

**PARKWAY OPTIMISES SINGAPORE OPERATIONS AND IMPLEMENTS
PRODUCTIVITY ENHANCEMENT MEASURES**

- **Positions itself for future growth**
- **Board of Directors waive fees**
- **Senior management takes wage cuts**

Singapore, 15 December 2008 - Parkway Holdings Limited today announced that it will optimize its corporate services and Singapore operations to enhance its business in order to position itself for future growth.

Since July 2008, the Group has undertaken a detailed review of its Asian operations and implemented various cost containment measures throughout its operations including maximizing operational synergy benefits from site to site across Asia, implementing economies of scale through centralized procurement, optimizing labour productivity as well as freezing non-clinical corporate headcount and overall business travel. All of these value-added measures are aimed at building a stronger Parkway with enhanced capabilities that will enable it to better serve its patients and develop future market opportunities more effectively for its long term regional growth in 2010 and beyond.

While Parkway's value-based integrated healthcare fundamentals, market position and growth opportunities remain positive, the Group is not immune to the current global economic challenges and has decided to initiate additional pre-emptive measures to enable the Group to navigate through current market challenges, increase its future competitiveness and build on its leadership position in providing the highest quality of patient care and clinical outcomes for all patients.

These additional measures include:

- Directors' fees waived for Year 2008
- Senior leaders' base salaries reduced between 15% and 35%
- Middle management's base salaries reduced between 5% and 10%
- A reduction of the Group's total workforce in Singapore by less than 4%

Richard Seow, Chairman of Parkway Holdings Limited said "Like many other companies in Singapore and the rest of the world, Parkway is facing an economic environment that is challenging and with little precedent. The regional healthcare sector is not immune to the effects of a volatile global economy. While Parkway's regional healthcare business remains sound and long term industry fundamentals remain intact, we are taking necessary and prudent actions to prepare the company for a more difficult and challenging market environment ahead. Management of costs will start from the top of the organization, with Directors of Parkway volunteering to waive fees and senior management taking significant wage reductions".

Said Dr Lim Cheok Peng, Managing Director and CEO, Parkway Holdings Limited, "The Group has weathered past crises in 1997 and in 2003 very well. However, this time, we need to take a more cautious approach to everything we do in anticipation of the expected impact of the current global economic challenges. While we are concerned about the impact today's decision will have on our employees and their families, our leadership is making every effort to ensure that the affected employees are treated in a fair and appropriate manner. The company is committed to helping these employees through a variety of outplacement programs developed to assist them during this difficult period".

The decision to reduce the Group's workforce was an extremely difficult one and was taken only after a thorough review of all business operations and in consultation with the union. Salaries of bargainable staff will remain unaffected. **Mrs Cheong-Law Swee Hong, Deputy Secretary General of The Singapore Manual & Mercantile Workers' Union (SMMWU)** commented, "ParkwayHealth has kept the Singapore Manual & Mercantile Workers' Union updated during this difficult period. We have a good working relationship with the management that is co-operative. We appreciate that they have been transparent in sharing information and consulted



us in this process. While today's decision may be unavoidable, we appreciate the need for Parkway to strengthen its competitiveness to ride out this economic downturn. Parkway management and the union are working together to assist the affected workers through our e2i to provide employability assessment, skills training and job placement”.

Although Parkway is implementing such measures to create a stronger future, the Group remains steadfastly committed to its mission to **“make a difference in people’s lives through excellent patient care”** and in achieving the finest clinical outcomes and service excellence through the delivery of world-class healthcare for Singaporeans and our international patients while providing sustainable growth opportunities for our employees and stakeholders.

- END-

About Parkway Holdings Limited

Parkway Holdings Limited (SGX: Parkway) owns Parkway Group Healthcare Pte Ltd and Parkway Hospitals Singapore Pte Ltd which operates **East Shore Hospital, Gleneagles Hospital, Mount Elizabeth Hospital, Parkway Cancer Centre** and **ParkwayHealth Day Surgery and Medical Centre**. The Company also owns **Parkway Shenton Pte Ltd**, a major provider of primary healthcare services; **Medi-Rad Associates Ltd**, a leading radiology services provider; **Parkway Laboratory Services Ltd**, a major provider of laboratory services, and also operates 48 **International Patient Assistance Centres (IPAC)** across the globe.

About ParkwayHealth

ParkwayHealth is a leading healthcare group based in Singapore, operating 15 hospitals with more than 3,600 beds in Asia, as well as patient assistance centres throughout the world. It has an extensive network across Asia, Europe, North America and the Middle East with operations in Bangladesh, Brunei, Canada, China, Hong Kong, India, Indonesia, Malaysia, Myanmar, Pakistan, Philippines, Russia, Sri Lanka, Thailand, United Arab Emirates, United Kingdom and Vietnam. With a team of more than 1,300 accredited specialists covering 40 different specialties, such as haematology, cardiology and neurology, ParkwayHealth is committed to its vision to be a global leader in value-based integrated care. For more information, please visit the website at: www.parkwayhealth.com and www.parkwayholdings.com.

For more information, please contact:

Terence Foo/ Ang Shih-Huei
Gavin Anderson & Company
Telephone: (65) 6339 9110
Mobile: (65) 9878 8787/ 9189 1039
Email: tfoot@gavinanderson.com.sg/ sang@gavinanderson.com.sg

Parkway Holdings Limited
111 Somerset Road #15-01
Singapore 238164.
Tel: +65 6307 7880
Fax: +65 6734 7963

COMPANY REG NUMBER. 197400320R