after one year		-	34,000
Less: Transaction costs in relation to the term loan and revolving credit facilities		(553)	(724)
		33,447	33,276

Notes:

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

The Trustee has entered into a term loan and revolving credit facilities (the "Facilities") agreement with Standard Chartered Bank and Commonwealth Bank of Australia. The Facilities comprise 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 Properties. On 10 August 2007, the Trustee served a notice to the Facility Agent to cancel the remaining amount of the term loan facility.

Interest on the Facilities will be based on the Singapore dollar swap offer rate plus a margin.

The Facilities will be unsecured for an initial term of 18 months. The Trustee has an option to extend the Facilities for an additional period of 18 months, which will be secured on the assets of Parkway Life REIT including the Properties, and the rights, titles and interests in leases, insurances and rental proceeds relating to the Properties, and the rights and interests under the Property Management Agreement, as the case may be.

The Trustee has entered into an interest rate swap to fix the floating interest rate for the amount drawn down against the Facilities for a period of three years (with an early termination option exercisable on 23 February 2009) with effect from the Listing Date. The fair value of this swap amounting to S\$1.0 million is included in other payables as at 31 March 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 added back as a non-tax deductible expense.

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1(c) Cashflow Statement

	Actual 01/01/08 to 31/03/08 Note (a) S\$'000
Operating activities	
Total return after income tax before distribution	8,683
Adjustments for	
Interest Income	(91)
Finance costs	486
Net change in fair value of financial derivative	647
Manager's management fee payable in units	227
Operating income before working capital changes	9,952
Changes in working capital	
Trade and other receivables	803
Trade and other payables	786
Cash generated operating activities	11,541
Investing activity	
Interest received	91
Cash flows from investing activity	91
Financing activities	
Interest paid	(320)
Distribution to Unitholders	(13,658)
Cash flows from financing activities	(13,978)
Net decrease in cash and cash equivalents	(2,346)
Cash and cash equivalents at beginning of the period	21,142
Cash and cash equivalents at end of the period	18,796

Note:

- (a) There was no comparative cash flow statement as Parkway Life REIT was constituted on 12 July 2007.

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

	Notes	Actual 01/01/08 to 31/03/08 Note (a) S\$'000
Net assets attributable to Unitholders at beginning of period		820,028
Operations		
Total return before changes in fair value of financial derivative		9,330
Net change in fair value of financial derivative		(647)
Net increase in net assets resulting from operations		8,683
Unitholders' transactions		
Units to be issued as satisfaction of the Manager's management fees payable in units	(b)	227
Distribution to Unitholders		(13,658)
Net decrease in net assets resulting from Unitholders' transactions		(13,431)
Net assets attributable to Unitholders at end of period		815,280

Notes:

- (a) Prior period comparatives are not available as Parkway Life REIT was constituted on 12 July 2007.
- (b) This consists of 195,060 units which are issuable to the Manager as partial settlement of the Manager's management fee for the period from 1 January 2008 to 31 March 2008.

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

	Notes	Actual 01/01/08 to 31/03/08 Note (a) '000
Units in issue at beginning of period		601,418
Issue of new units:		
- Manager's management fees paid in units	(b)	273
Issued units at the end of period		601,691
Units to be issued:		
- Manager's management fees payable in units	(c)	195
Total issued and issuable units at 31 March 2008		601,886

Notes:

- (a) Prior period comparatives are not available as Parkway Life REIT was constituted on 12 July 2007.
- (b) These units were issued to the Manager as partial settlement of the Manager's management fee for the period from 23 August 2007 to 31 December 2007.
- (c) These units are issuable to the Manager as partial settlement of the Manager's management fee for the period from 1 January 2008 to 31 March 2008.

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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 01/01/08 to 31/03/08 Note (a) '000
Number of units in issue at end of period		601,691
Weighted average number of units for the period		601,693
Earnings per unit in cents (basic and diluted)	(b)	1.46
Applicable number of units for calculation of DPU		601,886
Distribution per unit in cents (DPU)	(c)	1.62

Notes:

(a) Prior period comparatives are not available as Parkway Life REIT was constituted on 12 July 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.

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7 Net asset value per unit based on units issued at the end of the period

	Notes	Actual as at 31/03/08 S\$'000	Actual as at 31/12/07 S\$'000
Net asset value ("NAV") per unit (cents)	(a)	1.35	1.36
Adjusted NAV per unit (excluding the distributable income)		1.34	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

Please refer to section 9 on the review of actual performance against the prorated forecast figures for the Projection Year 2008 based on full exercise of the Over-allotment Units as disclosed in the Prospectus.

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9 Review of the performance against Forecast/Prospect Statement

Statements of Total Return and Distribution

	Notes	Actual 1/01/2008 to 31/03/08 S\$'000	Forecast 1/01/2008 to 31/03/08 Note (a) S\$'000	Increase/ (Decrease) %
Gross revenue		11,874	11,475	3.48%
Less: Property expenses		(762)	(652)	16.87%
Net property income		11,112	10,823	2.67%
Manager's management fees		(1,137)	(1,080)	5.28%
Trust expenses		(250)	(273)	-8.42%
Interest income		91	45	102.22%
Finance costs		(486)	(431)	12.76%
		(1,782)	(1,739)	2.47%
Total return before changes in fair value of financial derivative, income tax and distribution		9,330	9,084	2.71%
Net change in fair value of financial derivative	(b)	(647)	-	100.00%
Total return for the period before income tax and distribution		8,683	9,084	-4.41%
Less: Income tax expense		-	-	0.00%
Total return for the period after income tax before distribution		8,683	9,084	-4.41%
Add: Non-tax deductible expenses	(c)	1,089	327	233.03%
Taxable income available for distribution to Unitholders		9,772	9,411	3.84%
Available for distribution per unit (cents)				
For the period	(d)	1.62	1.56	3.84%
Annualised		6.49	6.25	3.84%

Notes:

n.m. – Not meaningful

- (a) The forecast figures are derived by prorating the forecast figures for the Projection Year 2008 based on full exercise of the Over-allotment Units as disclosed in the Prospectus.
- (b) A 36-month interest rate swap was entered into on 23 August 2007 to provide fixed rate funding for S\$34.0 million (or 100% of outstanding borrowing as at 31 March 2008). The fair value of this swap amounting to S\$1.0 million is included in other payables as at 31 March 2008. In accordance with FRS 39, fair value adjustment on interest rate swap is recognized in the Statement of Total Return.
- (c) These include management fees payable in units to the Manager, net change in fair value on interest rate swap, 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 March 2008, and units to be issued as partial settlement of the Manager's management fees.

Variance from Forecast/Prospect Statement

Gross revenue for the period was S\$11.9 million, which was an increase of S\$0.4 million or 3.5% from our forecast of S\$11.5 million. The higher revenue was primarily driven by the higher variable rent component that is linked to the Adjusted Hospital Revenue. Actual property expenses were S\$0.8 million, which represented S\$0.1 million or 16.9% increase from the forecast of S\$0.7 million. Under the Master Lease Agreements, the Master Lessee will be responsible for all property expenses including property tax, insurance and all outgoings to be incurred in respect of the properties. Property expenses 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. The impact of the increase to DPU is not expected to be significant.

The result is a net property income of S\$11.1 million, which is S\$0.3 million or 2.7% higher than the forecast.

Overall, annualised income available for distribution to Unitholders per unit was 6.49 cents, which exceeded forecast of 6.25 cents by 3.84% or 0.24 cents.

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.

Growing affluence and an increasing ageing population are expected to continue to drive private healthcare expenditure in Singapore, which has been increasing at a compounded annual growth rate ("CAGR") of 4.76% over 2000-2007. The number of international patients traveling to Singapore has increased from 189,730 patients in 2001 to 522,000 in 2007; demonstrating a strong growth of 275%. According to *SingaporeMedicine* (set up by Economic Development Board, Singapore Tourism Board and International Enterprise Singapore in 2003 to develop Singapore as a healthcare hub for the Asian region), Singapore aims to attract one million international patients annually by the year 2012.

With the thriving biomedical and medical technology industries, and as Singapore continues to attract major companies to set up manufacturing and R&D facilities here, its position as the leading healthcare hub and biomedical center of excellence in this region is expected to strengthen. The overall outlook for Singapore's healthcare industry remains positive.

On 16 April 2008, Parkway Life REIT announced its first investment of a pharmaceutical products manufacturing facility in Japan, which is one of the core market for Parkway Life REIT. The demand for good quality healthcare real estate assets in Japan is expected to grow. By the year 2050, it is expected that one in three Japanese will be over 65 years of age.

Barring any unforeseen circumstances, Parkway Life REIT expects to meet its forecast.

Outlook for 2008

Parkway Life REIT is on track to deliver the forecast distribution per unit as stated in the Prospectus.

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11 Distributions

(a) Current financial period

Any distributions
declared for the
current financial period: Yes

Name of distribution: First quarter distribution for the period from 1 January 2008 to
31 March 2008

Distribution Type: Income/Taxable Income

Distribution Rate: 1.62 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).

(b) Corresponding period of the immediately preceding year

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

(c) Book closure date: 14 May 2008

(d) Date payable: 9 June 2008

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
6 May 2008

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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)

Justine Victoria Wingrove
Chief Executive Officer

Lim Kok Hoong
Chairman and Independent Director

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

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.