

## 2<sup>nd</sup> Quarter Financial Statement Announcement

### PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group (Second Quarter)			Group (Year-To-Date)		
	S\$'000		%	S\$'000		%
	Q2 2008	Q2 2007		30 Jun 2008	30 Jun 2007	
Revenue	236,103	221,611	7	464,847	414,289	12
Other operating income	9,343	4,805	94	14,385	11,250	28
Changes in inventories	503	(81)	NM	2,145	1,010	NM
Inventories and consumables	(55,938)	(53,223)	5	(110,976)	(101,995)	9
Purchased and contracted services	(30,384)	(29,107)	4	(60,869)	(58,011)	5
Depreciation and impairment losses of property, plant and equipment and investment properties	(11,297)	(11,386)	-1	(21,079)	(22,154)	-5
Amortisation of intangible assets	(1,542)	(1,418)	9	(3,124)	(2,811)	11
Staff costs	(70,870)	(65,090)	9	(143,162)	(122,661)	17
Operating lease expenses	(17,012)	(3,344)	NM	(33,778)	(6,241)	NM
Other operating expenses	(24,416)	(21,908)	11	(47,803)	(41,691)	15
Finance costs	(2,923)	(6,764)	-57	(6,233)	(13,335)	-53
Gain on disposal of property, plant and equipment and investment properties	393	777	-49	333	1,962	-83
Share of profits of associates (net of tax)	4,093	636	NM	6,054	1,056	NM
<b>Profit before income tax</b>	<b>36,053</b>	<b>35,508</b>	<b>2</b>	<b>60,740</b>	<b>60,668</b>	<b>-</b>
Income tax expense	(7,530)	(8,652)	-13	(12,323)	(11,914)	3
<b>Profit for the period</b>	<b>28,523</b>	<b>26,856</b>	<b>6</b>	<b>48,417</b>	<b>48,754</b>	<b>-1</b>
Attributable to:						
Equity holders of the Company	27,302	25,384	8	45,789	46,752	-2
Minority interests	1,221	1,472	-17	2,628	2,002	31
<b>Profit for the period</b>	<b>28,523</b>	<b>26,856</b>	<b>6</b>	<b>48,417</b>	<b>48,754</b>	<b>-1</b>

N.M. : Not meaningful

YTD 2008 net profit attributable to equity holders of the Company decreased 2% over YTD 2007. However, removing the effects of the prior period's one-off items and net effects of the REIT transaction (refer to para 8), operational net profit for YTD 2008 would have increased 9% over YTD 2007. Please refer to para 8 for details.

**1(a)(ii) Explanatory notes to the income statement.**

	Group (Second Quarter)			Group (Year-To-Date)		
	S\$'000		%	S\$'000		%
	Q2 2008	Q2 2007		30 Jun 2008	30 Jun 2007	
Investment Income	1,375	1,928	-29	1,375	1,928	-29
Allowance made for impairment loss on receivables	(1,485)	(931)	60	(1,804)	(2,257)	-20
Bad debts recovered/(written off) (net)	-	(98)	NM	7	(93)	NM
Exchange losses	(157)	(38)	NM	(294)	(360)	-18
Inventories written off	(33)	(11)	NM	(38)	(15)	NM
Gain on disposal of equity investments	-	14	NM	69	1,566	-96
Gain on disposal of property, plant and equipment and investment properties	393	777	-49	333	1,962	-83
Overprovision of current taxation in prior years	44	-	NM	855	140	NM
(Under)/overprovision of deferred taxation in prior years	(50)	30	NM	523	2,736	-81
Overprovision of share of associate's deferred tax in prior years	1,549	-	NM	1,549	-	NM

The gain on disposal of equity investments for YTD 2007 arose from Pantai's disposal of its non-healthcare assets.

Gain on disposal of property, plant and equipment and investment properties for Q2 2007 comprised mainly the gain on disposal of non-core investment properties held by a joint venture in Shanghai, China. In addition to this, the gain for YTD 2007 included the gain on disposal of two units at Eng Lok Mansion in Singapore.

The overprovision of deferred taxation in respect of prior years for YTD 2007 arose mainly from the one-off reduction in Singapore's corporate tax rate from 20% to 18%.

**Reconciliation of profit before income tax to operating profit before interest, income tax, depreciation, amortisation, minority interests, exceptional items and REIT rental (EBITDAR):**

	Group (Second Quarter)			Group (Year-To-Date)		
	S\$'000		%	S\$'000		%
	Q2 2008	Q2 2007		30 Jun 2008	30 Jun 2007	
Profit before income tax	36,053	35,508	2	60,740	60,668	-
Add/(less):						
Depreciation and impairment losses of property, plant and equipment and investment properties	11,297	11,386	-1	21,079	22,154	-5
Amortisation of intangible assets	1,542	1,418	9	3,124	2,811	11
Exchange losses	157	38	NM	294	360	-18
Finance costs	2,923	6,764	-57	6,233	13,335	-53
Interest income	(715)	(809)	-12	(1,332)	(1,918)	-31
Share of profits of associates	(4,093)	(636)	NM	(6,054)	(1,056)	NM
REIT rental expense	11,973	-	NM	23,847	-	NM
Gain on disposal of property, plant and equipment and investment properties	(393)	(777)	-49	(333)	(1,962)	-83
<b>EBITDAR</b>	<b>58,744</b>	<b>52,892</b>	<b>11</b>	<b>107,598</b>	<b>94,392</b>	<b>14</b>

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Note	Group		Company	
		30 Jun 2008 S\$'000	31 Dec 2007 S\$'000	30 Jun 2008 S\$'000	31 Dec 2007 S\$'000
<b>Non-current assets</b>					
Property, plant & equipment	1(a)	1,587,437	290,108	-	-
Intangible assets		205,849	213,605	-	-
Interests in subsidiaries	1(b)	-	-	2,650,550	1,217,923
Interests in associates		155,867	154,451	(4,650)	(4,507)
Interests in joint ventures		70,986	72,661	-	-
Amounts due from minority shareholders of a subsidiary	2	28,128	-	-	-
Other financial assets	3	43,236	41,818	2,225	-
Deferred tax assets		6,803	7,489	-	-
		<u>2,098,306</u>	<u>780,132</u>	<u>2,648,125</u>	<u>1,213,416</u>
<b>Current assets</b>					
Inventories		19,506	17,575	-	-
Trade receivables		135,224	137,394	-	-
Other receivables, deposits & prepayments		20,593	21,676	102	2,919
Tax recoverable		2,296	1,786	-	-
Other financial assets		185	1,062	-	-
Cash and cash equivalents		156,625	143,372	29,289	38,084
		<u>334,429</u>	<u>322,865</u>	<u>29,391</u>	<u>41,003</u>
<b>Total assets</b>		<u>2,432,735</u>	<u>1,102,997</u>	<u>2,677,516</u>	<u>1,254,419</u>
<b>Attributable to equity holders of the Company</b>					
Share capital	4	1,127,832	371,765	1,127,832	371,765
Treasury shares		(9,998)	(7,391)	(9,998)	(7,391)
Other reserves		(1,506)	3,922	10,457	6,796
Accumulated profits		209,453	211,966	37,915	54,825
		<u>1,325,781</u>	<u>580,262</u>	<u>1,166,206</u>	<u>425,995</u>
<b>Minority interest</b>		26,869	25,371	-	-
<b>Total equity</b>		<u>1,352,650</u>	<u>605,633</u>	<u>1,166,206</u>	<u>425,995</u>
<b>Non-current liabilities</b>					
Interest-bearing borrowings	1(c)	633,508	145,252	497,573	-
Amounts due to joint venture partners		66,715	59,222	-	-
Loans from subsidiaries		-	-	925,495	824,455
Deferred tax liabilities		25,817	25,506	1	6
		<u>726,040</u>	<u>229,980</u>	<u>1,423,069</u>	<u>824,461</u>
<b>Current liabilities</b>					
Bank overdrafts		324	679	-	-
Trade payables & accrued operating expenses		171,658	151,002	1,871	1,812
Other payables	5	44,569	32,373	17,668	745
Interest-bearing borrowings	1(d)	107,987	40,632	67,500	-
Intra-group financial guarantees		-	-	15	15
Employee benefits		4,005	3,661	-	-
Current tax payable		25,502	39,037	1,187	1,391
		<u>354,045</u>	<u>267,384</u>	<u>88,241</u>	<u>3,963</u>
<b>Total liabilities</b>		<u>1,080,085</u>	<u>497,364</u>	<u>1,511,310</u>	<u>828,424</u>
<b>Total equity and liabilities</b>		<u>2,432,735</u>	<u>1,102,997</u>	<u>2,677,516</u>	<u>1,254,419</u>

The Group and the Company is in a net current liability position as at 30 June 2008 pending the refinancing of its short-term credit facilities with long-term credit facilities which have already been secured on 9 May 2008. Please refer to explanatory notes for more details.

## Explanatory notes to the Balance Sheets:

1. On 20 May 2008, the Group has fully paid the tender price of S\$1.284 billion (including stamp duty) of its Novena Terrace/Irrawaddy Road land parcel (the "Novena Land"). The Group financed the payment by utilising its existing unsecured long-term credit facility of S\$500 million, interim deployment of its rights issue proceeds of S\$700 million and the balance with short-term credit facilities.

On 9 May 2008, a wholly-owned subsidiary of the Company, Parkway Novena Pte Ltd ("Parkway Novena"), accepted the terms of a Commitment Letter extended by a group of banks to provide a 5-year secured credit facility of up to S\$850 million to part-finance the acquisition of the Novena Land and development of the proposed hospital project on the Novena Land. On 31 July 2008, Parkway Novena formally entered into the S\$850 million Syndicated Transferrable Secured Financing Facility with a group of 19 banks. The Group will subsequently draw down this long-term credit facility to partially reinstate the rights issue proceeds and refinance the short-term credit facilities used to pay for the Novena Land on 20 May 2008. The Group has secured the full financing required to complete the Novena project.

The acquisition of the Novena Land gave rise to:

- (a) Increase in property, plant and equipment on capitalisation of the payment of the Novena Land, accrued borrowing costs and other costs directly attributable to the Novena Land that is intended for the development of a hospital and a medical centre;
  - (b) Increase in the Company's interests in subsidiaries mainly due to non-current inter-company loans extended to Parkway Novena and another wholly-owned subsidiary, Parkway Irrawaddy Pte Ltd ("Parkway Irrawaddy"), for the payment of the Novena Land;
  - (c) Increase in non-current bank borrowings due to the drawdown of S\$500 million from the Company's existing unsecured credit facility to part-finance the payment of the Novena Land via intercompany loans to Parkway Novena and Parkway Irrawaddy; and
  - (d) Increase in current bank borrowings due to the drawdown of unsecured short-term credit facilities to part-finance the payment of the Novena Land via intercompany loans to Parkway Novena and Parkway Irrawaddy. These loans will be re-financed with long-term credit facilities subsequently.
2. Pursuant to a Master Agreement entered with the minority shareholders of the World Link Companies on 23 January 2008, the Group has entered into an option agreement under which the minority shareholders will grant to the Group call options to acquire the remaining 30% equity interests in the World Link Companies for an aggregate purchase consideration of US\$21 million upon the terms and conditions set out therein. On 18 April 2008, the Group has paid US\$21 million under the terms of the option agreement.
  3. Other financial assets of the Company comprise derivative assets arising from interest rate hedging instruments.
  4. On 17 June 2008, the Company completed its 7-for-15 rights issue and 358,716,124 new rights shares were allotted and listed on the SGX-ST at the issue price of S\$2.18 each. The rights issue raised net proceeds, after deducting transaction costs, of S\$755.6 million. Of this amount, S\$700 million has been temporarily deployed to finance the acquisition of the Novena Land whilst awaiting the drawdown of long-term credit facilities.

Subsequent to the rights issue, the Group's gearing as measured by net debt over equity is maintained at a healthy ratio of 44% as at 30 June 2008. Gearing as measured by net debt over annualized EBITDA (earnings before interest, income tax, depreciation and amortisation) is approximately 3.5 times as at 30 June 2008. The Group aims to maintain an appropriate gearing ratio after drawing down the S\$850 million long-term credit facility for the development of the Novena project over the next three years.

5. Other payables of the Group and the Company have increased due to accrual for interim dividend that was subsequently paid in July 2008. Included in other payables are the accrual of interest payable on bank borrowings used to finance the Novena Land as well as premium payable on interest rate caps acquired by the Group to hedge interest rate risks.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**
**Amount repayable in one year or less, or on demand**

As at 30 June 2008		As at 31 December 2007	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
6,715	101,596	27,134	14,177

**Amount repayable after one year**

As at 30 June 2008		As at 31 December 2007	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
135,935	497,573	145,252	-

**Details of any collateral**

Included in the Group's secured borrowings are:

- (i) S\$3,246,000 (31 December 2007: S\$2,971,000) in respect of property, plant and equipment acquired under finance leases with a carrying value of S\$4,271,000 (31 December 2007: S\$3,889,000);
- (ii) S\$39,014,000 (31 December 2007: S\$64,648,000) for credit facilities which were secured on property, plant and equipment with a carrying value of S\$47,671,000 (31 December 2007: S\$70,411,000) and fixed deposits of S\$644,000 (31 December 2007: S\$631,000); and
- (iii) S\$100,390,000 (31 December 2007: S\$104,767,000) for credit facilities which were secured on shares of a joint venture company with a carrying value of S\$203,780,000 (31 December 2007: S\$205,984,000) and bank balances and fixed deposits of S\$19,000 (31 December 2007: S\$2,896,000).

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Q2 2008</b>	<b>Q2 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Profit before income tax	36,053	35,508
<b>Adjustments for:</b>		
Exchange difference	(622)	(122)
Depreciation and impairment losses of property, plant and equipment and investment properties	11,297	11,386
Amortisation of intangible assets	1,542	1,418
Gain on disposal of property, plant and equipment and investment properties	(393)	(777)
Share of profits of associates	(4,093)	(636)
Share option expense	1,722	657
Conditional award of performance shares	707	-
Allowance for impairment on receivables due from associates written back	-	(105)
Dividend income	(1,375)	(1,928)
Interest income	(715)	(809)
Interest expense	2,923	6,764
<b>Operating profit before working capital changes</b>	<b>47,046</b>	<b>51,356</b>
Decrease/(Increase) in working capital:		
Inventories	(503)	81
Trade and other receivables	699	(6,177)
Financial assets available-for-sale and held for trading	21,252	(226)
Trade and other payables	24,146	7,274
<b>Cash generated from operations</b>	<b>92,640</b>	<b>52,308</b>
Income taxes paid	(23,302)	(11,870)
<b>Cash flows from operating activities</b>	<b>69,338</b>	<b>40,438</b>
<b>Investing activities:</b>		
Purchase of property, plant and equipment	(951,857)	(14,302)
Finance and other development costs capitalised as property, plant and equipment	(9,021)	-
Proceeds from disposal of property, plant and equipment and investment properties	1,337	2,131
Investment in non-current financial assets	-	(5,207)
Net advance to joint ventures	(969)	(58)
Net (advance to)/repayment from associates	(1,905)	280
Interest received	644	681
Dividends received	1,375	1,928
Dividends received from associates	3,496	-
Acquisition of subsidiary, net of cash	-	(53,913)
Payment for option to acquire minority interests	(28,128)	-
Development of intellectual property	(335)	-
<b>Cash flows from investing activities</b>	<b>(985,363)</b>	<b>(68,460)</b>
<b>Financing activities:</b>		
Repayment of loans from third parties	-	(2,487)
Repayment of bank loans	(539)	(44)
Repayment of finance lease obligations	(139)	(338)
Proceeds from bank loans	194,274	27,331
Proceeds from rights issue	755,665	-
Interest paid	(3,722)	(6,430)
Issue of shares under share option scheme	332	3,010
Receipt of cash from utilisation of treasury shares for share options	440	-
Net (repayment to)/loan from joint venture partner	(377)	510
Dividends paid	(34,658)	(44,148)
Dividends paid to minority shareholders	(629)	(687)
Pledged deposits withdrawn	5	1,205
<b>Cash flows from financing activities</b>	<b>910,652</b>	<b>(22,078)</b>

	Q2 2008 S\$'000	Q2 2007 S\$'000
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(5,373)</b>	<b>(50,100)</b>
Cash and cash equivalents at beginning of the period	162,842	148,125
Exchange fluctuation on cash and cash equivalents	(1,831)	844
	161,011	148,969
<b>Cash and cash equivalents at end of the period</b>	<b>155,638</b>	<b>98,869</b>
<b>Cash and cash equivalents</b>	<b>30 Jun 2008 S\$'000</b>	<b>30 Jun 2007 S\$'000</b>
Fixed deposits with financial institutions	95,815	50,623
Cash and bank balances	60,810	50,943
Bank overdrafts	(324)	(1,719)
	156,301	99,847
Bank balances and fixed deposits pledged	(663)	(978)
<b>Cash and cash equivalents in the cash flow statement</b>	<b>155,638</b>	<b>98,869</b>

**Notes:**

Details of bank balances and fixed deposits pledged are as follows:

- Fixed deposits pledged to banks and finance companies for credit facilities	663	978
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The provisional fair values of net identifiable assets of subsidiary acquired during the period were as follows:

	Q2 2008 S\$'000	Q2 2007 S\$'000
Property, plant & equipment	-	5,434
Inventories	-	426
Trade receivables	-	6,818
Other receivables, deposits & prepayments	-	6,582
Cash and cash equivalents	-	10,210
Trade payables & accrued operating expenses	-	(635)
Other payables	-	(6,242)
Current tax payable	-	(1,297)
Loans from third parties	-	(2,487)
Minority interests	-	(8,914)
Net identifiable assets and liabilities	-	9,895
Goodwill on consolidation	-	54,228
Cash consideration	-	64,123
Less: Cash and cash equivalents acquired	-	(10,210)
Cashflow on acquisition, net of cash acquired	-	53,913

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**The Group**

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserves S\$'000	Exchange Fluctuation Reserves S\$'000	Fair Value Reserve S\$'000	Equity Compensation Reserve S\$'000	Hedging Reserve S\$'000	Accumulated Profits S\$'000	Total attributable to equity holders of the Company S\$'000	Minority Interests S\$'000	Total Equity S\$'000
<b>Balance at 1 April 2007</b>	<b>366,466</b>	-	-	<b>(6,830)</b>	<b>2,515</b>	<b>3,051</b>	<b>(9,619)</b>	<b>89,862</b>	<b>445,445</b>	<b>11,591</b>	<b>457,036</b>
Exchange differences on retranslation of opening net assets of foreign subsidiaries, associates and joint ventures	-	-	-	1,603	-	-	-	-	1,603	97	1,700
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(231)	-	(231)	-	(231)
Changes in fair value of available-for-sale financial assets	-	-	-	-	5,767	-	-	-	5,767	-	5,767
Net gains and losses recognised directly in equity	-	-	-	1,603	5,767	-	(231)	-	7,139	97	7,236
Net profit for the period	-	-	-	-	-	-	-	25,384	25,384	1,472	26,856
Total recognised income and expense for the period	-	-	-	1,603	5,767	-	(231)	25,384	32,523	1,569	34,092
Issue of shares under share option scheme	3,010	-	-	-	-	-	-	-	3,010	-	3,010
Value of employee services received for issue of share options	-	-	-	-	-	657	-	-	657	-	657
Effects arising from acquisition of subsidiary	-	-	-	-	-	-	-	-	-	9,150	9,150
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(436)	(436)
Final dividend paid of 5.5 cents per share less tax at 18% in respect of year 2006	-	-	-	-	-	-	-	(34,679)	(34,679)	-	(34,679)
Interim dividend paid of 1.5 cents per share less tax at 18% in respect of year 2007	-	-	-	-	-	-	-	(9,469)	(9,469)	-	(9,469)
<b>Balance at 30 June 2007</b>	<b>369,476</b>	-	-	<b>(5,227)</b>	<b>8,282</b>	<b>3,708</b>	<b>(9,850)</b>	<b>71,098</b>	<b>437,487</b>	<b>21,874</b>	<b>459,361</b>

**The Group**

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserves S\$'000	Exchange Fluctuation Reserves S\$'000	Fair Value Reserve S\$'000	Equity Compensation Reserve S\$'000	Hedging Reserve S\$'000	Accumulated Profits S\$'000	Total attributable to equity holders of the Company S\$'000	Minority Interests S\$'000	Total Equity S\$'000
<b>Balance at 1 April 2008</b>	<b>371,835</b>	<b>(10,758)</b>	<b>(1,274)</b>	<b>(9,179)</b>	<b>7,423</b>	<b>8,076</b>	-	<b>230,453</b>	<b>596,576</b>	<b>26,599</b>	<b>623,175</b>
Exchange differences on retranslation of opening net assets of foreign subsidiaries, associates and joint ventures	-	-	-	(5,689)	-	-	-	-	(5,689)	(322)	(6,011)
Changes in fair value of available-for- sale financial assets	-	-	-	-	(2,749)	-	-	-	(2,749)	-	(2,749)
Net losses recognised directly in equity	-	-	-	(5,689)	(2,749)	-	-	-	(8,438)	(322)	(8,760)
Net profit for the period	-	-	-	-	-	-	-	27,302	27,302	1,221	28,523
Total recognised income and expense for the period	-	-	-	(5,689)	(2,749)	-	-	27,302	18,864	899	19,763
Issue of shares under share option scheme	332	-	-	-	-	-	-	-	332	-	332
Issue of shares pursuant to rights issue	755,665	-	-	-	-	-	-	-	755,665	-	755,665
Transfer from capital reserve to accumulated profits	-	-	(223)	-	-	-	-	223	-	-	-
Value of employee services received for issue of share options	-	-	-	-	-	1,722	-	-	1,722	-	1,722
Conditional award of performance shares	-	-	-	-	-	707	-	-	707	-	707
Utilisation of treasury shares for share options	-	760	-	-	-	-	-	-	760	-	760
Excess of treasury shares cost over exercise price of share options	-	-	(320)	-	-	-	-	-	(320)	-	(320)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(629)	(629)
Final tax exempt one-tier dividend paid of 4.51 cents per share in respect of year 2007	-	-	-	-	-	-	-	(34,658)	(34,658)	-	(34,658)
Interim tax exempt one-tier dividend paid of 1.23 cents per share in respect of year 2008	-	-	-	-	-	-	-	(13,867)	(13,867)	-	(13,867)
<b>Balance at 30 June 2008</b>	<b>1,127,832</b>	<b>(9,998)</b>	<b>(1,817)</b>	<b>(14,868)</b>	<b>4,674</b>	<b>10,505</b>	-	<b>209,453</b>	<b>1,325,781</b>	<b>26,869</b>	<b>1,352,650</b>

**The Company**

	Share Capital S\$'000	Treasury Shares S\$'000	Equity Compensation Reserve S\$'000	Hedging Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000
<b>Balance at 1 April 2007</b>	<b>366,466</b>	-	<b>3,003</b>	<b>(9,619)</b>	<b>117,854</b>	<b>477,704</b>
Effective portion of changes in fair value of cash flow hedges/ Net loss recognised directly in equity	-	-	-	(231)	-	(231)
Net profit for the period	-	-	-	-	19,653	19,653
Total recognised income and expense for the period	-	-	-	(231)	19,653	19,422
Issue of shares under share option scheme	3,010	-	-	-	-	3,010
Value of employee services received for issue of share options	-	-	657	-	-	657
Final dividend paid of 5.5 cents per share less tax at 18% in respect of year 2006	-	-	-	-	(34,679)	(34,679)
Interim dividend paid of 1.5 cents per share less tax at 18% in respect of year 2007	-	-	-	-	(9,469)	(9,469)
<b>Balance at 30 June 2007</b>	<b>369,476</b>	-	<b>3,660</b>	<b>(9,850)</b>	<b>93,359</b>	<b>456,645</b>

**The Company**

	Share Capital S\$'000	Treasury Shares S\$'000	Equity Compensation Reserve S\$'000	Hedging Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000
<b>Balance at 1 April 2008</b>	<b>371,835</b>	<b>(10,758)</b>	<b>8,028</b>	-	<b>48,482</b>	<b>417,587</b>
Net profit for the period / total recognised income for the period	-	-	-	-	37,958	37,958
Issue of shares under share option scheme	332	-	-	-	-	332
Issue of shares pursuant to rights issue	755,665	-	-	-	-	755,665
Value of employee services received for issue of share options	-	-	1,722	-	-	1,722
Conditional award of performance shares	-	-	707	-	-	707
Utilisation of treasury shares for share options	-	760	-	-	-	760
Final tax exempt one-tier dividend paid of 4.51 cents per share in respect of year 2007	-	-	-	-	(34,658)	(34,658)
Interim tax exempt one-tier dividend paid of 1.23 cents per share in respect of year 2008	-	-	-	-	(13,867)	(13,867)
<b>Balance at 30 June 2008</b>	<b>1,127,832</b>	<b>(9,998)</b>	<b>10,457</b>	-	<b>37,915</b>	<b>1,166,206</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

#### Share Capital

The issued and paid up capital of the Company increased by S\$755,997,000 to S\$1,127,832,000 during Q2 2008 due to the rights issue and exercise of share options under the Parkway Share Option Scheme 2001. The movements in the number of shares in issue are as follows:

	<b>2008</b>	<b>2007</b>
As at 1 April	768,310,410	768,256,160
Issue of new shares on exercise of share options	161,250	1,786,500
Transferred from treasury shares on exercise of share options	205,750	-
Issue of new shares pursuant to rights issue	358,716,124	-
As at 30 June	1,127,393,534	770,042,660

#### Treasury Shares

During the period, there were 205,750 (2007: NIL) treasury shares utilised for the exercise of employee share options under the Parkway Share Option Scheme 2001. The movements are as follows:

	<b>2008</b>	<b>2007</b>
As at 1 April	2,911,250	-
Utilisation for exercise of share options	(205,750)	-
As at 30 June	2,705,500	-

#### Share Options

As at 30 June 2006, there were options for conversion into 28,170,000 (2007: 16,641,750) ordinary shares under the Parkway Share Option Scheme 2001. The movements in the number of share options are as follows:

	<b>2008</b>	<b>2007</b>
As at 1 April	28,935,500	13,823,750
Granted	-	4,875,000
Cancelled/Lapsed	(398,500)	(270,500)
Exercised	(367,000)	(1,786,500)
As at 30 June	28,170,000	16,641,750

#### Performance Shares

During the period, there were 1,201,740 (2007: Nil) conditional awards granted under the Parkway Performance Share Plan. The actual number of performance shares to be delivered will depend on the achievement of prescribed performance targets over a three-year period. For achievements that exceed targets, additional performance shares could be delivered up to a maximum of 15% of the original award. The movements in the number of base award of performance shares are as follows:

	<b>2008</b>	<b>2007</b>
As at 1 April	156,521	-
Granted	1,201,740*	-
As at 30 June	1,358,261	-

\* Additional awards of up to 180,260 performance shares may be granted if performance targets are exceeded.

The number of conditional awards outstanding under the Parkway Performance Share Plan at 30 June 2008 has not yet been adjusted for the rights issue which was completed on 17 June 2008. The adjustment factor to be applied in accordance to the Share Plan is currently being reviewed by the Remuneration Committee.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	<b>30 Jun 2008</b>	<b>31 Dec 2007</b>
Number of issued shares excluding treasury shares	1,127,393,534	769,188,160

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 the Company's 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 as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as those applied in the audited financial statements for the year 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.**

Other than the adoption of various new/revised FRS including related Interpretations, which took effect from 1 January 2008, there has been no change in the accounting policies and methods of computation adopted by the Group.

The application of the new/revised accounting standards and interpretations does not have any material impact on the financial statements of the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group (Second Quarter)		Group (Year-To-Date)	
	Q2 2008	Q2 2007 (Restated)	30 Jun 2008	30 Jun 2007 (Restated)
Earnings per share:				
- Basic (cents)	2.99	2.91	5.14	5.37
- Fully diluted (cents)	2.97	2.90	5.10	5.35

Basic earnings per share and earnings per share on a fully diluted basis for Q2 2008 were computed based on net profit attributable to shareholders of S\$27,302,000 and weighted average share capital of 912,428,276 and 918,239,561 ordinary shares (excluding treasury shares), respectively.

Basic earnings per share and earnings per share on a fully diluted basis for YTD 2008 were computed based on net profit attributable to shareholders of S\$45,789,000 and weighted average share capital of 891,130,277 and 898,053,537 ordinary shares (excluding treasury shares), respectively.

Basic earnings per share and earnings per share on a fully diluted basis for Q2 2007 were computed based on net profit attributable to shareholders of S\$25,384,000 and weighted average share capital of 870,938,506 (restated for the rights issue) and 876,187,877 (restated for the rights issue) ordinary shares, respectively.

Basic earnings per share and earnings per share on a fully diluted basis for YTD 2007 were computed based on net profit attributable to shareholders of S\$46,752,000 and weighted average share capital of 869,936,173 (restated for the rights issue) and 874,373,813 (restated for the rights issue) ordinary shares, respectively.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
Net asset value per ordinary share (S\$)	1.18	0.75	1.03	0.55
Net tangible asset per ordinary share (S\$)	0.99	0.48	1.03	0.55

Net asset value and net tangible asset per ordinary share as at 30 June 2008 and 31 December 2007 were computed after deducting minority interests and based on share capital of 1,127,393,534 (excluding 2,705,500 treasury shares) and 769,188,160 (excluding 2,000,000 treasury shares) ordinary shares, respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - any material factors that affected the cashflow, working capital, assets or liabilities of the group during the current financial period reported on.

**Net Profit Attributable to Equity Holders of the Company**

	Group (Second Quarter)				Group (Year-To-Date)			
	S\$'000			%	S\$'000			%
	Q2 2008	Q2 2007	Change		30 Jun 2008	30 Jun 2007	Change	
Net Profit	27,302	25,384	1,918	8	45,789	46,752	(963)	-2
(Less)/Add one-off items:								
(a) Gain on disposal of equity investments	-	(14)			-	(1,566)		
(b) Gain on disposal of investment properties	-	(957)			-	(2,257)		
(c) Write-back of deferred tax liability on reduction of Singapore corporate tax rate	-	(15)			-	(2,690)		
(d) Operations management alignment expenses	-	-			-	1,059		
(e) Fair value change of financial derivatives	(4,109)	-			(4,109)	-		
(f) Overprovision of share of associate's deferred tax in prior years	(1,549)	-			(1,549)	-		
Net Profit excluding one-off items	21,644	24,398	(2,754)	-11	40,131	41,298	(1,167)	-3
Add: Net effects of the REIT transaction*	1,863	-	1,863	NM	4,724	-	4,724	NM
Operational net profit excluding one-off items and net effects of the REIT transaction	23,507	24,398	(891)	-4	44,855	41,298	3,557	9

\* Includes post tax net effects of REIT Rental, share of results of Parkway Life REIT, management fees earned by Parkway Trust Management, savings in depreciation and savings in interest expense.

YTD 2008 net profit attributable to equity holders of the Company decreased 2% over YTD 2007. However, removing the effects of the prior period's one-off items and net effects of the REIT transaction, operational net profit for YTD 2008 would have increased 9% over YTD 2007.

Compared to YTD 2007, whilst the YTD 2008 operational net profit has the benefit of a full quarter's contribution from the World Link group of companies acquired in May 2007, this was more than offset by start-up losses of the Parkway Day Surgery and Medical Centre in Balestier of S\$1.0 million as well as business development expenses of S\$1.3 million.

Apart from the aforementioned, the growth in the YTD operational profit is driven by strong revenue and EBITDAR across all business and geographical segments as elaborated below.

## Revenue

	Group (Second Quarter)				Group (Year-To-Date)			
	S\$'000				S\$'000			
	Q2 2008	Q2 2007	Change	%	30 Jun 2008	30 Jun 2007	Change	%
Hospitals								
– Singapore	120,581	119,693	888	1	240,515	225,759	14,756	7
– International	45,641	45,095	546	1	89,152	84,684	4,468	5
	166,222	164,788	1,434	1	329,667	310,443	19,224	6
Healthcare								
– Singapore	36,334	30,888	5,446	18	71,119	62,729	8,390	13
– International	30,293	23,851	6,442	27	59,668	38,876	20,792	53
	66,627	54,739	11,888	22	130,787	101,605	29,182	29
Non-Healthcare								
– Singapore	3,254	1,965	1,289	66	4,391	2,006	2,385	NM
– International	-	119	(119)	NM	2	235	(233)	-99
	3,254	2,084	1,170	56	4,393	2,241	2,152	96
<b>Total</b>	<b>236,103</b>	<b>221,611</b>	<b>14,492</b>	<b>7</b>	<b>464,847</b>	<b>414,289</b>	<b>50,558</b>	<b>12</b>

Amidst the current uncertainty in the global economic environment, the Group achieved an overall 7% and 12% growth in revenues in Q2 2008 and YTD 2008, respectively.

Both the Singapore and International Hospitals segment showed modest revenue growth of 1% for Q2 2008 over Q2 2007 whilst still maintaining an overall 6% growth for YTD 2008 over YTD 2007. Amidst the slowdown in global economies, the hospitals are targeting to maintain and grow their revenues by diversifying into non-traditional sources of foreign patients. The advancement of medicine has also resulted in higher volume of day cases. The Singapore Hospitals has experienced a strong double digit growth of 11.4% in day cases with one of the key growth areas being the Parkway Eye Centre at Gleneagles Hospital.

Revenue of the Singapore Healthcare segment for Q2 2008 and YTD 2008 increased by 18% and 13%, respectively. The strong double digit growth is mainly attributed to Parkway Shenton's increased patient volume. Parkway Shenton opened 4 new clinics in 2008 and secured new corporate contracts. Revenue growth was also driven by higher utilisation of outpatient diagnostic imaging and laboratory services.

Revenue of the International Healthcare segment for Q2 2008 and YTD 2008 increased by 27% and 53%, respectively. This is mainly attributed to the contribution of the North Asia segment when the Group acquired the World Link group of clinics in May 2007. The South East Asia segment also contributed to the revenue increase with the continued strong performance of Pantai's healthcare services in Malaysia.

The revenue growth of the Non-Healthcare segment for Q2 2008 and YTD 2008 is mainly contributed by the management fees charged by Parkway Trust Management Pte Ltd to Parkway Life REIT.

**EBITDAR**

	Group (Second Quarter)				Group (Year-To-Date)			
	S\$'000				S\$'000			
	Q2 2008	Q2 2007	Change	%	30 Jun 2008	30 Jun 2007	Change	%
Hospitals								
– Singapore	32,129	30,892	1,237	4	61,074	57,185	3,889	7
– International	8,332	7,933	399	5	15,259	14,258	1,001	7
	40,461	38,825	1,636	4	76,333	71,443	4,890	7
Healthcare								
– Singapore	5,736	6,992	(1,256)	-18	11,653	12,204	(551)	-5
– International	10,504	5,834	4,670	80	17,768	8,290	9,478	NM
	16,240	12,826	3,414	27	29,421	20,494	8,927	44
Non-Healthcare								
– Singapore	1,960	1,693	267	16	1,903	1,685	218	13
– International	83	(452)	535	NM	(59)	770	(829)	NM
	2,043	1,241	802	65	1,844	2,455	(611)	-25
<b>Total</b>	<b>58,744</b>	<b>52,892</b>	<b>5,852</b>	<b>11</b>	<b>107,598</b>	<b>94,392</b>	<b>13,206</b>	<b>14</b>

Overall EBITDAR of the Group for Q2 2008 and YTD 2008 increased 11% and 14%, respectively.

Overall EBITDAR of the Singapore and International Hospitals segment for Q2 2008 and YTD 2008 increased 4% and 7% respectively, which is in line with its revenue growth. EBITDAR growth is achieved despite the start-up losses of Parkway Day Surgery and Medical Centre of approximately \$1.0 million.

EBITDAR of the Singapore Healthcare segment for Q2 2008 and YTD 2008 decreased by 18% and 5% respectively due to expenses incurred of approximately S\$1.3 million to source and evaluate new business development projects. Without these expenses, EBITDAR of the Singapore Healthcare segment for Q2 2008 would be maintained over Q2 2007 and EBITDAR for YTD 2008 would have increased by 6% over YTD 2007.

The significant increase in EBITDAR of the International Healthcare segment for Q2 2008 and YTD 2008 is in line with the strong revenue contribution of the North Asia and South East Asia segments. Part of the increase also comprises a fair value gain of S\$4.1 million arising from interest rate hedging instruments in the South East Asia segment.

**Other Income Statement Items**

Operating lease expenses include rental paid and payable under master lease agreements entered to lease the REIT Properties from Parkway Life REIT (“REIT Rental”) as well as rental of other premises and equipment. Operating lease expenses for Q2 2008 and YTD 2008 include REIT Rental of S\$12.0 million and S\$23.8 million, respectively.

Amortisation of intangible assets for Q2 2008 and YTD 2008 increased by 9% and 11% over Q2 2007 and YTD 2007, respectively, due to the amortisation of intangible assets arising on the acquisition of the World Link group of clinics in May 2007.

Staff costs increases arose partly from the Group's expansion in North Asia (China), South East Asia (Malaysia) and Singapore (including the Parkway Cancer Centre, ParkwayHealth Day Surgery and Medical Centre and Parkway Shenton). In addition, the Singapore operations have aligned salaries and bonuses to market, implemented a management incentive program and increased costs due to the 1.5% rise in employers' CPF contribution with effect from 1 July 2007.

Finance costs for Q2 2008 and YTD 2008 decreased 57% and 53% over Q2 2007 and YTD 2007, respectively, mainly due to full repayment of the S\$350 million syndicated loan from the cash proceeds on disposal of the REIT Properties in September 2007. Finance costs incurred on the bank borrowings used to finance the acquisition of the Novena Land have been capitalised during its development.

Gain on disposal of property, plant and equipment and investment properties for Q2 2007 comprises mainly the gain on disposal of non-core investment properties held by a joint venture in Shanghai, China. In addition to this, the gain for YTD 2007 includes the gain on disposal of two units at Eng Lok Mansion in Singapore.

The Group's share of associates' profits for Q2 2008 and YTD 2008 increased by S\$3.5 million and S\$5.0 million over Q2 2007 and YTD 2007, respectively, on equity accounting for approximately 36% of the results of Parkway Life REIT with effect from 23 August 2007.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

In the Group's Q1 2008 results announcement, it was stated that:

"Global economic environment and financial market conditions have weakened significantly and are expected to remain challenging. These are compounded with inflationary pressures on costs. Whilst the Group is cautious about the outlook for the rest of the year, it is putting in place measures to offset cost pressures, expand our regional marketing programmes and to continue to execute our clinical programme and physician engagement strategies including the establishment of a new Heart Centre. The Group expects to maintain its operational performance for the year.

The Group will strengthen its balance sheet and cash reserves through the rights issue to be completed in June 2008.

We will be making the final payment for the land parcel at Novena Terrace on 20 May 2008. The 350-bed hospital project is on track and we look forward to commencing piling works by the year-end.

Moving forward, we are embarking on various expansion projects including the 500-bed project in Juhu, Mumbai and expansion projects to our existing facilities in Malaysia."

The current results are in line with the prospect statement disclosed in the last announcement.

**10. A commentary at the date of the announcement of 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.**

Global economic environment and financial market conditions have weakened significantly. However, the Group's strong position as a premier healthcare provider in Asia and consistent delivery of quality clinical outcomes will continue to attract a steady load of local and international patients.

To grow the business, the Group is expanding its regional marketing programmes to diversify into non-traditional sources of foreign patients which have yielded early results from Vietnam and Bangladesh. The Group is also putting in place measures to offset cost pressures, improve operational efficiencies and engage our vendors to achieve cost savings.

The Group has also fully secured its financing for its new flagship 350-bed hospital in Novena despite the current difficult market conditions. The Group expects to commence construction for this hospital as well as its joint venture 500-bed hospital in Mumbai, by the year-end.

Operating environment for the second half of 2008 is expected to remain challenging.

**11. Dividend**
**(a) Current financial period reported on**

Any dividend recommended for the current financial period reported on? Yes

Name of Dividend	Interim
Dividend Type	Ordinary
Amount per share	1.23 cents per ordinary share
Tax Rate	Tax Exempt

**(b) Corresponding period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend	Interim
Dividend Type	Ordinary
Amount per share	2.00 cents per ordinary share less tax
Tax Rate	18.0%

**(c) Date payable**

The dividends will be paid on 10 September 2008.

**(d) Books closure date**

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 2 September 2008 for the preparation of Dividend Vouchers. Registrable transfers received by the Company's Registrar, M & C Services Private Limited, 138 Robinson Road #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on 1 September 2008 will be registered before entitlement to the interim dividend is determined.

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**13. Confirmation pursuant to Rule 705(4) of the SGX Listing Manual**

The Board has confirmed that to the best of its knowledge, nothing has come to its attention, which may render the unaudited financial statements of the Company, or the unaudited consolidated financial statements of the Group for the quarter ended 30 June 2008 to be false or misleading in any material aspect.

By Order of the Board

June Tay Kwok Fung  
Ho Li Li  
Company Secretaries

Singapore, 13 August 2008