

New shareholders of Parkway play it cool

Fortis buys more Parkway shares, but keeps its cards close to its chest

By Chen Huifen

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(SINGAPORE) The incoming shareholders of Parkway Holdings are wasting no time in getting closer to their new partners. Within a week of announcing the deal to buy nearly 24 per cent of Parkway from TPG Capital, Fortis Healthcare's key people are in town again for a Parkway event - and buying up more Parkway shares in the open market.

Apart from Fortis Healthcare chairman Malvinder Mohan Singh and managing director Shivinder Mohan Singh, directors Sunil Godhwani and Balinder Dhillon are also in town this week.

The Singh brothers, who are the majority owners of Fortis Healthcare, had earlier flown back to India last Thursday after announcing the Parkway acquisition.

Although the Indian team has been here since Monday, it did not offer more details about what has been discussed and future partnership plans. Mr Malvinder Singh did confirm, however, that he is in the process of moving to Singapore.

'And I would certainly hope that I can be the bridge, being able to cross- leverage each other's capabilities,' he said.

Apart from Mr Singh, BT understands that Mr Dhillon will also be based here. An independent director at Fortis Healthcare, Mr Dhillon already carries a Parkway name card which states his designation as director.

According to a statement last week, Fortis Healthcare is seeking four seats on Parkway's board and nominating Mr Malvinder Singh as chairman - a position currently filled by ex-investment banker Richard Seow.

When asked if Fortis Healthcare is eyeing further mergers and acquisitions (M&As) in the region, Mr Malvinder Singh would only say that his company was open to growth in all aspects, including partnerships, alliances and management contracts.

'I think there's a lot to be done in India, so the Fortis team is going to continue to focus on the Indian market,' he added. 'Parkway is a very strong brand to be leveraged in international markets.'

Fortis Healthcare's stake in Parkway has been raised to 24.1 per cent, from 23.84 per cent. This resulted from a series of open-market purchases on Tuesday, according to filings with the Singapore Exchange (SGX).

The Fortis team showed up at an official ceremony to unveil the newly upgraded Parkway East Hospital, formerly known as East Shore Hospital. Parkway East has reconfigured its wards to offer more spacious rooms.

A new VIP suite resembling a five-star hotel room has been created, while the hospital lobby was renovated for a more modern ambience. New day-surgery suites and retail options have also been introduced.

New specialists joining the hospital in the last 18 months has translated to double-digit growth in patient traffic over the last 12 months.

In anticipation of future growth, Parkway East is looking at building a five-storey annexe block that will add another 100 beds and increase the number of medical suites 20-30 per cent, from 35 today. Subject to approval, the new annexe could be up in the next 3-5 years.

'The demand is very clear,' said Parkway CEO-designate Tan See Leng. 'It's coming from general medicine as well as general surgery, orthopedics, as well as more mothers delivering babies here.'

Foreign patient volume from the region is also seeing a pick-up after a dip last year, said Dr Tan.

'This year, we see all our patients from the traditional sources like Indonesia, Malaysia, the Philippines and much of Southeast Asia coming back.'