

3rd 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 (Third Quarter)			Group (Year-To-Date)		
	S\$'000		%	S\$'000		%
	Q3 2008	Q3 2007		30 Sep 2008	30 Sep 2007	
Revenue	239,352	222,806	7	704,199	637,095	11
Other operating income	1,296	5,966	-78	15,681	17,216	-9
Inventories and consumables	(47,974)	(41,734)	15	(129,336)	(117,291)	10
Purchased and contracted services	(40,761)	(39,699)	3	(129,099)	(123,138)	5
Depreciation and impairment losses of property, plant and equipment and investment properties	(11,233)	(10,251)	10	(32,312)	(32,405)	0
Amortisation of intangible assets	(1,535)	(1,388)	11	(4,659)	(4,199)	11
Staff costs	(72,892)	(68,534)	6	(216,054)	(191,195)	13
Operating lease expenses	(17,380)	(8,419)	NM	(51,158)	(14,660)	NM
Other operating expenses	(26,159)	(25,275)	3	(73,962)	(66,965)	10
Finance costs	(2,963)	(5,677)	-48	(9,196)	(19,012)	-52
Impairment loss on available-for-sale financial assets (exceptional)	(4,399)	-	NM	(4,399)	-	NM
(Loss)/Gain on disposal of property, plant and equipment and investment properties (exceptional)	(238)	220,806	NM	95	222,767	-100
Loss on termination of interest rate swap (exceptional)	-	(12,100)	NM	-	(12,100)	NM
Share of REIT's IPO expenses (exceptional)	-	(6,915)	NM	-	(6,915)	NM
Share of profits of associates (net of tax)	1,393	1,715	-19	7,447	2,771	NM
Profit before income tax	16,507	231,301	-93	77,247	291,969	-74
Income tax expense	(5,167)	(5,712)	-10	(17,490)	(17,626)	-1
Profit for the period	11,340	225,589	-95	59,757	274,343	-78
Attributable to:						
Equity holders of the Company	10,174	224,555	-95	55,963	271,307	-79
Minority interests	1,166	1,034	13	3,794	3,036	25
Profit for the period	11,340	225,589	-95	59,757	274,343	-78

**FOR INFORMATION
(Details in para 8)**

	Group (Third Quarter)			Group (Year-To-Date)		
	S\$'000		%	S\$'000		%
	Q3 2008	Q3 2007		30 Sep 2008	30 Sep 2007	
Net profit attributable to equity holders of the Company as stated above	10,174	224,555	-95	55,963	271,307	-79
Less: One-off and exceptional items	8,318	(203,405)	NM	2,660	(208,356)	NM
Add: Recurring REIT items	4,681	1,387	NM	9,405	1,641	NM
Operational net profit	23,173	22,537	3	68,028	64,592	5

N.M. : Not meaningful

The Group disposed of its Singapore Hospital properties to Parkway Life REIT on 23 August 2007 and recorded a net exceptional gain of S\$204.3 million in Q3 2007. Removing the effects of this exceptional gain as well as other one-off items and recurring net effects of the REIT transaction, operational net profit for YTD 2008 would have increased 5% over YTD 2007. Please refer to para 8 for details.

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

	Group (Third Quarter)			Group (Year-To-Date)		
	S\$'000		%	S\$'000		%
	Q3 2008	Q3 2007	Change	30 Sep 2008	30 Sep 2007	Change
Investment Income	550	550	0	1,925	2,478	-22
Allowance made for impairment loss on receivables	(2,353)	(520)	NM	(4,157)	(2,777)	50
Bad debts (written off)/recovered (net)	(6)	108	NM	1	15	-93
Exchange (losses)/gain	(344)	20	NM	(638)	(340)	88
Inventories written back/(written off)	3	(79)	NM	(35)	(94)	-63
Gain on disposal of equity investments	-	396	NM	69	1,962	-96
Overprovision of current taxation in prior years	898	1	NM	1,753	141	NM
Overprovision of deferred taxation in prior years	24	9,475	-100	547	12,210	-96
(Under)/Overprovision of share of associate's deferred tax in prior years	(13)	-	NM	1,536	-	NM
Exceptional Items:						
Impairment loss on available-for-sale financial assets	(4,399)	-	NM	(4,399)	-	NM
(Loss)/Gain on disposal of property, plant and equipment and investment properties	(238)	220,806	NM	95	222,767	-100
Loss on termination of interest rate swap	-	(12,100)	NM	-	(12,100)	NM
Share of REIT's IPO expenses	-	(6,915)	NM	-	(6,915)	NM

Overprovision of deferred taxation in respect of prior years for Q3 2007 and YTD 2007 relates mainly to a one-off reduction in corporate tax rate from 20% to 18% and the reversal of deferred tax liabilities arising from the disposal of the Singapore Hospital properties to Parkway Life REIT.

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

In Q3 2008, the Group recognised an exceptional item arising from the impairment loss of S\$4.4 million on available-for-sale financial assets relating to the Group's investment in Auric Pacific Group Limited in accordance with Singapore Financial Reporting Standards. Had the Group recognised impairment loss based on the last traded price of \$0.68 per share on 5 November 2008, there would be further impairment of approximately \$7.7 million.

The exceptional items in Q3 2007 and YTD 2007 arose from the disposal of the Singapore Hospital properties to Parkway Life REIT in August 2007 and the details can be found in the results announcement for Q3 2007.

Included in the exceptional gain on disposal of property, plant and equipment and investment properties for YTD 2007 are gains of approximately S\$2.1 million attributed to disposal of two units at Eng Lok Mansions in Singapore and investment properties held by a joint venture in Shanghai, China.

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

	Group (Third Quarter)			Group (Year-To-Date)		
	S\$'000		% Change	S\$'000		% Change
	Q3 2008	Q3 2007		30 Sep 2008	30 Sep 2007	
Profit before income tax	16,507	231,301	-93	77,247	291,969	-74
Add/(less):						
Depreciation and impairment losses of property, plant and equipment and investment properties	11,233	10,251	10	32,312	32,405	0
Amortisation of intangible assets	1,535	1,388	11	4,659	4,199	11
Exchange losses/(gain)	344	(20)	NM	638	340	88
Finance costs	2,963	5,677	-48	9,196	19,012	-52
Interest income	(729)	(1,005)	-27	(2,061)	(2,923)	-29
Share of profits of associates	(1,393)	(1,715)	-19	(7,447)	(2,771)	NM
REIT rental expense	12,183	5,075	NM	36,030	5,075	NM
Exceptional items:						
Impairment loss on available-for-sale financial assets	4,399	-	NM	4,399	-	NM
Loss/(Gain) on disposal of property, plant and equipment and investment properties	238	(220,806)	NM	(95)	(222,767)	-100
Loss on termination of interest rate swap	-	12,100	NM	-	12,100	NM
Share of REIT's IPO expenses	-	6,915	NM	-	6,915	NM
EBITDAR	47,280	49,161	-4	154,878	143,554	8

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 Sep 2008 S\$'000	31 Dec 2007 S\$'000	30 Sep 2008 S\$'000	31 Dec 2007 S\$'000
Non-current assets					
Property, plant & equipment	1(a)	1,625,488	290,108	-	-
Intangible assets		210,151	213,605	-	-
Interests in subsidiaries	1(b)	-	-	2,694,749	1,217,923
Interests in associates		155,808	154,451	(4,209)	(4,507)
Interests in joint ventures		72,298	72,661	54	-
Amounts due from minority shareholders of a subsidiary	2	28,128	-	-	-
Other financial assets	3	33,361	41,818	7,472	-
Deferred tax assets		6,775	7,489	-	-
		<u>2,132,009</u>	<u>780,132</u>	<u>2,698,066</u>	<u>1,213,416</u>
Current assets					
Inventories		19,653	17,575	-	-
Trade receivables		140,588	137,394	-	-
Other receivables, deposits & prepayments		28,562	21,676	55	2,919
Tax recoverable		3,433	1,786	-	-
Other financial assets		324	1,062	-	-
Cash and cash equivalents		157,579	143,372	2,950	38,084
		<u>350,139</u>	<u>322,865</u>	<u>3,005</u>	<u>41,003</u>
Total assets		<u>2,482,148</u>	<u>1,102,997</u>	<u>2,701,071</u>	<u>1,254,419</u>
Attributable to equity holders of the Company					
Share capital	4	1,128,213	371,765	1,128,213	371,765
Treasury shares		(9,707)	(7,391)	(9,707)	(7,391)
Other reserves		(8,266)	3,922	12,885	6,796
Accumulated profits		205,756	211,966	18,409	54,825
		<u>1,315,996</u>	<u>580,262</u>	<u>1,149,800</u>	<u>425,995</u>
Minority interest		28,115	25,371	-	-
Total equity		<u>1,344,111</u>	<u>605,633</u>	<u>1,149,800</u>	<u>425,995</u>
Non-current liabilities					
Interest-bearing borrowings	1(c)	632,224	145,252	497,775	-
Amounts due to joint venture partners		66,686	59,222	-	-
Loans from subsidiaries		-	-	910,518	824,455
Deferred tax liabilities		25,212	25,506	-	6
		<u>724,122</u>	<u>229,980</u>	<u>1,408,293</u>	<u>824,461</u>
Current liabilities					
Bank overdrafts		198	679	-	-
Trade payables & accrued operating expenses	5	178,485	151,002	6,606	1,812
Other payables	6	39,672	32,373	8,234	745
Interest-bearing borrowings	1(d)	168,031	40,632	126,499	-
Intra-group financial guarantees		-	-	4	15
Employee benefits		4,350	3,661	-	-
Current tax payable		23,179	39,037	1,635	1,391
		<u>413,915</u>	<u>267,384</u>	<u>142,978</u>	<u>3,963</u>
Total liabilities		<u>1,138,037</u>	<u>497,364</u>	<u>1,551,271</u>	<u>828,424</u>
Total equity and liabilities		<u>2,482,148</u>	<u>1,102,997</u>	<u>2,701,071</u>	<u>1,254,419</u>

The Group and the Company is in a net current liability position as at 30 September 2008. On 11 November 2008, the Group has refinanced approximately S\$130 million of short-term credit facilities with long-term credit facilities due in 2013.

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 31 July 2008, a wholly-owned subsidiary of the Company, Parkway Novena Pte Ltd ("Parkway Novena"), formally entered into the S\$850 million Syndicated Transferrable Secured Financing Facility with a group of 19 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 11 November 2008, Parkway Novena drew down S\$560 million comprising Tranche A of the credit facility. The proceeds will be applied towards partially reinstating the rights issue proceeds and to refinance current outstanding short-term credit facilities of approximately S\$130 million.

With the remaining cash reserves of approximately S\$430 million as well as remaining credit limit of S\$290 million available on the S\$850 million syndicated loan, the Group has secured the full financing required for the development of the Novena project which is estimated to cost between S\$300 million to S\$500 million. The Group expects to incur the development costs over three years from late 2008 to mid 2011.

The long-term credit facilities used to finance the Novena project are partly due only in July 2011 (S\$500 million) and July 2013 (up to S\$850 million).

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 short-term credit facilities have been re-financed on 11 November 2008 with long-term credit facilities due in 2013.
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. The rights proceeds have been partially reinstated with the proceeds from the drawdown of Tranche A of Parkway Novena's long-term credit facilities on 11 November 2008.

Subsequent to the rights issue, the Group's gearing as measured by net debt over equity is maintained at a healthy ratio of 49% as at 30 September 2008. The Group aims to maintain an appropriate gearing ratio after drawing down and utilising the S\$850 million long-term credit facility for the development of the Novena project over the next three years.

5. Trade payables and accrued operating expenses of the Group increased when compared to 31 December 2007 due to accruals for payments which will usually take place at the year-end. The balance as at 30 September 2008 for the Group and the Company also included the interest payable on bank borrowings used to finance the Novena Land.
6. Other payables of the Group and the Company have increased due to derivative liabilities arising from interest rate hedging instruments.

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 September 2008		As at 31 December 2007	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
7,196	161,033	27,134	14,177

Amount repayable after one year

As at 30 September 2008		As at 31 December 2007	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
134,449	497,775	145,252	-

Details of any collateral

Included in the Group's secured borrowings are:

- (i) S\$2,979,000 (31 December 2007: S\$2,971,000) in respect of property, plant and equipment acquired under finance leases with a carrying value of S\$4,175,000 (31 December 2007: S\$3,889,000);
- (ii) S\$38,331,000 (31 December 2007: S\$64,648,000) for credit facilities which were secured on property, plant and equipment with a carrying value of S\$53,892,000 (31 December 2007: S\$70,411,000) and fixed deposits of S\$625,000 (31 December 2007: S\$631,000); and
- (iii) S\$100,335,000 (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\$215,425,000 (31 December 2007: S\$205,984,000) and bank balances and fixed deposits of S\$6,000 (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.

	Q3 2008	Q3 2007
	S\$'000	S\$'000
Profit before income tax	16,507	231,301
Adjustments for:		
Exchange difference	(1,435)	(1,256)
Depreciation and impairment losses of property, plant and equipment and investment properties	11,233	10,251
Amortisation of intangible assets	1,535	1,388
Impairment loss on available-for-sale financial assets	4,399	-
Loss/(Gain) on disposal of property, plant and equipment and investment properties	238	(220,806)
Gain on disposal of equity investments	-	(402)
Share of profits of associates	(1,393)	(1,715)
Share option expense	2,428	1,181
Loss on redemption of notes receivable	-	1,114
Loss on termination of interest rate swap	-	12,100
Share of REIT's IPO expenses	-	6,915
Dividend income	(550)	(550)
Interest income	(729)	(1,005)
Interest expense	2,963	5,677
Operating profit before working capital changes	35,196	44,193
Decrease/(Increase) in working capital:		
Inventories	(129)	(954)
Trade and other receivables	(26,032)	(23,860)
Financial assets available-for-sale and held for trading	(168)	440
Trade and other payables	10,307	6,772
Cash generated from operations	19,174	26,591
Income taxes paid	(9,484)	(12,802)
Cash flows from operating activities	9,690	13,789
Investing activities:		
Investment in associates	-	(17)
Purchase of property, plant and equipment	(27,721)	(14,199)
Finance and other development costs capitalised as property, plant and equipment	(10,873)	-
Proceeds from disposal of property, plant and equipment and investment properties	1,655	503,905
Proceeds from redemption of notes receivable	-	26,747
Cash distribution from investee company	-	3,106
Net repayment from /(advance to) joint ventures	886	(367)
Net advance to associates	(1,234)	(1,026)
Interest received	729	914
Dividends received	550	550
Dividends received from associates	2,912	-
Proceeds from disposal of equity investments	-	558
Expenses capitalised as investment in a subsidiary	(104)	-
Development of intellectual property	(15)	-
Cash flows from investing activities	(33,215)	520,171

	Q3 2008	Q3 2007
	S\$'000	S\$'000
Financing activities:		
Repayment of bank loans	-	(377,663)
Proceeds from bank loans	59,371	2,341
Repayment of financial lease obligations	(354)	(140)
Interest paid	(2,673)	(7,016)
Issue of shares under share option scheme	381	1,205
Receipt of cash from utilisation of treasury shares for share options	114	-
Net repayment to joint venture partner	(2,091)	-
Dividends paid	(27,738)	(12,637)
Dividends paid to minority shareholders	(522)	(113)
Payment on termination of interest rate swap	-	(12,100)
Pledged deposits withdrawn	32	238
Cash flows from financing activities	26,520	(405,885)
Net increase in cash and cash equivalents during the period	2,995	128,075
Cash and cash equivalents at beginning of the period	155,638	98,869
Exchange fluctuation on cash and cash equivalents	(1,883)	(712)
Cash and cash equivalents at end of the period	153,755	98,157
	156,750	226,232
Cash and cash equivalents	30 Sep 2008	30 Sep 2007
	S\$'000	S\$'000
Fixed deposits with financial institutions	54,668	177,772
Cash and bank balances	102,911	49,705
Bank overdrafts	(198)	(503)
	157,381	226,974
Bank balances and fixed deposits pledged	(631)	(742)
Cash and cash equivalents in the cash flow statement	156,750	226,232
Notes:		
Details of bank balances and fixed deposits pledged are as follows:		
- Fixed deposits pledged to banks and finance companies for credit facilities	631	742

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
Balance at 1 July 2007	369,476	-	-	(5,227)	8,282	3,708	(9,850)	71,098	437,487	21,874	459,361
Exchange differences on retranslation of opening net assets of foreign subsidiaries, associates and joint ventures	-	-	-	(2,356)	-	-	-	-	(2,356)	(503)	(2,859)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	1,184	-	1,184	-	1,184
Changes in fair value of available-for-sale financial assets	-	-	-	-	1,028	-	-	-	1,028	-	1,028
Effects on derecognition of financial derivatives	-	-	-	-	-	-	8,666	-	8,666	-	8,666
Net gains and losses recognised directly in equity	-	-	-	(2,356)	1,028	-	9,850	-	8,522	(503)	8,019
Net profit for the period	-	-	-	-	-	-	-	224,555	224,555	1,034	225,589
Total recognised income and expense for the period	-	-	-	(2,356)	1,028	-	9,850	224,555	233,077	531	233,608
Issue of shares under share option scheme	1,205	-	-	-	-	-	-	-	1,205	-	1,205
Value of employee services received for issue of share options	-	-	-	-	-	1,181	-	-	1,181	-	1,181
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(113)	(113)
Interim dividend paid of 2.0 cents per share less tax at 18% in respect of year 2007	-	-	-	-	-	-	-	(12,637)	(12,637)	-	(12,637)
Balance at 30 September 2007	370,681	-	-	(7,583)	9,310	4,889	-	283,016	660,313	22,292	682,605

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
Balance at 1 July 2008	1,127,832	(9,998)	(1,817)	(14,868)	4,674	10,505	-	209,453	1,325,781	26,869	1,352,650
Exchange differences on retranslation of opening net assets of foreign subsidiaries, associates and joint ventures	-	-	-	2,666	-	-	-	-	2,666	(437)	2,229
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(7,003)	-	(7,003)	-	(7,003)
Changes in fair value of available-for-sale financial assets	-	-	-	-	(4,674)	-	-	-	(4,674)	-	(4,674)
Net gains and losses recognised directly in equity	-	-	-	2,666	(4,674)	-	(7,003)	-	(9,011)	(437)	(9,448)
Net profit for the period	-	-	-	-	-	-	-	10,174	10,174	1,166	11,340
Total recognised income and expense for the period	-	-	-	2,666	(4,674)	-	(7,003)	10,174	1,163	729	1,892
Effects on acquisition of interest in a subsidiary	-	-	-	-	-	-	-	-	-	1,039	1,039
Issue of shares under share option scheme	381	-	-	-	-	-	-	-	381	-	381
Value of employee services received for issue of share options	-	-	-	-	-	2,428	-	-	2,428	-	2,428
Utilisation of treasury shares for share options	-	291	-	-	-	-	-	-	291	-	291
Excess of treasury shares cost over exercise price of share options	-	-	(177)	-	-	-	-	-	(177)	-	(177)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(522)	(522)
Interim tax exempt one-tier dividend paid of 1.23 cents per share in respect of year 2008	-	-	-	-	-	-	-	(13,871)	(13,871)	-	(13,871)
Balance at 30 September 2008	1,128,213	(9,707)	(1,994)	(12,202)	-	12,933	(7,003)	205,756	1,315,996	28,115	1,344,111

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
Balance at 1 July 2007	369,476	-	3,660	(9,850)	93,359	456,645
Effective portion of changes in fair value of cash flow hedges	-	-	-	1,184	-	1,184
Effects on derecognition of financial derivatives	-	-	-	8,666	-	8,666
Net gain recognised directly in equity	-	-	-	9,850	-	9,850
Net loss for the period	-	-	-	-	(13,884)	(13,884)
Total recognised income and expense for the period	-	-	-	9,850	(13,884)	(4,034)
Issue of shares under share option scheme	1,205	-	-	-	-	1,205
Value of employee services received for issue of share options	-	-	1,181	-	-	1,181
Interim dividend paid of 2.0 cents per share less tax at 18% in respect of year 2007	-	-	-	-	(12,637)	(12,637)
Balance at 30 September 2007	370,681	-	4,841	-	66,838	442,360

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
Balance at 1 July 2008	1,127,832	(9,998)	10,457	-	37,915	1,166,206
Net loss for the period / Total recognised expense for the period	-	-	-	-	(5,635)	(5,635)
Issue of shares under share option scheme	381	-	-	-	-	381
Value of employee services received for issue of share options	-	-	2,428	-	-	2,428
Utilisation of treasury shares for share options	-	291	-	-	-	291
Interim tax exempt one-tier dividend paid of 1.23 cents per share in respect of year 2008	-	-	-	-	(13,871)	(13,871)
Balance at 30 September 2008	1,128,213	(9,707)	12,885	-	18,409	1,149,800

- 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\$381,000 to S\$1,128,213,000 during Q3 2008 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:

	2008	2007
As at 1 July	1,127,393,534	770,042,660
Issue of new shares on exercise of share options	250,000	562,750
Transferred from treasury shares on exercise of share options	78,750	-
As at 30 September	<u>1,127,722,284</u>	<u>770,605,410</u>

Treasury Shares

During the period, there were 78,750 (2007: NIL) treasury shares utilised for the exercise of employee share options under the Parkway Share Option Scheme 2001. The movements are as follows:

	2008	2007
As at 1 July	2,705,500	-
Utilisation for exercise of share options	(78,750)	-
As at 30 September	<u>2,626,750</u>	<u>-</u>

Share Options

As at 30 September 2008, there were options for conversion into 27,706,250 (2007: 18,314,000) ordinary shares under the Parkway Share Option Scheme 2001. The movements in the number of share options are as follows:

	2008	2007
As at 1 July	28,170,000	16,641,750
Granted	-	2,235,000
Cancelled/Lapsed	(135,000)	-
Exercised	(328,750)	(562,750)
As at 30 September	<u>27,706,250</u>	<u>18,314,000</u>

Performance Shares

	2008	2007
As at 1 July and 30 September	<u>1,358,261</u>	<u>-</u>

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. There were no movements in the number of base award of performance shares in the period.

The number of conditional awards outstanding under the Parkway Performance Share Plan at 30 September 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 has been approved by the Remuneration Committee in Q4 2008.

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.

	30 Sep 2008	31 Dec 2007
Number of issued shares excluding treasury shares	<u>1,127,722,284</u>	<u>769,188,160</u>

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 (Third Quarter)		Group (Year-To-Date)	
	Q3 2008	Q3 2007 (Restated)*	30 Sep 2008	30 Sep 2007 (Restated)*
Earnings per share:				
(i) Before exceptional items				
- Basic (cents)	1.31	2.61	6.21	7.76
- Fully diluted (cents)	1.31	2.59	6.18	7.71
(ii) After exceptional items				
- Basic (cents)	0.90	25.75	5.77	31.16
- Fully diluted (cents)	0.90	25.59	5.74	30.98

* Restated for the effects of the rights issue on 17 June 2008

Basic earnings per share and earnings per share on a fully diluted basis for Q3 2008 were computed based on net profit attributable to shareholders before exceptional item of S\$14,811,000 and net profit attributable to shareholders after exceptional item of S\$10,174,000 and weighted average share capital of 1,127,604,377 and 1,130,902,275 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 before exceptional item of S\$60,267,000 and net profit attributable to shareholders after exceptional item of S\$55,963,000 and weighted average share capital of 970,508,024 and 975,328,729 ordinary shares (excluding treasury shares), respectively.

Basic earnings per share and earnings per share on a fully diluted basis for Q3 2007 were computed based on net profit attributable to shareholders before exceptional item of S\$22,764,000 and net profit attributable to shareholders after exceptional item of S\$224,555,000 and weighted average share capital of 872,044,795 (restated for the rights issue) and 877,589,158 (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 before exceptional item of S\$67,555,000 and net profit attributable to shareholders after exceptional item of S\$271,307,000 and weighted average share capital of 870,646,773 (restated for the rights issue) and 875,765,322 (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 Sep 2008	31 Dec 2007	30 Sep 2008	31 Dec 2007
Net asset value per ordinary share (S\$)	1.17	0.75	1.02	0.55
Net tangible asset per ordinary share (S\$)	0.98	0.48	1.02	0.55

Net asset value and net tangible asset per ordinary share as at 30 September 2008 and 31 December 2007 were computed after deducting minority interests and based on share capital of 1,127,722,284 (excluding 2,626,750 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 (Third Quarter)				Group (Year-To-Date)			
	S\$'000			%	S\$'000			%
	Q3 2008	Q3 2007	Change		30 Sep 2008	30 Sep 2007	Change	
Net Profit as reported	10,174	224,555	(214,381)	-95	55,963	271,307	(215,344)	-79
(Less)/Add one-off items:								
(a) REIT exceptional items	-	(201,941)			-	(201,941)		
(b) Tax effects on REIT exceptional items	-	(2,351)			-	(2,351)		
(c) Gain on disposal of equity investments	-	(396)			-	(1,962)		
(d) Loss/(Gain) on disposal of investment properties	-	165			-	(2,092)		
(e) Loss on early redemption of notes	-	1,114			-	1,617		
(f) Operations management alignment expenses	-	-			-	1,059		
(g) Write-back of deferred tax liability on reduction of Singapore corporate tax rate	-	4			-	(2,686)		
(h) Impairment loss on available-for-sale financial assets	4,399	-			4,399	-		
(i) Fair value change of financial derivatives	3,906	-			(203)	-		
(j) Under/(Over)provision of share of associate's deferred tax in prior years	13	-			(1,536)	-		
One-off and exceptional items	8,318	(203,405)	211,723	NM	2,660	(208,356)	211,016	NM
Add: Net effects of the REIT transaction*	4,681	1,387	3,294	NM	9,405	1,641	7,764	NM
Operational net profit excluding one-off items and net effects of the REIT transaction	23,173	22,537	636	3	68,028	64,592	3,436	5

* 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 79% over YTD 2007 mainly due to the exceptional gain on disposal of the Singapore Hospital properties to Parkway Life REIT in FY 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 5% over YTD 2007.

Operational net profit for YTD 2008 was boosted by contribution of the World Link group of clinics (acquired in May 2007) as well as the robust performance of the international operations. However, this was partially offset by higher marketing costs to diversify into non-traditional sources of foreign patients, higher costs in providing new services, including Palliative Care, at Parkway Cancer Centre as well as business development expenses of S\$1.5 million.

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

Revenue

	Group (Third Quarter)				Group (Year-To-Date)			
	S\$'000				S\$'000			
	Q3 2008	Q3 2007	Change	%	30 Sep 2008	30 Sep 2007	Change	%
Hospitals								
– Singapore	118,217	118,629	(412)	0	358,732	344,388	14,344	4
– International	47,916	43,489	4,427	10	137,068	128,173	8,895	7
	166,133	162,118	4,015	2	495,800	472,561	23,239	5
Healthcare								
– Singapore	39,556	31,784	7,772	24	110,675	94,513	16,162	17
– International	30,770	27,790	2,980	11	90,438	66,666	23,772	36
	70,326	59,574	10,752	18	201,113	161,179	39,934	25
Non-Healthcare								
– Singapore	2,890	1,058	1,832	NM	7,281	3,064	4,217	NM
– International	3	56	(53)	-95	5	291	(286)	-98
	2,893	1,114	1,779	NM	7,286	3,355	3,931	NM
Total	239,352	222,806	16,546	7	704,199	637,095	67,104	11

Amidst the sharp deterioration of the global economies in Q3 2008, the Group achieved an overall 7% and 11% growth in revenues in Q3 2008 and YTD 2008, respectively.

Being a matured market, the Singapore Hospitals segment achieved a 4% revenue growth in YTD 2008. The revenue growth is mainly driven by a strong double-digit growth of 10.9% in day cases, with one of the key growth drivers being the Parkway Eye Centre at Gleneagles Hospital. The trend in the shift from inpatient admits to day cases and outpatient treatment is made possible by advanced technology and high intensity. This trend is expected to be more pronounced during any economic crisis where patients tend to seek outpatient treatment and postpone surgical procedures.

The International Hospitals segment continued to show strong growth, namely contributed by the Pantai hospitals and Apollo Gleneagles. Together, the Singapore and International Hospitals segment achieved revenue growth of 2% for Q3 2008 over Q3 2007, whilst still maintaining an overall 5% growth for YTD 2008 over YTD 2007. Amidst the prevailing slowdown in global economies, the hospitals are targeting to maintain and grow their revenues by diversifying into non-traditional sources of foreign patients. Singapore Hospitals has benefitted from double-digit growth in admits and revenue from non-traditional sources for YTD 2008.

Revenue of the Singapore Healthcare segment for Q3 2008 and YTD 2008 increased by 24% and 17%, 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 Q3 2008 and YTD 2008 increased by 11% and 36%, 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 Q3 2008 and YTD 2008 is mainly contributed by the management fees charged by Parkway Trust Management Pte Ltd to Parkway Life REIT.

EBITDAR

	Group (Third Quarter)				Group (Year-To-Date)			
	S\$'000				S\$'000			
	Q3 2008	Q3 2007	Change	%	30 Sep 2008	30 Sep 2007	Change	%
Hospitals								
– Singapore	27,147	29,695	(2,548)	-9	88,221	86,880	1,341	2
– International	8,224	7,220	1,004	14	23,483	21,478	2,005	9
	35,371	36,915	(1,544)	-4	111,704	108,358	3,346	3
Healthcare								
– Singapore	7,022	7,260	(238)	-3	18,675	19,464	(789)	-4
– International	3,387	6,083	(2,696)	-44	21,155	14,372	6,783	47
	10,409	13,343	(2,934)	-22	39,830	33,836	5,994	18
Non-Healthcare								
– Singapore	1,583	(532)	2,115	NM	3,486	1,153	2,333	NM
– International	(83)	(565)	482	-85	(142)	207	(349)	NM
	1,500	(1,097)	2,597	NM	3,344	1,360	1,984	NM
Total	47,280	49,161	(1,881)	-4	154,878	143,554	11,324	8

The Group posted an 8% increase in YTD 2008 EBITDAR albeit a 4% decrease in Q3 2008 EBITDAR.

EBITDAR of the Singapore Hospitals segment decreased 9% for Q3 2008 but continues to show a 2% increase for YTD 2008. EBITDAR margins have been partly affected by higher marketing costs to diversify into non-traditional sources of foreign patients, higher costs for new services, including Palliative Care, at Parkway Cancer Centre as well as increasing group corporate costs which have not yet been allocated to the rest of the segments. In the recent years, group corporate costs have increased as the Group is building the bench for future leadership placements and to oversee growth projects. Corporate costs have also been incurred on Group-wide initiatives to improve service and quality of clinical outcomes. Had these corporate costs been allocated to the respective segments, Singapore Hospitals segment would have shown a 6% increase in EBITDAR for YTD 2008.

EBITDAR of the International Hospital segment saw a double-digit 14% growth in Q3 2008 and 9% for YTD 2008 mainly contributed by the strong performance of the Pantai hospitals and cardiac centre in Brunei.

EBITDAR of the Singapore Healthcare segment for Q3 2008 and YTD 2008 decreased by 3% and 4% respectively due to business development expenses of S\$1.8 million as well as start-up losses of Parkway College of Nursing of approximately S\$0.5million. Parkway College of Nursing is due to commence courses for its first intake of 112 nurses in November 2008.

The strong revenue contribution of the North Asia and South East Asia segments resulted in the 47% increase in YTD 2008 EBITDAR. However, part of the increase is eroded by a fair value loss of S\$3.9 million arising from interest rate hedging instruments in the South East Asia segment.

Other Income Statement Items

Depreciation for YTD 2008 is comparable to YTD 2007 as the reduction in depreciation of the Singapore Hospital properties disposed of in August 2007 is set off by depreciation of the World Link group and increased capital expenditure in 2008.

Amortisation of intangible assets for Q3 2008 and YTD 2008 both increased by 11% over the corresponding period last year, 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, Parkway College of Nursing 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.

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 Q3 2008 and YTD 2008 include REIT Rental of S\$12.2 million and S\$36.0 million, respectively. Excluding the REIT Rental, operating lease expenses increased S\$1.9 million and S\$5.5 million in Q3 2008 and YTD 2008, respectively mainly due to consolidation of World Link group as well as higher rental expenses incurred in Singapore for Parkway Shenton's new clinics as well as new office space for the Group Corporate Office and Parkway Trust Management.

Finance costs for Q3 2008 and YTD 2008 decreased 48% and 52% over Q3 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.

The gain on disposal of property, plant and equipment and investment properties for Q3 2007 arose mainly from the disposal of the Singapore Hospital properties to Parkway Life REIT. In addition to this, the gain for YTD 2007 includes the gain on disposal of two units at Eng Lok Mansion in Singapore and investment properties held by a joint venture in Shanghai, China.

The Group's share of associates' profits increased by S\$4.7 million for YTD 2008 on equity accounting for approximately 36% of the results of Parkway Life REIT.

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 Q2 2008 results announcement, it was stated that:

"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."

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.

With the onset of the global economic slowdown, the operating environment for the fourth quarter of 2008 and the next twelve months is expected to remain challenging.

The Group has stepped-up its marketing efforts to diversify into non-traditional sources of foreign patients. At the same time, the Group has embarked on its Operational Excellence initiatives to improve service quality, obtain higher yields, faster throughput and minimise waste.

Notwithstanding the current economic slowdown, the Group remains committed to its major projects including the 350-bed hospital in Novena.

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	0.75 cents per ordinary share
Tax Rate	Tax Exempt One-Tier

(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	Special
Dividend Type	Ordinary	Ordinary
Amount per share	2.00 cents per ordinary share less tax	13.45 cents per ordinary share less tax
Tax Rate	18.0%	18.0%

(c) Date payable

The dividends will be paid on 15 December 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 December 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 December 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 September 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, 12 November 2008