Suruhanjaya Sekuriti
Securities Commission
Malaysia

SC CORPORATE CASE STUDY SERIES

Corporate Takeover of Parkway Holdings Limited

between

Fortis Healthcare Limited

and

Integrated Healthcare Holdings Limited

Written by,
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20 March 2014

Corporate Takeover of Parkway Holdings Limited between Fortis Healthcare Limited and Integrated Healthcare Holdings Limited

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Exhibit 1

Corporate Structure of IHH Healthcare Berhad

CORPORATE STRUCTURE OF IHH HEALTHCARE BERHAD

Khazanah Nasional Berhad

[Deemed indirect interest of 45.32%]

IHH Healthcare Berhad

(formerly known as Integrated Healthcare Holdings Sdn Bhd)

[100%]

Integrated Healthcare Holdings Limited

[100%]

Parkway Pantai Limited

[100%]

Parkway Holdings Limited

As at 2012

Exhibit 2

Malaysian Code on Take-Overs and Mergers 2010

Malaysian Code on Take-Overs and Mergers 2010

It is noted that the Securities Commission of Malaysia had introduced the Code on Take-overs and Mergers 2010 (Code), which came into force on 15 December 2010. This Code replaced the Code on Take-overs and Mergers 1998 (1998 Code).

Under the Code, amongst the major amendments made, two new categories of "persons acting in concert" have been added, namely, (a) a company, the directors of the company, and shareholders of the company where there is an agreement, arrangement or understanding between the company or directors of the company, and shareholders of the company which restricts the director or the shareholder from offering or accepting a take-over offer, or increasing/reducing his shareholdings in the company; and (b) a person who is a partner of a partnership.

Pursuant to the 1998 Code, a voluntary offer would normally have been conditional upon the offeror having received acceptances which would result in the offeror holding more than 50% of the voting shares of the offeree. Now, the Code explicitly allows voluntary offers with a higher acceptance level.

Section 9 of the Code on *Mandatory Offer* provides the following:

9. (1) A mandatory offer shall apply to an acquirer in the following situations:

(a) where the acquirer has obtained control in a company; or

(b) where the acquirer has acquired more than two per centum of the voting shares or voting rights of a company in any period of six months and that acquirer's holding was more than thirty-three per centum but not more than fifty per centum of the voting shares or voting rights of the company during that six months period, irrespective of how control or acquisition is to be effected, including by way of a scheme of arrangement, compromise, amalgamation or selective capital reduction.

(2) A mandatory offer shall not apply in the following situations:

(a) an acquisition, holding, or entitlement to exercise or control the exercise of more than thirty-three per centum of the voting shares or voting rights of a company by an allotment made in accordance with a proposal, particulars of which were set out in a prospectus where—

(i) the prospectus was the first prospectus for an initial public offer of voting shares or voting rights issued by the company;

(ii) the person who acquired the voting shares or voting rights was a promoter in respect of the prospectus and the effect of the acquisition on the person's voting power in the company has been disclosed in the prospectus; and

(iii) the prospectus has been registered under section 233 of the Act;

(b) an acquisition, holding, or entitlement to exercise or control the exercise of more than thirty-three per centum but less than one hundred per centum of the voting shares or voting rights of a company (hereinafter referred to as "the first mentioned transaction"), where—

(i) all remaining shareholders of the company are the vendors who had sold or disposed of the voting shares or voting rights to the acquirer in the first mentioned transaction;

(ii) as a result of the first-mentioned transaction, the acquirer becomes subject to a mandatory offer obligation under subsection (1); and

(iii) such vendors who having had an opportunity to sell or dispose of their remaining voting shares or voting rights to the acquirer on the same terms and conditions as in the first-mentioned transaction, declined to sell or dispose of their remaining voting shares or voting rights; or

(c) an acquisition, holding, or entitlement to exercise or control the exercise of more than thirty-three per centum of the voting shares or voting rights of a company and the acquirer would be issued new shares to replace the shares transferred to an employee to facilitate an Employee Share Option Scheme and the acquirer would not make any financial gain from the transaction.

Section 10 of the Code on *Partial Offer* provides the following:

10. (1) Unless otherwise approved by the (Securities) Commission in writing, no person shall make a partial offer.

(2) An offeror in a partial offer shall accept all acceptances from all offeree shareholders who wish to accept the take-over offer up to the percentage of voting shares or voting rights proposed to be acquired by the offeror.

(3) Where an offeror in a partial offer obtains acceptances totalling more than the percentage of voting shares or voting rights offered to be acquired in the take-over offer, the offeror shall accept such voting shares or voting rights in the same proportion from each offeree shareholder who has accepted in excess of this percentage to enable the offeror to obtain the total percentage of voting shares or voting rights for which the offeror has offered to acquire.

(4) Unless otherwise approved by the Commission in writing, an offeror and the persons acting in concert with the offeror shall not acquire any voting shares or voting rights to which the take-over offer relates during the offer period other than by acceptance of the take-over offer.

(5) Unless otherwise approved by the Commission in writing, an offeror in a partial offer who has obtained the level of acceptance specified in the take-over offer and persons acting

in concert with the offeror shall not acquire any voting shares or voting rights that had been the subject of the take-over offer during the period of twelve months beginning from the end of the offer period.

(6) Where an offeror makes a partial offer which would result in the offeror and the persons acting in concert with the offeror holding in aggregate between more than thirty-three per centum and not more than fifty per centum of any class of voting shares or voting rights of the offeree, the offeror shall -

(a) state in the offer document, the definite number of such voting shares or voting rights offered to be acquired in the take-over offer; and

(b) ensure that the offer document in the take-over offer contains a condition that the offeror shall not make a declaration that the take-over offer is successful unless the offeror has received acceptances for not less than that number of voting shares or voting rights of the offeree as stated in paragraph (a).

(7) Where the offeror makes a partial offer that would result in the offeror and the persons acting in concert with the offeror holding in aggregate more than thirty-three per centum of any class of voting shares or voting rights of the offeree, the offeror shall —

(a) state in the offer document, a definite number of such voting shares or voting rights offered to be acquired in the take-over offer; or

(b) state in the offer document, a range, a minimum or maximum acceptances of any class of voting shares or voting rights of the offeree; and

(c) not make a declaration that the take-over offer is successful unless the offeror has received a vote of approval of the take-over offer by independent offeree shareholders holding in aggregate more than fifty per centum of such class of voting shares or voting rights of the offeree.

(8) The Commission may exempt any person from the requirement under paragraph (7)(c) if the take-over offer has been accepted by one offeree shareholder holding more than fifty per centum of such class of voting shares.

(9) Subject to subsection (5), where a partial offer may result in the offeror and the persons acting in concert with the offeror holding more than fifty per centum but less than one hundred per centum of the voting shares or voting rights of the offeree, the offeror shall state in the offer document a condition that if the take-over offer succeeds, the offeror and the persons acting in concert with the offeror may further acquire such class of voting shares or voting rights up to less than one hundred per centum of the voting shares or voting rights of the offeree without having to make a mandatory offer.

Exhibit 3

Media Statement by Khazanah Nasional Berhad on Its Initial Acquisition of Parkway Holdings Ltd

Media Statement by Khazanah Nasional Berhad on Its Initial Acquisition of Parkway Holdings Ltd

MEDIA STATEMENT

Kuala Lumpur, 30 April 2008

Khazanah to acquire significant stake in Parkway Holdings Ltd ("Parkway")

Khazanah Nasional Berhad announced today that it had agreed to acquire a 16.41% stake in Parkway Holdings Limited, a regional leading fully-integrated healthcare organization for a cash consideration of SGD531.51 million (RM1.23 billion).

The acquisition was made via Khazanah's wholly-owned subsidiary, Mount Kinabalu Investments Ltd. ("MKI"), which on 29 April 2008 had entered into a Share Purchase Agreement with subsidiaries of private equity funds advised by Symphony Capital Partners Ltd, namely Microchip Holdings LDC, Cobalt Limited and Windjammer Ltd, to acquire on completion, in aggregate 126,550,438 Parkway shares ("Acquisition").

As at the date of this announcement, MKI holds a 2.46% interest in Parkway and has agreed to acquire, through on-market purchases, a further 1.92% interest in Parkway. Upon completion of the Acquisition and settlement of the on-market purchases, MKI will become a significant shareholder of Parkway with a stake of 160,334,740 ordinary shares representing approximately 20.79% in Parkway.

Khazanah's Managing Director, Dato' Azman Mokhtar said, the Acquisition is part of Khazanah's regional healthcare investment strategy and complements the company's existing investments in the healthcare sector, namely Pantai Holdings Berhad, Apollo Hospitals Enterprise Ltd and International Medical University ("IMU").

"Khazanah has worked closely with Parkway and its major shareholder TPG over the last 2½ years to develop and grow the Pantai Group in Malaysia. With the acquisition of this strategic stake, we are looking forward to work more closely with Parkway as we believe that our investment in one of Asia's leading private healthcare providers will present a strong platform for us to participate in the high growth opportunities of the broader regional healthcare sector," added Dato' Azman.

Parkway is a leading fully-integrated healthcare organization in Asia, with one of the largest network of hospitals and healthcare services in the region. It owns Parkway Hospitals Singapore Pte Ltd which runs the East Shore Hospital, Gleneagles Hospital, Mount Elizabeth Hospital and the ParkwayHealth Day Surgery and Medical Centre. It operates a total of 15 hospitals and 48 medical centres and clinics across Asia. The Group is also a major provider of primary healthcare services; radiology services and laboratory services. Parkway Group Healthcare Pte Ltd also operates over 53 International Patient Assistance Centres across the globe.

In Malaysia, Parkway owns stakes and manages the Gleneagles Intan Medical Centre in Kuala Lumpur and Gleneagles Medical Centre (Penang). It also owns 40% of Pantai Holdings Berhad and manages its 9 hospitals across the country.

END

Exhibit 4

Media Statement by Khazanah and Integrated Healthcare Holdings Sdn Bhd, via its wholly owned subsidiary Integrated Healthcare Holdings Limited, announces the successful close of its Voluntary General Offer for Parkway Holdings Limited

MEDIA STATEMENT

Kuala Lumpur, 17 August 2010

Khazanah and Integrated Healthcare Holdings Sdn Bhd, via its wholly owned subsidiary Integrated Healthcare Holdings Limited, announces the successful close of its Voluntary General Offer for Parkway Holdings Limited

Khazanah Nasional Berhad (“Khazanah”) today announced that its main healthcare investment holding company, Integrated Healthcare Holdings Sdn Bhd ("IHHSB") through its wholly owned subsidiary, Integrated Healthcare Holdings Limited ("IHHL") has successfully closed the Voluntary General Offer (“VGO”) for Parkway Holdings Limited (“Parkway”). The VGO closed at 5.30pm on 16th August 2010, at which time IHHL holds and had received acceptances for 95% of the shares outstanding in Parkway.

This offer by IHHL, which was initially launched as a Partial Offer for 313 million shares of Parkway at an offer price of SGD3.78 per share on the 27th May 2010, was subsequently revised to a VGO for all the remaining shares in Parkway not already owned by IHHL on the 26th July 2010 at a revised offer price of SGD3.95 per share, representing an increase of less than 4.5%.

This acquisition of Parkway by IHHL represents a major step in fulfilling Khazanah’s strategic objectives in the healthcare sector. As part of this initiative, Khazanah will consolidate its existing healthcare assets including Pantai Holdings Berhad ("Pantai"), International Medical University ("IMU") and Apollo Hospitals Enterprises Limited ("Apollo") under IHHSB, its newly established platform for its investments in the healthcare sector.

With this portfolio of leading healthcare assets in the region, IHHSB is uniquely positioned as the best-in-class healthcare provider with a growing footprint of high quality assets across Asia and as the dominant private healthcare provider in Malaysia, Singapore and India as well as with presence in China, Brunei and Abu Dhabi. Managed and staffed by highly experienced professionals with established track record and globally acknowledged brands in the regional healthcare markets, IHHSB is also looking to tap the growing wellness market and the huge potential for medical tourism in the region. IHHSB is also looking to harness the growing medical education franchise within the group which is focused on recruitment, development and retention of leading medical talent.

Khazanah would also like to announce its nominations of Chairman of the Boards of its key healthcare investee companies. The appointment of these Chairmen will follow due process at the relevant companies. Each of the three individuals below have previously served as Board members in Khazanah’s healthcare companies:

IHHSB and IMU Chairman: Tan Sri Abu Bakar Suleiman

Tan Sri Abu Bakar is currently the President of IMU. Tan Sri Abu Bakar will transition from his current role as President of IMU and assume the Chairmanships of IHHSB and IMU in the course of the year.

Parkway Chairman: Dato' Azlan Hashim

Dato' Azlan is currently a Director of Parkway and the Chairman of Pantai. Dato' Azlan will hand over his position as the Chairman of Pantai to focus on his role at Parkway. Dato' Azlan will also serve on the Board of IHHSB.

Pantai Chairman: Khairil Anuar Abdullah

Khairil has served as Khazanah's nominee on the Board of Apollo since 2005. Khairil will also join the Board of IHHSB.

Resumes of the Chairman nominees are attached.

END

Exhibit 5

Notice of Compulsory Acquisition

NOTICE OF COMPULSORY ACQUISITION

16 Aug 2010 22:20

Pursuant to Rules 1303(1) and 1105 read with Rule 724 of the Listing Manual as Integrated Healthcare Holdings Limited ("IHH") had, as at 5.30 p.m. on 16 August 2010, succeeded in garnering acceptances resulting in the percentage of the Company's shares held in public hands falling below 10%. For further information, please refer to the Company's announcement titled A Voluntary Conditional Cash Offer for Parkway Holdings Limited - Suspension of Trading and Listing Status, Compulsory Acquisition and Section 215(3) of the Companies Act (Announcement No. 00180 of 16 August 2010).

Pursuant to close of the voluntary general offer (VGO) on 16 August, Khazanah Nasional (via its wholly owned subsidiary Integrated Healthcare) announced on Friday that it intends to exercise its right to compulsorily acquire all the remaining Parkway shares not held by it at the VGO price of S$3.95 per share[1]. The acquisition is expected to take place on 16 November, subject to and on the terms set out in Form 57 and provisions of Section 215(4) of the Companies Act.

[1] Parkway was delisted from the Singapore Exchange Securities Trading Limited on 24 November 2010. The notice of delisting is attached as **Exhibit 7**.

Exhibit 6

Timeline of Key Events

Exhibit 6

Timeline of Key Events

Date	*Event*
March 2010	Fortis bought a 23.9% stake in Parkway from private equity firm, TPG Capital (formerly known as "Texas Pacific Group"), for S$959 million (US$685.3 million) and assumed management control of the hospital chain in an expansion drive into Asia and Middle East.
27 May 2010	Integrated Healthcare Holdings Limited ("IHH"), a subsidiary of Khazanah, launched a S$1.18 billion (US$840 million) partial takeover for Parkway.
June 2010	Fortis announced that it wasn't looking to sell its stake in Parkway.
10 June 2010	IHH announced that it had released an offer document for its voluntary conditional partial offer of Parkway.
1 July 2010	Fortis and its founding family launched a bid valuing operator Parkway at S$3.2 billion, topping Khazanah's offer.
26 July 2010	Khazanah offered to acquire full control of Parkway at S$3.95 per share with rival Fortis agreeing to sell its entire stake in the hospital chain.
17 August 2010	Khazanah and Integrated Healthcare Holdings Sdn Bhd ("IHHSB"), via its wholly-owned subsidiary IHH, announced the successful close of its Voluntary General Offer for Parkway.

Exhibit 7

Approval for the Delisting of the Company and Waiver of Rule 705(2) of the Listing Manual – SGX-ST's In-Principle Approval

PARKWAY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 27 February 1974)
(Company Registration No.: 197400320R)

APPROVAL FOR THE DELISTING OF THE COMPANY AND WAIVER OF RULE 705(2) OF THE LISTING MANUAL – SGX-ST'S IN-PRINCIPLE APPROVAL

1. Introduction

The Board of Directors (the "Directors") of Parkway Holdings Limited (the "Company") refers to the announcement made by Integrated Healthcare Holdings Limited ("IHH") on 15 October 2010 (the "Announcement") relating to IHH's exercise of its right of compulsory acquisition pursuant to Section 215(1) of the Companies Act (Chapter 50 of Singapore) ("Companies Act"), wherein it was announced that IHH will acquire at the price of S$3.95 in cash for each share in the Company ("Share"), all the Shares in respect of which acceptances have not been received by it pursuant to the IHH General Offer (as defined in the Announcement) and/or which has not been subsequently acquired by IHH as at 15 October 2010 (the "Compulsory Acquisition").

2. Applications to the SGX-ST

Following the Announcement, the Company made applications to the Singapore Exchange Securities Trading Limited ("SGX-ST"):

(a) proposing to delist the Company from the Official List of the SGX-ST (the "Delisting") after the completion of the Compulsory Acquisition; and
(b) for the waiver (the "Waiver") of compliance with Rule 705(2) of the Listing Manual of the SGX-ST (the "Listing Manual").

3. Rationale for seeking the Waiver

Rule 705(2) of the Listing Manual (if not waived) would require the Company to announce its financial statements for the third quarter ended 30 September 2010 (the "Third Quarter Financial Statements") immediately after the figures are available, but in any event not later than 45 days after the relevant quarter end. The Company is hence expected to release its Third Quarter Financial Statements by 14 November 2010.

However, the Company had made an application for Delisting which, if approved, would take place after the completion of the Compulsory Acquisition (which according to the Announcement is scheduled to take place as soon as practicable after 16 November 2010 subject to and in accordance with the provisions of Section 215(1) of the Companies Act and the terms set out in the Form 57). Given that the Company would eventually be delisted, the release of the Third Quarter Financial Statements would not prove to be of much benefit to the minority shareholders of the Company, but would incur unnecessary compliance costs for the Company. Accordingly, the Company had requested that the SGX-ST grant the Waiver to the Company.

4. SGX-ST's Decision

The Company wishes to announce that the SGX-ST has advised that:

(a) it has no objection to the Delisting, subject to completion of the Compulsory Acquisition; and
(b) it has no objection to the Waiver, subject to announcement of the waiver granted, the reasons for seeking the waiver and conditions as required under Rule 107 of the Listing Manual.

SGX-ST’s no objection to the Delisting is not to be taken as an indication of the merits of the Delisting.

5. Delisting Date

Shareholders should refer to future announcement(s) by the Company or IHH for the exact dates and times of the completion of the Compulsory Acquisition and the Delisting.

BY ORDER OF THE BOARD
June Tay Kwok Fung
Ho Li Li
Company Secretaries

2 November 2010