

NEWS RELEASE

PARKWAY'S GROWTH STRATEGIES DELIVER STRONG GAINS FOR FY2007 WITH INCREASE IN GROUP REVENUE AND NET PROFIT BY 29% AND 35% RESPECTIVELY

Highlights:

- Group Revenue soars 29% up to S\$869.7m (on proforma);
- Singapore Hospitals revenue up 30% to S\$463.3m;
- Earnings Per Share (EPS) soars 31% (excluding Exceptional Items) to 11.74 cents;
- Net Profits rise 439% from S\$55.3m to S\$298.0m (including Exceptional Items);
- Parkway Cancer Centre contributes significant gains from higher consumption of outpatient and diagnostic services.

Singapore, 27 February 2008 - Parkway Holdings Limited's ("Parkway", the Group, "ParkwayHealth") full year results for FY2007 underscores the Group's ability to deliver strong gains through key operational growth strategies.

The Board has declared a final tax-exempt dividend of 4.51 cents per ordinary share for Q4/2007. This brings the total dividend payout for FY2007 to 24.45 cents per ordinary share less tax. The Earnings Per Share (EPS) showed significant gain of 31% to 11.74 cents for FY2007, compared to that of 4.9% in FY2006.

Mr Richard Seow, Chairman of Parkway Holdings Limited said: "The year 2007 has seen ParkwayHealth execute its strategy which has resulted in strong operational and financial performance.

"In Singapore, we have seen good growth in both our local and foreign patient bases. Foreign patients continue to come from the traditional regional markets. We now see more patients starting to come from the non-traditional markets.

"New facilities and upgrade of our existing facilities have been and will continue to be the focus of the Group's plans. Our recent successful bid of the Novena private hospital site will allow ParkwayHealth to build a new hospital of the future and add to our capacity and capability requirements."

Overall, the Group's performance was fuelled by organic growth of its core segments in radiology, laboratory, primary care and managed care businesses in Singapore, and Pantai's healthcare services in Malaysia as well as maiden contribution from ParkwayHealth's medical centres and clinics in Shanghai, China.

Dr Lim Cheok Peng, Group President and Chief Executive Officer of Parkway Holdings Limited added: "The year 2007 saw great transformation changes within Parkway: we have just completed an exciting year for the Group, with all our core businesses showing good performance and improved patient intensity over prior year in revenue. We also completed our branding project as we upgrade our facilities and services to create the preferred patient experience.

"There was good execution of growth action plans, which we now see as delivering on our promises. We have successfully aligned our health care services and hospitals under ParkwayHealth's new brand identity."

Singapore

Revenue for the Singapore Hospitals rose by 30% to S\$463 million over prior year, driven by higher foreign patient volume and stronger contribution from Parkway's new Cancer Centre. The Group's disposal of the three Singapore hospital assets gave rise to an exceptional gain of S\$221.0 million; this proved to be an efficient vehicle to finance the Group's growth locally and abroad while focusing on the Group's core competencies in health care services.

In Q1 2007, Dr Lim Cheok Peng said: "With the arrival of more foreign patients and the government's initiative to grow the population to 6.5 million, ParkwayHealth will increase the number of hospital beds; we want to construct new hospitals in Singapore to meet this demand, and we hope that the government will support this initiative. Administrative functions were also shifted off-site to maximise the hospital property returns."

The highlight of the year was the establishment of a Real Estate Investment Trust (REIT), Parkway Life REIT, to invest primarily in health care related income producing real estate assets in the Asia Pacific region.

As a result, the Group disposed its interest in the Singapore hospital properties comprising the hospital and medical centre units of Mount Elizabeth Hospital, Gleneagles Hospital and East Shore Hospitals to Parkway Life REIT.

On 23 August 2007, the Parkway Life REIT was listed on the Main Board of SGX-ST. The Group retains an equity interest of 35.46% in the REIT as of 31

December 2007. The REIT's rental expenses are off-set by the strong performance by the Singapore Hospitals, with an increasing demand for quality health care due to growing affluence and aging population.

To reflect the high standards of quality health care, all three ParkwayHealth hospitals in Singapore - Mount Elizabeth, Gleneagles and East Shore Hospitals - are fully Joint Commission International (JCI) accredited.

In Q3 2007, the Group paid a special cash dividend of S\$85.1 million to shareholders.

North Asia

The strategic acquisition of 100% of Medical Resources International Pte Ltd (MRI) on 3 May 2007 and its World Link Group of medical and dental clinics immediately provided a wider patient base for the new ParkwayHealth Gleneagles Shanghai Medical Centre there. This gave the Group a direct infrastructure with strong revenue stream to offset the initial start-up costs for the Shanghai medical centre.

Southeast Asia

In 2006, the Group re-structured its interests in Pantai Holdings Berhad ("Pantai") where Pantai ceased to be a subsidiary and became a joint-venture company of the Group. As a result of this change in accounting treatment, net profit before minority interests attributable to Pantai will show a decline when comparing FY2007 to FY2006. However, on a proforma basis, the Group's proportionately consolidated results show an increase in revenue of 29% (S\$196m) in FY2007 over FY2006.

South Asia

Work on the Group's Kolkata hospital's expansion programme to add 100 more inpatient beds commenced during the year; the hospital also launched its now popular Night Clinic to address the growing need for quality primary care in the city. The Group's Business Development team successfully negotiated to set up a 600 bed hospital in Mumbai, India.

Our People, Our Future

Dr Lim Cheok Peng added: "Throughout the year in review, we have brought about significant changes to the benefits and compensation structure for our people in ParkwayHealth. In November 2007, we demonstrated the changes in place with a special one-off payout of S\$7.7 million to our non-executive staff for their loyalty and commitment."

ParkwayHealth's Group Operations and Singapore Operations Division saw a pipeline of projects to get the company in gear for keen competition and changing industry trends. The strengthening of the management team saw the launch of the Healthcare Administration Residency programme to develop the executive talent pool. The establishment of Parkway Education in Q4 2007 was to train and coach healthcare professionals locally and from abroad to meet the Group's future people resource needs. The College of Nursing and Allied Health has since been established at Jalan Bukit Merah, Surbana One.

Parkway Holdings Limited (PHL) owns Parkway Hospitals Singapore Pte Ltd which runs Singapore three Joint Commission International (JCI) accredited private hospitals - the East Shore Hospital, Gleneagles Hospital, Mount Elizabeth Hospital, and the ParkwayHealth Day Surgery and Medical Centre.

Parkway Holdings Limited wholly-owns the newly incorporated Parkway Novena Holdings Pte. Ltd. (PNH), principally as an investment holding company with its subsidiary companies Parkway Novena Pte. Ltd. and Parkway Irrawaddy Pte. Ltd.

The Group also includes Parkway Shenton Pte Ltd, a major provider of primary healthcare services; Medi-Rad Associates Ltd, a leading radiology services provider; and Parkway Laboratory Services Ltd, a major provider of laboratory services. Contract research services are also provided by Gleneagles CRC Pte Ltd. Parkway Group Healthcare Pte Ltd also operates over 45 International Patient Assistance Centres across the globe, accessible via www.ipac.sg and a 24-hour hotline +65 67355000.

Over 1500 accredited medical specialists support Parkway's Clinical Programmes in Heart and Vascular, Neuroscience, Oncology, Musculoskeletal, Transplant and Cellular Therapy, Women and Children, Chronic Disease Management and Surgery. These clinical programmes involve renowned experts in their fields to provide comprehensive, integrated care and are founded on a reputation for quality clinical outcomes and service excellence.

*For more information please visit our websites at:
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