

## 1<sup>st</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 (Year-To-Date)		
	S\$'000		% Change
	31 Mar 2008	31 Mar 2007	
Revenue	228,744	192,678	19
Other operating income	5,042	6,445	-22
Changes in inventories	1,642	1,091	51
Inventories and consumables	(55,038)	(48,772)	13
Purchased and contracted services	(30,485)	(28,904)	5
Depreciation and impairment losses of property, plant and equipment and investment properties	(9,782)	(10,768)	-9
Amortisation of intangible assets	(1,582)	(1,393)	14
Staff costs	(72,292)	(57,571)	26
Operating lease expenses	(16,766)	(2,897)	NM
Other operating expenses	(23,387)	(19,783)	18
Finance costs	(3,310)	(6,571)	-50
(Loss)/Gain on disposal of property, plant and equipment and investment properties	(60)	1,185	NM
Share of profits of associates (net of tax)	1,961	420	NM
<b>Profit before income tax</b>	<b>24,687</b>	<b>25,160</b>	<b>-2</b>
Income tax expense	(4,793)	(3,262)	47
<b>Profit for the period</b>	<b>19,894</b>	<b>21,898</b>	<b>-9</b>
Attributable to:			
Equity holders of the Company	18,487	21,368	-13
Minority interests	1,407	530	NM
<b>Profit for the period</b>	<b>19,894</b>	<b>21,898</b>	<b>-9</b>

N.M. : Not meaningful

Net profit attributable to equity holders of the Company for Q1 2008 has decreased 13% over Q1 2007. However, removing the effects of one-off items (refer to para 8), net profit for Q1 2008 would have increased 9% over Q1 2007. The Group has shown a strong double digit net profit growth despite the additional REIT Rental (defined hereafter) expense of S\$11.9 million in Q1 2008. Removing further the net effects of the REIT transaction in Q1 2008, the operational net profit of the Group would have increased 26% over Q1 2007. Please refer to para 8 for details.

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

	<b>Group (Year-To-Date)</b>		
	<b>S\$'000</b>		<b>% Change</b>
	<b>31 Mar 2008</b>	<b>31 Mar 2007</b>	
Allowance made for impairment of receivables	(319)	(1,326)	-76
Changes in fair value of financial instruments at fair value through profit or loss	(332)	-	NM
Bad debts recovered (net)	7	5	40
Exchange losses	(137)	(322)	-57
Inventories written off	(5)	(4)	25
Gain on disposal of equity investments	69	1,552	-96
(Loss)/Gain on disposal of property, plant and equipment and investment properties	(60)	1,185	NM
Overprovision of current taxation in prior years	811	140	NM
Overprovision of deferred taxation in prior years	573	2,706	-79

The gain on disposal of equity investments in Q1 2007 arose from Pantai's disposal of its non-healthcare assets.

The gain on disposal of property, plant and equipment and investment properties in Q1 2007 relates to the gain on disposal of two units at Eng Lok Mansions.

The overprovision of deferred taxation in respect of prior years for Q1 2007 arises mainly from the one-off reduction in Singapore's corporate tax rate from 20% to 18%.

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

	<b>Group (Year-To-Date)</b>		
	<b>S\$'000</b>		<b>% Change</b>
	<b>31 Mar 2008</b>	<b>31 Mar 2007</b>	
Profit before taxation	24,687	25,160	-2
Add/(less):			
Depreciation and impairment losses of property, plant and equipment and investment properties	9,782	10,768	-9
Amortisation of intangible assets	1,582	1,393	14
Exchange losses	137	322	-57
Finance costs	3,310	6,571	-50
Interest income	(617)	(1,109)	-44
Share of profits of associates	(1,961)	(420)	NM
REIT rental expense	11,874	-	NM
Loss/(Gain) on disposal of property, plant and equipment and investment properties	60	(1,185)	NM
<b>EBITDAR</b>	<b>48,854</b>	<b>41,500</b>	<b>18</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	
		31 Mar 2008 S\$'000	31 Dec 2007 S\$'000	31 Mar 2008 S\$'000	31 Dec 2007 S\$'000
<b>Non-current assets</b>					
Property, plant & equipment	1(a)	645,036	290,108	-	-
Intangible assets		211,305	213,605	-	-
Interests in subsidiaries	1(b)	-	-	1,584,505	1,217,923
Interests in associates		153,521	154,451	(4,481)	(4,507)
Interests in joint ventures		72,053	72,661	-	-
Other financial assets		43,788	41,818	-	-
Deferred tax assets		6,949	7,489	-	-
		<u>1,132,652</u>	<u>780,132</u>	<u>1,580,024</u>	<u>1,213,416</u>
<b>Current assets</b>					
Inventories		19,175	17,575	-	-
Trade receivables		134,171	137,394	-	-
Other receivables, deposits & prepayments	1(c)	41,849	21,676	100	2,919
Tax recoverable		2,245	1,786	-	-
Other financial assets		975	1,062	-	-
Cash and cash equivalents		165,605	143,372	45,014	38,084
		<u>364,020</u>	<u>322,865</u>	<u>45,114</u>	<u>41,003</u>
<b>Total assets</b>		<u>1,496,672</u>	<u>1,102,997</u>	<u>1,625,138</u>	<u>1,254,419</u>
<b>Attributable to equity holders of the Company</b>					
Share capital		371,835	371,765	371,835	371,765
Treasury shares		(10,758)	(7,391)	(10,758)	(7,391)
Other reserves		5,046	3,922	8,028	6,796
Accumulated profits		230,453	211,966	48,482	54,825
		<u>596,576</u>	<u>580,262</u>	<u>417,587</u>	<u>425,995</u>
<b>Minority interests</b>		26,599	25,371	-	-
<b>Total equity</b>		<u>623,175</u>	<u>605,633</u>	<u>417,587</u>	<u>425,995</u>
<b>Non-current liabilities</b>					
Interest-bearing borrowings	1(d)	511,660	145,252	368,371	-
Amounts owing to joint venture partners		69,230	59,222	-	-
Loans from subsidiaries		-	-	834,223	824,455
Deferred tax liabilities		26,000	25,506	1	6
		<u>606,890</u>	<u>229,980</u>	<u>1,202,595</u>	<u>824,461</u>
<b>Current liabilities</b>					
Bank overdrafts		2,095	679	-	-
Trade payables & accrued operating expenses		148,602	152,965	2,590	1,812
Other payables		29,649	30,410	711	745
Interest-bearing borrowings		40,723	40,632	-	-
Intra-group financial guarantees		-	-	7	15
Employee benefits		4,231	3,661	-	-
Current tax payable		41,307	39,037	1,648	1,391
		<u>266,607</u>	<u>267,384</u>	<u>4,956</u>	<u>3,963</u>
<b>Total liabilities</b>		<u>873,497</u>	<u>497,364</u>	<u>1,207,551</u>	<u>828,424</u>
<b>Total equity and liabilities</b>		<u>1,496,672</u>	<u>1,102,997</u>	<u>1,625,138</u>	<u>1,254,419</u>

### Explanatory notes to the Balance Sheets:

1. The Group was awarded the tender for a land parcel situated at Novena Terrace/Irrawaddy Road (the "Land") by the Urban Redevelopment Authority on 18 February 2008. Following the award, the Group had utilised existing credit facilities to fulfill the initial payment of 25% of the total tender price of \$1.3 billion on 17 March 2008 giving rise to:
  - (a) Increase in property, plant and equipment on capitalization of the initial payment, accrued borrowing costs and other costs directly attributable to the Land that is intended for the development of a hospital and a medical centre;
  - (b) Increase in the Company's interests in subsidiaries due to non-current inter-company loans extended to Parkway Novena Pte Ltd and Parkway Irrawaddy Pte Ltd for the initial payment of the Land;
  - (c) Increase in other receivables, deposits and prepayments arising from input GST receivable on the initial payment for the Land; and
  - (d) Increase in non-current bank borrowings due to the drawdown of \$371.0 million from the Company's existing unsecured credit facility to finance the initial payment of the Land via intercompany loans to Parkway Novena Pte Ltd and Parkway Irrawaddy Pte Ltd.

The final payment of 75% of the total tender price of \$1.3 billion of the Land is due on 20 May 2008. The Company will be financing this final payment of approximately \$1.0 billion (including GST) by utilising a combination of draw down of existing committed credit facilities and a bridge loan of \$700 million. The bridge loan will be ultimately re-financed with a project level syndication credit facility. On 9 May 2008, the Company had accepted the terms of a Commitment Letter extended by a group of banks to provide the Company an amount of \$850 million Syndicated Transferrable Secured Financing Facilities to finance the Land and the development of the proposed hospital and medical centre on the Land.

### 1(b)(ii) Aggregate amount of group's borrowings and debt securities

#### Amount repayable in one year or less, or on demand

As at 31 March 2008		As at 31 December 2007	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
28,464	14,354	27,134	14,177

#### Amount repayable after one year

As at 31 March 2008		As at 31 December 2007	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
143,289	368,371	145,252	-

#### Details of any collateral

Included in the Group's secured borrowings are:

- (i) S\$3,194,000 (31 December 2007: S\$2,971,000) in respect of property, plant and equipment acquired under finance leases with a carrying value of S\$3,932,000 (31 December 2007: S\$3,889,000);
- (ii) S\$64,401,000 (31 December 2007: S\$64,648,000) for credit facilities which were secured on property, plant and equipment with a carrying value of S\$74,356,000 (31 December 2007: S\$70,411,000) and fixed deposits of S\$649,000 (31 December 2007: S\$631,000); and
- (iii) S\$104,158,000 (31 December 2007: S\$104,767,000) for credit facilities which were secured on shares, irredeemable unsecured loan stocks and warrants of a joint venture company with a carrying value of S\$208,317,000 (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.

	31 Mar 2008 S\$'000	31 Mar 2007 S\$'000
Profit before taxation	24,687	25,160
<b>Adjustments for:</b>		
Exchange difference	(96)	194
Depreciation and impairment losses of property, plant and equipment and investment properties	9,782	10,768
Amortisation of intangible assets	1,582	1,393
Loss/(Gain) on disposal of property, plant and equipment and investment properties	60	(1,185)
Gain on disposal of equity investments	(69)	(1,552)
Share of profits of associates	(1,961)	(420)
Share option expense	1,149	541
Conditional award of performance shares	83	-
Allowance for impairment on receivables due from associates reversed	-	(2)
Interest income	(617)	(1,109)
Interest expense	3,310	6,571
<b>Operating profit before working capital changes</b>	<b>37,910</b>	<b>40,359</b>
Decrease/(Increase) in working capital:		
Inventories	(1,642)	(1,091)
Trade and other receivables	(20,508)	4,831
Financial assets available-for-sale and fair value through profit or loss	43	(424)
Trade and other payables	(3,715)	16,404
<b>Cash (used in)/generated from operations</b>	<b>12,088</b>	<b>60,079</b>
Income taxes paid	(1,919)	(1,640)
<b>Cash flows from operating activities</b>	<b>10,169</b>	<b>58,439</b>
<b>Investing activities:</b>		
Purchase of property, plant and equipment	(366,426)	(19,442)
Proceeds from disposal of property, plant and equipment and investment properties	36	2,354
Proceeds from redemption of notes receivable	-	5,637
Net repayment by joint ventures	444	30,712
Net advance to associates	(587)	(60)
Interest received	686	1,037
Dividends received from associates	3,970	-
Proceeds from disposal of equity investments	221	8,793
<b>Cash flows from investing activities</b>	<b>(361,656)</b>	<b>29,031</b>
<b>Financing activities:</b>		
Repayment of fixed rate notes	-	(26,333)
Repayment of bank loans	(319)	(34,392)
Repayment of finance lease obligations	(231)	(160)
Proceeds from bank loans	371,199	122,336
Interest paid	(3,653)	(5,560)
Issue of shares under share option scheme	70	1,607
Purchase of treasury shares	(5,106)	-
Receipt of cash from disposal of treasury shares	465	-
Net loan from/(repayment to) joint venture partner	10,363	(87,813)
Pledged deposits withdrawn	2,859	15,456
<b>Cash flows from financing activities</b>	<b>375,647</b>	<b>(14,859)</b>

	<b>31 Mar 2008</b>	
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Net increase in cash and cash equivalents during the period</b>	<b>24,160</b>	<b>72,611</b>
Cash and cash equivalents at beginning of the period	139,166	75,231
Exchange fluctuation on cash and cash equivalents	(484)	283
	<u>138,682</u>	<u>75,514</u>
<b>Cash and cash equivalents at end of the period</b>	<b><u>162,842</u></b>	<b><u>148,125</u></b>
<b>Cash and cash equivalents</b>		
Fixed deposits with financial institutions	110,425	114,942
Cash and bank balances	55,180	36,425
Bank overdrafts	(2,095)	(1,059)
	<u>163,510</u>	<u>150,308</u>
Bank balances and fixed deposits pledged	(668)	(2,183)
<b>Cash and cash equivalents in the cash flow statement</b>	<b><u>162,842</u></b>	<b><u>148,125</u></b>
<b>Notes:</b>		
Details of bank balances and fixed deposits pledged are as follows:		
- Fixed deposits pledged to banks and finance companies for credit facilities	668	2,183
	<u>668</u>	<u>2,183</u>

**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	Hedge 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 January 2007</b>	<b>364,859</b>	-	-	<b>(7,973)</b>	<b>2,630</b>	<b>2,510</b>	<b>(6,592)</b>	<b>68,494</b>	<b>423,928</b>	<b>11,233</b>	<b>435,161</b>
Exchange differences on retranslation of opening net assets of foreign subsidiaries, associates and joint ventures	-	-	-	1,143	-	-	-	-	1,143	79	1,222
Net change in fair value of cash flow hedges transferred to income statement	-	-	-	-	-	-	(3,027)	-	(3,027)	-	(3,027)
Changes in fair value of available-for-sale financial assets	-	-	-	-	742	-	-	-	742	-	742
Effects of disposal of available-for-sale financial assets	-	-	-	-	(857)	-	-	-	(857)	-	(857)
Net gains and losses recognised directly in equity	-	-	-	1,143	(115)	-	(3,027)	-	(1,999)	79	(1,920)
Net profit for the period	-	-	-	-	-	-	-	21,368	21,368	530	21,898
Total recognised income and expense for the period	-	-	-	1,143	(115)	-	(3,027)	21,368	19,369	609	19,978
Issue of shares under share option scheme	1,607	-	-	-	-	-	-	-	1,607	-	1,607
Value of employee services received for issue of share options	-	-	-	-	-	541	-	-	541	-	541
Dividends payable to minority shareholders	-	-	-	-	-	-	-	-	-	(251)	(251)
<b>Balance at 31 March 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>

**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	Hedge 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 January 2008</b>	<b>371,765</b>	<b>(7,391)</b>	-	<b>(8,223)</b>	<b>5,301</b>	<b>6,844</b>	-	<b>211,966</b>	<b>580,262</b>	<b>25,371</b>	<b>605,633</b>
Exchange differences on retranslation of opening net assets of foreign subsidiaries, associates and joint ventures	-	-	-	(956)	-	-	-	-	(956)	(179)	(1,135)
Changes in fair value of available-for-sale financial assets	-	-	-	-	2,189	-	-	-	2,189	-	2,189
Effects of disposal of available-for-sale financial assets	-	-	-	-	(67)	-	-	-	(67)	-	(67)
Net gains and losses recognised directly in equity	-	-	-	(956)	2,122	-	-	-	1,166	(179)	987
Net profit for the period	-	-	-	-	-	-	-	18,487	18,487	1,407	19,894
Total recognised income and expense for the period	-	-	-	(956)	2,122	-	-	18,487	19,653	1,228	20,881
Issue of shares under share option scheme	70	-	-	-	-	-	-	-	70	-	70
Value of employee services received for issue of share options	-	-	-	-	-	1,149	-	-	1,149	-	1,149
Conditional award of performance shares	-	-	-	-	-	83	-	-	83	-	83
Purchase of treasury shares	-	(5,106)	-	-	-	-	-	-	(5,106)	-	(5,106)
Issue of treasury shares under share option scheme and performance share plan	-	1,739	-	-	-	-	-	-	1,739	-	1,739
Excess of treasury shares cost over exercise price of share options	-	-	(1,274)	-	-	-	-	-	(1,274)	-	(1,274)
<b>Balance at 31 March 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>

**The Company**

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserves S\$'000	Equity Compensation Reserve S\$'000	Hedge Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000
<b>Balance at 1 January 2007</b>	<b>364,859</b>	-	<b>12,656</b>	<b>2,462</b>	<b>(6,592)</b>	<b>83,607</b>	<b>456,992</b>
Net change in fair value of cash flow hedges transferred to income statement / Net loss recognised directly in equity	-	-	-	-	(3,027)	-	(3,027)
Net profit for the period	-	-	-	-	-	21,591	21,591
Total recognised income and expense for the period	-	-	-	-	(3,027)	21,591	18,564
Issue of shares under share option scheme	1,607	-	-	-	-	-	1,607
Value of employee services received for issue of share options	-	-	-	541	-	-	541
Transfer from capital reserves	-	-	(12,656)	-	-	12,656	-
<b>Balance at 31 March 2007</b>	<b>366,466</b>	-	-	<b>3,003</b>	<b>(9,619)</b>	<b>117,854</b>	<b>477,704</b>

**The Company**

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserves S\$'000	Equity Compensation Reserve S\$'000	Hedge Reserve S\$'000	Accumulated Profits S\$'000	Total S\$'000
<b>Balance at 1 January 2008</b>	<b>371,765</b>	<b>(7,391)</b>	-	<b>6,796</b>	-	<b>54,825</b>	<b>425,995</b>
Net loss for the period	-	-	-	-	-	(6,343)	(6,343)
Total recognised expense for the period	-	-	-	-	-	(6,343)	(6,343)
Issue of shares under share option scheme	70	-	-	-	-	-	70
Value of employee services received for issue of share options	-	-	-	1,149	-	-	1,149
Conditional award of performance shares	-	-	-	83	-	-	83
Purchase of treasury shares	-	(5,106)	-	-	-	-	(5,106)
Issue of treasury shares under share option scheme and performance share plan	-	1,739	-	-	-	-	1,739
<b>Balance at 31 March 2008</b>	<b>371,835</b>	<b>(10,758)</b>	-	<b>8,028</b>	-	<b>48,482</b>	<b>417,587</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

Since the last financial year ended 31 December 2007, the issued and paid up capital of the Company increased by S\$70,000 to S\$371,835,000 due to the 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 January	769,188,160	767,091,910
Issue of new shares on exercise of share options	33,500	1,164,250
Transferred from treasury shares on exercise of share options	299,750	-
Transferred from treasury shares on vesting of performance shares	171,000	-
Purchase of treasury shares	(1,382,000)	-
As at 31 March	<u>768,310,410</u>	<u>768,256,160</u>

On 31 March 2008, the Company announced a proposed renounceable underwritten rights issue of up to 360,398,108 new ordinary shares in the capital of the Company, at an issue price of S\$2.18 for each Rights Share, on the basis of 7 Rights Shares for every 15 ordinary shares held in the capital of the Company. The new rights shares are expected to be listed on the SGX-ST on 17 June 2008.

#### Treasury Shares

During the period, there were 1,382,000 (31 March 2007: NIL) ordinary shares bought back from on-market purchases on the SGX-ST for a total cash consideration of S\$5,106,000 (31 March 2007: NIL). The movements are as follows:

	<b>2008</b>	<b>2007</b>
As at 1 January	2,000,000	-
Purchase of treasury shares	1,382,000	-
Use of treasury shares for exercise of share options	(299,750)	-
Use of treasury shares for vesting of performance shares	(171,000)	-
As at 31 March	<u>2,911,250</u>	<u>-</u>

#### Share Options

As at 31 March 2008, there were options for conversion into 28,935,500 (31 March 2007: 13,823,750) 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 January	17,698,750	15,190,500
Granted	11,820,000	-
Cancelled/Lapsed	(250,000)	(202,500)
Exercised	(333,250)	(1,164,250)
As at 31 March	<u>28,935,500</u>	<u>13,823,750</u>

### Performance Shares

As at 31 March 2008, there were 156,521 (31 March 2007: Nil) conditional awards outstanding 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 January	313,043	-
Vested	(156,522)*	-
As at 31 March	156,521	-

\* The actual number of shares granted was 171,000 as prescribed performance targets were exceeded for the first tranche of the 2007 grant.

On 15 April 2008, the Remuneration Committee approved the conditional award of an aggregate of 1,201,740 performance shares under the Parkway Performance Share Plan to key executives of the Group. Additional awards of up to 180,260 performance shares may be granted if performance targets are exceeded.

**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>31 Mar 2008</b>	<b>31 Dec 2007</b>
Number of issued shares excluding treasury shares	768,310,410	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.**

Earnings per share:	Group	
	31 Mar 2008	31 Mar 2007
- Basic (cents)	2.41	2.78
- Fully diluted (cents)	2.39	2.77

Basic earnings per share and earnings per share on a fully diluted basis for Q1 2008 were computed based on net profit attributable to shareholders of S\$18,487,000 and weighted average share capital of 768,409,995 and 772,357,135 ordinary shares (excluding treasury shares), respectively.

Basic earnings per share and earnings per share on a fully diluted basis for Q1 2007 were computed based on net profit attributable to shareholders of S\$21,368,000 and weighted average share capital of 767,590,610 and 771,767,879 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	
	31 Mar 2008	31 Dec 2007	31 Mar 2008	31 Dec 2007
Net asset value per ordinary share (S\$)	0.78	0.75	0.54	0.55
Net tangible asset per ordinary share (S\$)	0.50	0.48	0.54	0.55

Net asset value and net tangible asset per ordinary share as at 31 March 2008 and 31 December 2007 were computed after deducting minority interests and based on share capital of 768,310,410 (excluding 2,911,250 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:-**
- (a) 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
  - (b) 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 (Year-To-Date)			
	S\$'000			%
	31 Mar 2008	31 Mar 2007	Change	
Net Profit	18,487	21,368	(2,881)	-13
(Less)/Add one-off items:				
(a) Gain on disposal of equity investments	-	(1,552)		
(b) Gain on disposal of investment properties	-	(1,300)		
(c) Write-back of deferred tax liability on reduction of Singapore corporate tax rate	-	(2,675)		
(d) Operations management alignment expenses	-	1,059		
Net Profit excluding one-off items	18,487	16,900	1,587	9
Add: Net effects of the REIT transaction*	2,861	-	2,861	
Operational net profit excluding one-off items and net effects of the REIT transaction	21,348	16,900	4,448	26

\* 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.

Net profit attributable to equity holders of the Company for Q1 2008 has decreased 13% over Q1 2007. However, removing the effects of one-off items, net profit for Q1 2008 would have increased 9% over Q1 2007. The Group has shown a strong double digit net profit growth despite the additional REIT Rental (defined hereafter) expense of S\$11.9 million in Q1 2008. Removing further the net effects of the REIT transaction in Q1 2008, the operational net profit of the Group would have increased 26% over Q1 2007.

The strong growth in net profit is driven by strong revenue and EBITDAR across all business and geographical segments as elaborated below.

**Revenue**

	Group (Year-To-Date)			
	S\$'000			%
	31 Mar 2008	31 Mar 2007	Change	
Hospitals				
– Singapore	119,934	106,066	13,868	13
– International	43,511	39,589	3,922	10
	163,445	145,655	17,790	12
Healthcare				
– Singapore	34,785	31,841	2,944	9
– International	29,375	15,025	14,350	96
	64,160	46,866	17,294	37
Non-Healthcare				
– Singapore	1,137	41	1,096	NM
– International	2	116	(114)	-98
	1,139	157	982	NM
Total	228,744	192,678	36,066	19

The Group achieved double-digit growth in revenues across all business segments in Q1 2008 as compared to Q1 2007.

Revenue of the Singapore Hospitals segment for Q1 2008 increased 13% over Q1 2007. The revenue growth is largely driven by increased revenue intensity and higher volume of day cases.

Revenue of the International Hospitals segment for Q1 2008 increased 10% over Q1 2007. The revenue growth is largely driven out of the South East Asia segment where the Pantai hospitals continue to see strong growth.

Revenue of the Singapore Healthcare segment for Q1 2008 increased by 9% over Q1 2007 mainly attributed to Parkway Shenton's increased patient volume as well as the opening of 4 new clinics, increasing its clinics network to 48 in total.

Revenue of the International Healthcare segment for Q1 2008 almost doubled that of Q1 2007 as a result of the contribution of the North Asia segment, specifically China, since May 2007 when the Group acquired the World Link group of clinics and established Shanghai Gleneagles International Medical and Surgical Centre. 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 Q1 2008 is mainly contributed by the management fees charged by Parkway Trust Management Pte Ltd to Parkway Life REIT.

#### EBITDAR

	Group (Year-To-Date)			
	S\$'000			%
	31 Mar 2008	31 Mar 2007	Change	
Hospitals				
– Singapore	28,945	26,293	2,652	10
– International	6,927	6,325	602	10
	35,872	32,618	3,254	10
Healthcare				
– Singapore	5,917	5,212	705	14
– International	7,264	2,456	4,808	NM
	13,181	7,668	5,513	72
Non-Healthcare				
– Singapore	(57)	(8)	(49)	NM
– International	(142)	1,222	(1,364)	NM
	(199)	1,214	(1,413)	NM
Total	48,854	41,500	7,354	18

EBITDAR for Q1 2008 increased 18% over Q1 2007. The double digit growth is in line with the aforementioned strong revenue growth.

EBITDAR of the Singapore Hospitals segment for Q1 2008 increased 10% over Q1 2007, which is in line with the strong revenue growth of the segment. This is partially offset by higher office rental expenses, inflationary pressures on costs and start-up losses of ParkwayHealth Day Surgery and Medical Centre which commenced operations in late 2007.

EBITDAR of the International Hospitals segment for Q1 2008 increased 10% over Q1 2007, in line with the strong revenue growth of the segment.

EBITDAR of the Singapore Healthcare segment for Q1 2008 increased by 14% over Q1 2007 due to strong growth in revenue, and partially offset by pre-operating costs of Parkway Shenton's new clinics as well as higher rental expenses on renewed leases of existing clinics.

EBITDAR of the International Healthcare segment for Q1 2008 almost tripled that of Q1 2007, in line with the strong revenue contribution of the North Asia and South East Asia segments. The increase is also due to pre-operating losses incurred by Shanghai Gleneagles International Medical and Surgical Centre in Q1 2007.

#### **Other Income Statement Items**

Depreciation for Q1 2008 is 9% lower than Q1 2007 mainly due to the disposal of the hospital and medical centre units of Mount Elizabeth Hospital, Gleneagles Hospital and East Shore Hospital (collectively the "REIT Properties") to Parkway Life REIT in August 2007.

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 Q1 2008 include REIT Rental of S\$11.9 million.

Amortisation of intangible assets for Q1 2008 increased by 14% compared to Q1 2007 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 Q1 2008 decreased 50% over Q1 2007 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.

Gain on disposal of property, plant and equipment and investment properties in Q1 2007 comprised the gain on sale of two units at Eng Lok Mansion of S\$1.3 million.

Share of associates' profits for Q1 2008 increased by S\$1.5 million over Q1 2007 on equity accounting for 35.46% of the results of Parkway Life REIT with effect from 23 August 2007.

Income tax expense for Q1 2008 increased 47% over Q1 2007 despite lower profits before taxation of the Group mainly due to reversal of overprovision of current and deferred taxation in respect of prior years in Q1 2007 as set out in para 1(a)(ii).

Minority interests for Q1 2008 more than doubled that of Q1 2007 as the Group commenced accounting for the 40% minority interests of the World Link group of companies in May 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 Q4 2007 results announcement, it was stated that:

"While the global macro economic environment remains uncertain, we expect a continuing stable demand for healthcare services for the Group in Asia.

The Group's Singapore operations are expected to continue to perform well in 2008. However, its net profit margin will be lowered due to a full year's impact of REIT Rental expenses, partially offset by the Group's share of Parkway Life REIT's results, savings in interest expenses and depreciation.

Our successful tender for the new hospital at Novena will allow the Group to create by 2011, a hospital offering the latest proven advances in medicine, technology and integrated processes. The new proposed 350-bed hospital and medical suites will strengthen ParkwayHealth's leadership position in the private healthcare sector. This new facility will increase Singapore's in-patient capacity as well as provide facilities to enable delivery of more sophisticated and higher valued-added services. During the period of construction, financing costs associated with the acquisition of the land and its development will be capitalised.

The Group's International operations will have a full year's contribution from the ParkwayHealth North Asia's Shanghai group of medical centres in 2008. However, there will be start-up expenses in new facilities as well as investment related expenditure for growth projects in Asia.

Our outlook for Q1 2008 remains positive."

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 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.

**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

The tax exempt one-tier interim dividends of 1.23 cents per ordinary share is equivalent to the prior quarter's gross dividends of 1.50 cents per ordinary share less tax at 18%.

**(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	1.50 cents per ordinary share less tax
Tax Rate	18.0%

**(c) Date payable**

The dividends will be paid on 14 July 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 24 June 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 23 June 2008 will be registered before entitlement to the final dividend is determined.

The new rights shares, expected to be listed on the SGX-ST on 17 June 2008, will be entitled to the 1Q 2008 interim dividends.

**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 31 March 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, 14 May 2008