

MEDIA RELEASE

21 October 2014

CCS CONSULTS ON THE PROPOSED ACQUISITION BY PARKWAY HOLDINGS LTD OF RADLINK-ASIA PTE. LTD. AND ITS SUBSIDIARIES

1. The Competition Commission of Singapore (“CCS”) is seeking feedback on the proposed acquisition by Parkway Holdings Ltd (“Parkway”), through its wholly-owned subsidiary, Medi-Rad Associates Ltd (“Medi-Rad”), of the entire equity stake in RadLink-Asia Pte. Ltd. (“Radlink”) together with its subsidiaries, from Fortis Healthcare Singapore Pte. Limited (“Fortis”) (the “Proposed Transaction”).
2. CCS received a notification for decision on 15 October 2014 from Parkway and Fortis (collectively, the “Parties”) in relation to the Proposed Transaction under section 57 of the Competition Act (Cap. 50B) (the “Act”), which relates to section 54 of the Act prohibiting mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore.

The Parties

3. RadLink was founded in 2000 as a radio diagnostic imaging business and does not operate any businesses outside Singapore. Its ultimate parent, Fortis Healthcare Limited, is a leading pan Asia-Pacific integrated healthcare delivery provider and operates its healthcare delivery services in India, Singapore, Dubai, Mauritius and Sri Lanka. RadLink operates imaging centres, a small chain of general practitioner (GP) clinics and a Cyclotron machine in Singapore.
4. Parkway’s business is focused on the Singapore market, apart from a 21 bed cardiac centre in Brunei, Gleneagles JPMC Sdn Bhd, which is through a joint venture with the government of Brunei Darussalam, as well as a 30% shareholding in Parkway Group Healthcare. Its ultimate parent, IHH Healthcare Berhad Group (“IHH”), has a presence in several countries including Singapore, Malaysia, Turkey, China and India. Parkway has a network of hospitals, primary care clinics, radiology and imaging service facilities and laboratories in Singapore. Parkway is a minority shareholder in Positron Tracers Pte Ltd which owns a Cyclotron machine in Singapore.

The Proposed Transaction

5. As submitted by the Parties, the Proposed Transaction involves the following overlapping goods and services:
 - a. Radiology and imaging services;
 - b. Primary care clinics and services; and
 - c. Supply of radiopharmaceuticals.
6. The Parties submit that the Proposed Transaction, when carried into effect, will not result in a substantial lessening of competition in any market in Singapore. In respect

of the markets for radiology and imaging services, and primary care clinics and services, the Parties state that:

- a. the increment in shares from the Proposed Transaction is not significant and the share of the merged entity in the relevant market remains small overall;
 - b. there exists strong countervailing buyer power due to the low switching costs for buyers in the relevant markets;
 - c. there exists low barriers to entry; and
 - d. there are a large number of existing competitors in the relevant markets.
7. Additionally, in respect of the market for the supply of radiopharmaceuticals, the Parties state that:
- a. the merged entity will not have the ability to control pricing or output decisions of the Cyclotrons, given the short lifespan of radiopharmaceuticals;
 - b. there is potential for a third commercial Cyclotron to be established;
 - c. there are limited product overlaps between the Parties, in particular the beyond-FDG tracers;
 - d. the Cyclotrons are regulated by the Ministry of Health;
 - e. the incremental shares in the downstream space for radiology and imaging services arising from the merger are negligible; and
 - f. Parkway will not have decisive influence over PTPL in the upstream space for radiopharmaceuticals.

Public Feedback

8. CCS is inviting all feedback and views in relation to the Proposed Transaction.
9. More information on the Proposed Transaction can be accessed from the CCS website at www.ccs.gov.sg under the section "[Public Register and Consultation](#)". The closing date for submissions is on or before **5 November 2014**. If the submission/correspondence contains confidential information, please also provide CCS with a non-confidential version of the submission or correspondence.

About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Act on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

For more information, please visit www.ccs.gov.sg.

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