

ASIAN HEALTH NEWSLETTER

December 2011, ISSUE 69

A Quarterly newsletter of developments in the pharma, medical and healthcare industries

We hope that you find the Asian Health Newsletter informative.

Business Development Asia LLC (“BDA”) is an investment banking firm which specializes in executing cross-border transactions involving Asia, including acquisitions, divestments, JVs and restructurings.

We have offices and professional staff throughout Asia, the Middle East, Europe,

and the US. If you would like to learn more about how BDA is positioned to help your business grow through acquisitions, or to achieve maximum value in a divestment or fund raising exercise, please contact us at

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Australia

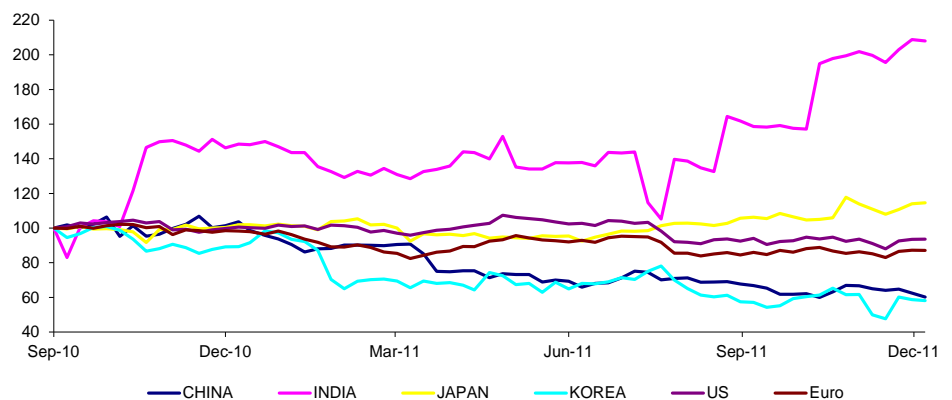
Valeant Pharma International, a Canadian company, agreed to acquire **iNova Pharma**, an Australian OTC drug developer in Asia and America, from private equity firms **Archer Capital** and **Ironbridge Fund II**. Valeant will pay iNova shareholders US\$640 in cash and an additional US\$77m in earn-outs.

November 20, 2011

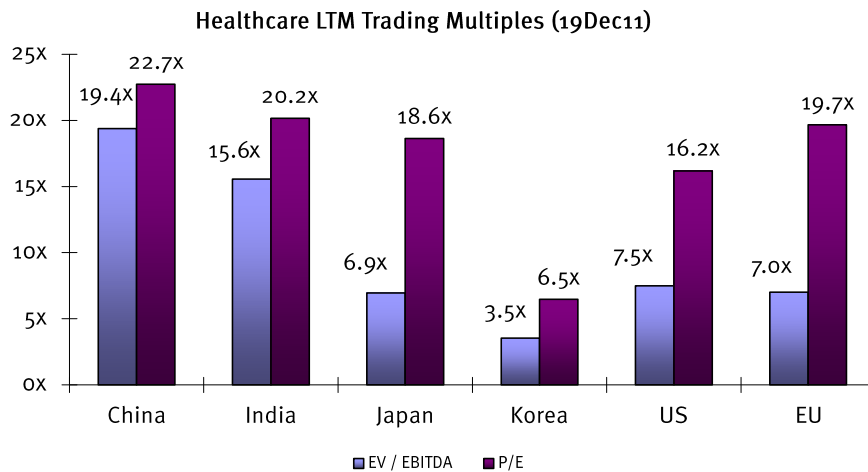
China

Beijing Double-Crane Pharma, a Chinese company, agreed to acquire 96% of **Shanghai Treeful Pharma**, a manufacturer of infusion solutions and injections for the Chinese market, from **China Resources Beijing Medication Investment** for US\$15m. The consideration will be paid in both cash

Health Sector Stock Indices (12 months ending 19Dec11)



Source: Capital IQ, BDA



Source: Capital IQ, BDA

and stock. *November 7, 2011*

China Resources Sanjiu Medical & Pharma, a leading Chinese OTC drug manufacturer, agreed to acquire **Liaoning Huayuan Benxi Sanyao** and **Hefei Divine Deer Double-Crane Pharma**, producers of herbal medicine, and two additional companies specializing in drug distribution and packaging from **Beijing Pharma** for a total of US\$64m. The acquisitions will assist Sanjiu Medical in expanding its herbal medicine portfolio and sales network. *September 27, 2011*

Renhe Group, a Chinese pharma and healthcare group, agreed to acquire 80% of **Beijing Baiao Pharma**, a Chinese producer of lumbrokinase capsules, a key drug used to treat cardio-cerebrovascular diseases, from **Biosino Bio-Technology and Science**, for US\$12m. *November 12, 2011*

Sihuan Pharma, a Chinese cardio-cerebral drug manufacturer and subsidiary of **Beijing Centergate Technologies**, acquired an additional 26% of **Beijing Wellso Pharma**, an OTC

drug manufacturer, from **Tianwei Baobian Electric**, for US\$20m. *September 28, 2011*

Xi'an Kaiyuan Investment Group, a Chinese operator of department stores, agreed to acquire **Xi'an Gaoxin Hospital**, a Chinese hospital specializing in neurosurgery, cardio-cerebrovascular disease treatment and organ transplantation, for US\$47m. Xi'an Kaiyun will acquire 93% of **Xi'an Shenhua** and the remaining 7% from **Xi'an Yinkai Medical Management**. *November 24, 2011*

India



Alliance Dental Care, an Indian operator of dental clinics and a subsidiary of Alliance Medicorp India, announced that it will receive US\$14m in funding from **Trivitron Healthcare**, an Indian medical technology solutions provider. Veda Corporate Advisors will serve as an advisor to the company. *October 14, 2011*

Ind-Swift, an Indian manufacturer of

pharma ingredients and herbal products, agreed to acquire an unknown stake in **Essix Biosciences**, an Indian manufacturer of pharma products for cardiovascular ailment, and 100% of Indian distributor **Dashmesh Medicare** for undisclosed amounts. The transaction is subject to appropriate statutory and regulatory approvals. *November 14, 2011*

Invida Pharma, a Singaporean provider of commercialization services and proprietary products, acquired the dermatology and primary care product portfolios from **Shalaks Pharma** for US\$20m. Shalaks' dermatology portfolio focuses on acne medicines, anti-fungal creams and sun screen lotions. *November 14, 2011*

Leica Microsystems, a German manufacturer of precision optics systems, acquired the microscopy and histopathology businesses of **Labindia Instruments**, an Indian analytical instrumentation manufacturer, for an undisclosed amount. The acquisition is in line with the company's strategy to expand in the Indian market. *November 14, 2011*

Sisco Research Laboratories, an Indian laboratory chemical manufacturer, acquired **Madras Biotech**, Indian manufacturer for molecular biology and biotechnology, for an undisclosed amount. *October 6, 2011*

Vascon Engineers, an Indian company that provides engineering, procurement, and construction (EPC) services and develops real estate, acquired the remaining 51% of **Almet Corporation**, Indian manufacturer of pharma formulations, and 51% of Indian real

estate developer **Marathwada Realtors** for undisclosed amounts. In a related transaction, an unknown seller acquired 49% of Indian eye lens manufacturer **John Fowler Ophthalmics** from Vascon Engineers. *November 5, 2011*

Japan

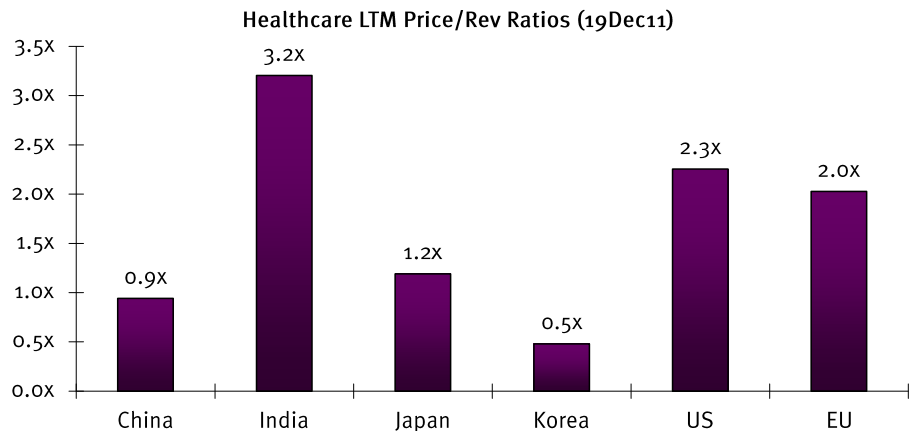


Kyowa Pharma, a Japanese manufacturer of generic drugs and drug delivery systems, acquired **I'rom Pharma**, a Japanese manufacturer of injection consumables, for US\$40m. I'rom Pharma reported sales of US\$69m in 2010. *November 30, 2011*

Sakai Chemical Industry, a Japanese organic chemical producer, signed a stock swap agreement to acquire the remaining 52% of **Kaigen Co**, a Japanese pharma and healthcare equipment manufacturer, for US\$25m. Upon completion, Kaigen will become a wholly-owned subsidiary of Sakai Chemical Industry and will be delisted from the Osaka Stock Exchange. The transaction is expected to close by March 2012. *November 21, 2011*

Teva Pharma Industries, an Israeli generic drug manufacturer, acquired Kowa's 50% of **Teva-Kowa Pharm**, the JV between the two companies that manufactures high quality generic Pharma for the Japanese market, for US\$150m. The JV had sales of US\$200m in 2010. *September 26, 2011*

The **Carlyle Group** agreed to acquire **NIC**, a Japanese provider of medical administrative and staffing services, for US\$149m. Carlyle partnered with NIC's management to complete the transaction, and will pay US\$91m in



Source: Capital IQ, BDA

cash while borrowing US\$58m from Sumitomo Mitsui Banking. The company agreed to the buy-out following a slump in revenues and a steep decline in share price. *November 7, 2011*

Korea



JW Holdings Corporation agreed to sell 5% of **JW Shinyak Corporation**, a Korean pharma company, for US\$13m in cash. Upon completion of the deal, JW Holdings Corporation will have 12.28 million shares in JW Shinyak Corporation. *November 3, 2011*

Malaysia



Pelaburan Hartanah Bumiputera, a Malaysian property investment company, acquired **DEMC Specialist Hospital**, a Malaysian operator of hospitals and provider of health services, for US\$28m. *October 18, 2011*

Philippines



Metro Pacific Investments, a Philippines based conglomerate in healthcare services, agreed to acquire 29% of **Asian Hospital**, an operator of hospitals and healthcare facilities in Philippines, for US\$17m. The transaction is subject to customary approvals and is expected to close before the end of 2011. *November 4, 2011*

Metro Pacific Investments also acquired **Colinas Verdes Hospital Managers**, a Philippines based tertiary hospital operator, from **Medical Doctor**, a provider of healthcare services, for US\$7m. *October 21, 2011*

Singapore



Menarini Group, a leading Italian pharma company, succeeded in its bid to acquire **Invida Pharma**, a Singaporean supplier of commercialization services and proprietary products, from **Temasek Holdings**, **Zuellig Pharma Asia**, and

Quintiles Transnational Corp for an undisclosed amount. Post-transaction, Invida will become Menarini's Asia-Pacific headquarters. Invida has annual revenues of over US\$220m.

November 15, 2011

Taiwan



Apex Medical Corp, a Taiwanese manufacturer of medical devices, agreed to acquire the remaining 60% of **Sturdy Industrial**, a Taiwanese manufacturer of sterilizing and medical equipment, for US\$10m. Post-transaction, Sturdy Industrial will become a 100% subsidiary of Apex Medical. *October 24, 2011*

Vietnam



CFR Pharma, a Chilean company, agreed to acquire 42% of **Domesco Medical Import Export**, a Vietnamese producer of medicines and medical materials, for US\$14m. The transaction is subject to the approval of the Security State Commission of Vietnam.

November 2, 2011

Asian Healthcare Transactions with Multiples (12 months ending in 20Dec2011)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Percentage Acquired	EV / EBITDA	EV / Revenue	P/E
2-Nov-11	Domesco Medical Import Export (HOSE:DMC)	Vietnam	CFR Pharmaceuticals (SNSE:CFR)	Chile	\$14	41.9%	0.8x	5.2x	4.6x
25-Oct-11	Sinobiopharma	China	Sinobp	US	\$20	74.0%	2.7x	7.1x	6.1x
16-Sep-11	NIC Corp. (TSE:9652)	Japan	Carlyle Group	US	\$106	72.0%	0.1x	2.5x	13.7x
17-Aug-11	C & O Pharmaceutical Technology Holdings Limited	Hong Kong	Shionogi & Co. Ltd. (TSE:4507)	Japan	\$195	70.8%	3.2x	11.7x	-
13-Jul-11	Mando Corp.	Korea	-	-	\$602	17.0%	11.0x	1.0x	18.4x
4-May-11	JK Yaming Int'l	Singapore	Juan Kuang Holdings	Taiwan	\$114	100.0%	5.6x	0.6x	-
16-May-11	Kawashima Selkon Textiles	Japan	JS Group Corp. (TSE:5938)	Japan	\$180	65.0%	15.9x	0.4x	-
21-Apr-11	Elk Corp.	Japan	Canon Marketing Japan	Japan	\$72	96.7%	6.4x	0.1x	156.5x
18-Apr-11	NovaMed Pharmaceuticals	China	SciClone Pharmaceuticals	US	\$105	100.0%	-	3.3x	-
7-Apr-11	Prasit Patana Public	Thailand	Bangkok Dusit Medical Services	Thailand	\$98	28.0%	7.5x	1.9x	-
18-Mar-11	Bangkok Chain Hospital	Thailand	Bumrungrad Hospital	Thailand	\$117	25.0%	10.8x	3.3x	18.5x
9-Dec-10	C & O Pharmaceutical Technology	Hong Kong	Sumitomo Corp	Japan	\$73	29.0%	8.6x	2.7x	11.5x
				Median	\$106	67.9%	6.4x	2.6x	13.7x

Source: Capital IQ

The stock indices and trading multiples graphs shown in this newsletter represent the ten largest publicly traded healthcare companies (by market capitalization) in China, India, Japan, Korea, the EU and the US.

Business Development Asia is an investment banking firm which assists multinational companies in expanding their businesses in Asia through acquisitions, divestments, JVs and capital raising. For further information on BDA's services or on any of the articles in this newsletter, please contact the offices listed.

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