

# ASIAN HEALTH NEWSLETTER

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

We hope that you find the Asian Health Newsletter informative.

Business Development Asia (“BDA”) is an investment banking firm specializing in executing cross-border transactions involving Asia, including acquisitions, divestments, JVs, capital raising and restructuring. 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 any one of our offices.

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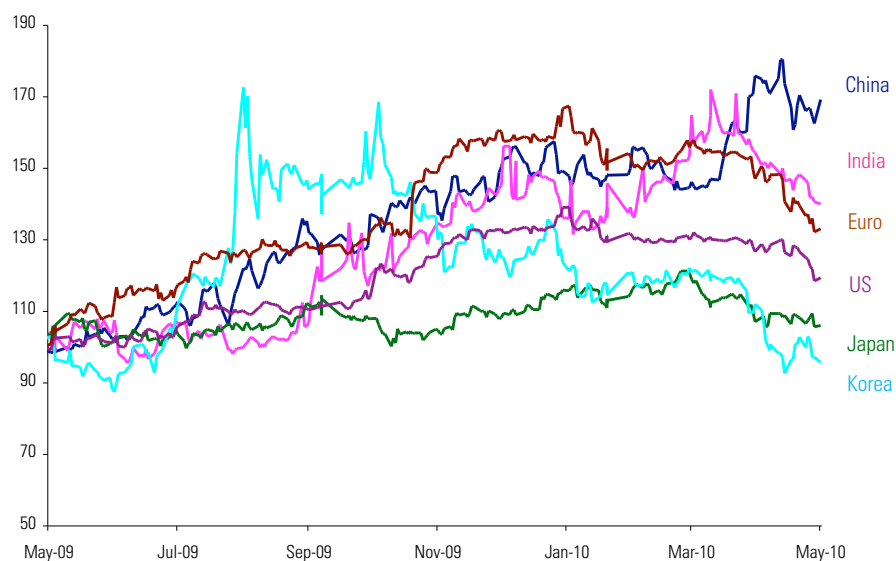
## Australia

**Aspen Pharmacare Holdings**, a South African OTC, prescription and personal care pharma company, plans to acquire **Sigma Pharmaceuticals**, an Australian pharma company, for US\$1.2bn. *May 21, 2010*

**Johnson Health Tech Group**, a Taiwanese supplier of fitness equipment, has announced plans to acquire Australian fitness equipment manufacturer, **PBM Fitness**, for US\$3m, in order to expand its products to Australia and New Zealand. *May 24, 2010*

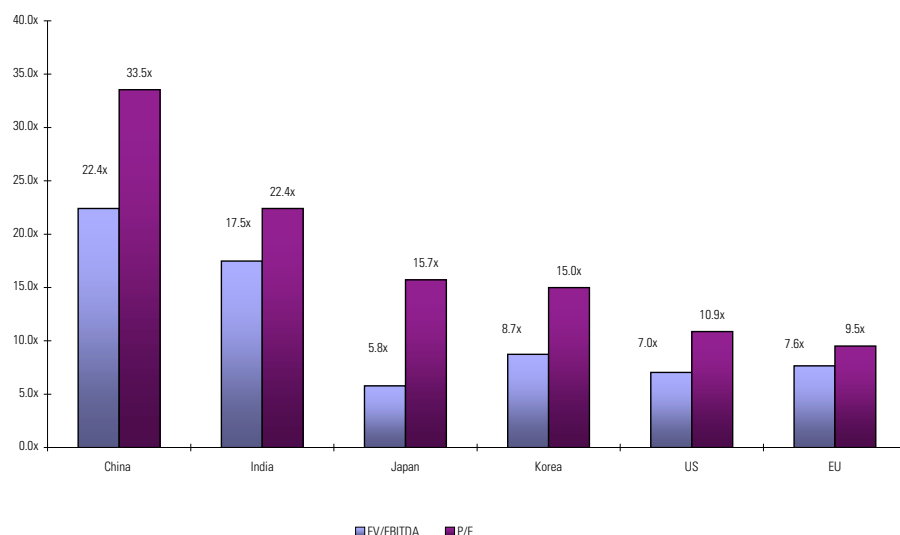
**Navitas**, a listed Australian educational services provider, acquired **Health Skills Australia**, a provider of healthcare training services, for US\$3m. *April 7, 2010*

Healthcare Stock Indices for Selected Countries (12 months ending 15May10)



Source: ThomsonOne, BDA

**Healthcare Trading Multiples for Selected Countries (15Jun10)**



Source: ThomsonOne, BDA

## China

**Pfizer**, the global pharma company, has sold its swine vaccine business in China to an animal health subsidiary of **Harbin Pharmaceutical Group, Harbin Bio-Vaccine**. This divestment was required by the Anti-Trust Bureau of China's Ministry of Commerce as a condition for its approval of the US\$68bn Pfizer/Wyeth merger that closed in October 2009. It was the first time that a business in China has been sold as a consequence of Chinese competition authorities' review of a global merger following the new Anti-Monopoly Law of August 2008. **BDA served as the exclusive financial advisor to Pfizer on the divestment of its swine vaccine business.** *May 27, 2010*

An investor group comprised of **Guizhou Yibai Pharmaceutical** and its wholly-

owned unit **Guizhou Yibai Investment Management**, has acquired **Guizhou National Pharmacy**, a Chinese pharma company, from private investors **Shi Hongyi** (90%) and **Wang Yan** (10%), for US\$8m. *April 24, 2010*

**Anhui Huamao Industry Investment**, an investment group and a subsidiary of textile company, **Anhui Huamao Textile**, has acquired 11% of **Beijing Geyuantianrun Bio-tech**, a biotechnology company, for US\$2m. *April 28, 2010*

**Charles River Laboratories International**, a provider of research models and laboratory animal services, has agreed to acquire **WuXi PharmaTech Inc**, a Chinese pharmaceutical manufacturing, biotechnology, and medical R&D outsourcing company, for US\$1.5bn. *April 26, 2010*

**Henan Fuguo Industry**, a Chinese professional services provider, has acquired 9% of **Jiaozuo Xin'an Science and Technology**, a manufacturer and wholesaler of medicine and chemicals, from **Henan Yongsheng Investment Guarantee**, a majority owned subsidiary of **Henan Dengfeng Xiangyang Electric Power** for US\$5m. *April 12, 2010*

**Huiheng Medical**, a Chinese cancer treatment equipment company, has entered into an agreement to acquire **Portola Medical**, a US-based medical equipment company that focuses on breast brachytherapy systems. *June 2, 2010*

**New Value Investment**, a Chinese private equity company, plans to acquire **Fujian Nanshaolin Pharmaceutical**, a Chinese manufacturer and wholesaler of injection pharmaceuticals, from Hong Kong-based pharma company, **Broad Intelligence International Pharmaceutical**, for US\$10m. *May 14, 2010*

**Sanmina-SCI Israel Medical Systems Ltd**, a subsidiary of electronic manufacturer **Sanmina-SCI Corp**, is building a US\$10m factory in the southwestern Chinese city of Suzhou, to produce high-tech medical device systems for global companies such as **General Electric, HP, Philips Medical Kodak** and **Applied Material**. *May 25, 2010*

**Shanghai Jiaoda Onlly**, a listed manufacturer of biological and healthcare products, has acquired the remaining 10% of **Novanat Bioresource**, a biotechnology company, from **Shanghai**

**Jiaoda Technology Park**, for US\$2m. *March 23, 2010*

**Sinopharm Group**, a Chinese drug provider, plans to buy rivals in smaller cities to tap increasing demand for healthcare in regional areas. *May 26, 2010*

An investor group comprised of **Shaoxing Tian Di Real Estate Development** and **Zhejiang Jishan Holdings Group**, has agreed to acquire **Shaoxing Yamei Biochemistry**, a biotechnology company, from **Jishan Printing and Dyeing**, a wholly-owned subsidiary of **China Jishan Holdings**, for US\$2m. *April 8, 2010*

**Zhang Shuning**, a Chinese financial group, has acquired **Changchun Big Dipper Pharmaceutical Industry**, a Chinese manufacturer and wholesaler of tablets and capsules, from **Shenzhen Neptunus Bioengineering**, for US\$6m. *April 17, 2010*

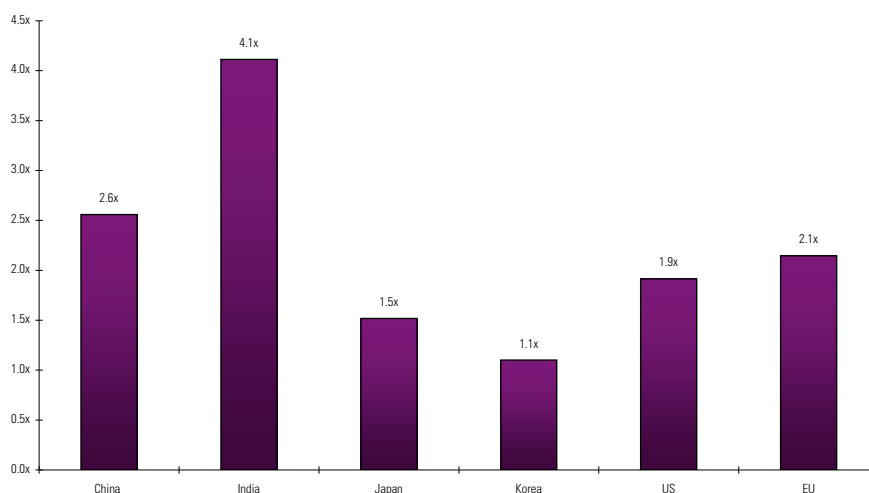
## India

**Abbott Laboratories**, a diversified pharmaceutical healthcare company, has agreed to acquire **Piramal Healthcare Ltd**, a generic drug manufacturer based in India, for US\$3.7bn. *May 21, 2010*

**AIF Capital Asia III**, a subsidiary of Hong Kong-based **AIF Capital**, has acquired a minority stake in **Famy Care**, an Indian manufacturer and wholesaler of healthcare products, for US\$40m. *April 22, 2010*

**Hospira**, a listed US pharma company, has

**Healthcare Trading Price/Revenue Multiples for Selected Countries (15Jun10)**



Source: ThomsonOne, BDA

acquired the generic injectable finished-dosage pharma business of **Orchid Chemicals and Pharmaceuticals**, an Indian manufacturer of finished dosage forms, for an estimated US\$400m. The transaction included the beta-lactam antibiotics manufacturing complex, the pharmaceutical R&D facility in Chennai and generic injectable product portfolio and pipeline. *March 30, 2010*

**Lather Investment Pte**, an Indian government state-owned investment unit of **Singapore Investment Corp's** fund, **GIC Special Investment**, plans to acquire 6.9% of **Fortis Healthcare**, an Indian operator of hospitals, for US\$85m. *May 10, 2010*

**Opto Circuits India**, a listed manufacturer of medical equipment and devices, has acquired **N.S.Remedies**, an Indian provider of R&D services, for US\$2m. *April 5, 2010*

**Sindu Valley Technologies**, a listed Indian software firm, has acquired **E-JOHN Pharmaceuticals**, a pharma company based in Mumbai. *April 9, 2010*

**Surya Pharmaceuticals**, an Indian pharma company, plans to invest over US\$100m to establish a plant to manufacture APIs and formulations. The company will also commission a new plant at Sambha, near Jammu, in Q3 2010. This plant, with an investment of US\$70m, will manufacture APIs, formulations and sterile injectables, and will start working at full capacity by December 2010. *May 26, 2010*

## Indonesia

**PT Kalbe Farma**, a listed Indonesian pharma company, has announced plans to spend up to US\$100m to acquire food and pharmaceutical firms in Southeast Asia. *May 27, 2010*

**Japan** 

**CMIC**, a Japanese CRO, has acquired the Shizuoka factory of **Daiichi Sankyo Propharma**, a Japanese subsidiary of **Daiichi Sankyo**, a manufacturer and wholesaler of pharmaceuticals, for US\$61m. *April 1, 2010*

**Kishida Chemical**, a Japanese pharmaceuticals and chemicals manufacturer, acquired an undisclosed minority share of the drug research business of **Sumisho Pharmaceuticals International**, a Japanese importer and wholesaler of pharmaceuticals, and a wholly-owned unit of **Sumitomo Corp.** *March 31, 2010*

**Max Co**, a Japanese manufacturer of industrial equipment and office equipment, has agreed to acquire the remaining 76.4% of **Kawamura Cycle**, a Japanese manufacturer of nursing care equipment, for US\$21m. *May 14, 2010*

**Medical Co LTA**, an operator of hospital and nursery facilities, plans to acquire 99.7% of **Kyorinkai Inc Medical Association**, a Japanese operator of hospitals, from healthcare-focused investment company, **J Bridge Corp**, for US\$25m. *May 20, 2010*

**Nissui Pharmaceutical**, a listed Japanese pharma company and a subsidiary of **Nippon Suisan Kaisha**, has acquired **Lisblanc**, a Japanese manufacturer and wholesaler of basic skin care products, from **Hiroshi Yamamoto**, the CEO of Lisblanc. *April 8, 2010*

**Sanofi-Aventis**, a global drug manufacturer, plans to acquire 5% of listed Japanese pharma company, **Nichi-iko**, for US\$55m. *May 27, 2010*

**SRL**, a subsidiary of in-vitro diagnostics company, **Miraca Holdings**, has acquired **Japan Clinical Laboratories**, a provider of clinical testing services. *April 1, 2010*

**Wako Pure Chemical Industries**, a provider of healthcare equipment and supplies and a subsidiary of **Takeda Pharmaceutical**, has acquired the biological supply production business of **Nosan**, a Japanese manufacturer and wholesaler of animal feeds, from **Mitsubishi Corp.** *April 6, 2010*

**Korea** 

An investor group comprised of **MAT** (46%) and **Sejin Electron** (5%), has acquired 51% of **Bio CDM**, a Korean biotechnology company, for US\$1m. *April 30, 2010*

**ED Co**, a Korean manufacturer of electric and electronic equipment for education applications, has acquired 50% of biotech company, **Pure Biotech**, for US\$2m. *March 30, 2010*

**GlaxoSmithKline PLC**, a listed UK pharmaceutical and consumer healthcare company, has agreed to acquire 10% of Korean pharmaceutical and branded energy drink company, **Dong-A Pharmaceutical**, for US\$126m. *May 11, 2010*

**Mecca Forum**, a Korean manufacturer of leisure and audio equipment, has acquired **Hwajin Medical**, a Korean manufacturer of medical instruments, and a subsidiary of **Airang Investment Advisor**, for US\$3m. *April 15, 2010*

**Medison**, a Korean manufacturer of diagnostic ultrasound systems, has acquired **CSL**, a Korean manufacturer of medical equipment. *March 25, 2010*

**Philippines** 

**Medical City**, a Manila-based healthcare provider, has acquired **Great Saviour International Hospital**, a operator of hospitals based in Iloilo City, for US\$15m. *April 19, 2010*

**Singapore** 

**BioTime**, a US biotech R&D company, has acquired **ES Cell International**, a Singaporean biotech company, for US\$35m. *May 3, 2010*

**Fortis Healthcare of India**, a unit of healthcare provider, **Fortis Healthcare Holdings**, has acquired 24% of **Parkway Holdings**, a Singaporean operator of hospitals, from **TPG Capital**, for US\$685m. *May 3, 2010*

**Taiwan** 

**Qisda Corp**, an electronic equipment manufacturer, and its majority owned private equity subsidiaries, **Ta Lih Er**

**Investment and Ta Lih Investment**, have acquired 62.8% of **Trident Medical Corp**, a Taiwanese medical equipment manufacturer, for US\$9m. *January 28, 2010*

**Watson Pharmaceutical**, a global manufacturer of branded generic drugs, plans to divest 31% of its share in **ScinoPharm Taiwan Ltd**, a Taiwanese API maker, to international food conglomerate, **Uni-President Enterprises Corp** *February 26, 2010*

## Thailand

**Medical City**, a Manila-based healthcare provider, has acquired **Great Saviour International Hospital**, a operator of hospitals based in Iloilo City, for US\$15m. *April 19, 2010*

**Bangkok Dusit Medical Services PCL**, a Thai operator of hospitals and a provider of hospital-related operations, has acquired 16.8% of **Krungdhon Hospital**

**PCL**, a Thai hospital, for US\$3m. *May 7, 2010*

### Selected Asian Healthcare Transactions with Multiples (12 months ending 15May10)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Acquisition Type	EV / EBITDA	EV / Revenue	P/E
14-May-10	Kawamura Cycle Co Ltd	Japan	Max Co Ltd	Japan	\$21.1	-	-	0.7x	39.7x
11-May-10	Nihon Pharmaceutical	Japan	Nippon Chemiphar Co Ltd	Japan	\$12.1	-	-	1.0x	9.4x
10-May-10	Nihon Spindle Manufacturing	Japan	Sumitomo Heavy Industries Ltd	Japan	\$69.0	-	7.0x	0.4x	82.3x
26-Apr-10	WuXi PharmaTech(Cayman)Inc	China	Charles River Labs Intl Inc	US	\$1,462.6	-	153.3x	43.2x	221.2x
8-Apr-10	Tongjitang Chinese Medicines	China	Investor Group	British Virgin	\$20.2	-	54.4x	1.7x	-
1-Apr-10	Beijing Tcmag Pharm Co Ltd	China	Tianjin Chase Sun Pharma Co	China	\$8.6	-	-	2.4x	13.8x
19-Mar-10	JCR Pharmaceuticals Co Ltd	Japan	Glaxo Group Ltd	UK	\$11.3	6.1%	6.9x	1.3x	10.8x
16-Mar-10	Ascent Pharmahealth Ltd	Australia	Strides Arcolab Ltd	India	\$34.6	-	7.3x	0.9x	9.5x
26-Feb-10	Hwajin Medical Co Ltd	Korea	Mecca Forum Co Ltd	Korea	\$3.1	100.0%	-	0.6x	11.5x
23-Feb-10	Shanghai Pharm Co Ltd	China	Shanghai Shengrui Investment	China	\$298.8	8.6%	-	1.3x	177.6x
22-Feb-10	SH Pharma Co Ltd	Korea	Stemscience Co Ltd	Korea	\$4.2	88.5%	-	2.1x	-
17-Feb-10	Solvay Pharma India	India	Abbott Capital India	UK	\$66.8	-	33.2x	7.8x	47.0x
11-Feb-10	Twilight Litaka Pharma	India	Investor Group	India	\$6.5	-	10.3x	1.0x	9.7x
10-Feb-10	SSP	Japan	Boehringer Ingelheim JP	Japan	\$358.0	-	9.2x	1.2x	46.3x
9-Feb-10	Hans Biomed Corp	Korea	Hanmi Medicare Inc	Korea	\$5.8	-	16.0x	3.0x	17.8x
1-Feb-10	Jilin Pharmaceutical	China	Guangzhou Radio Group	China	\$46.4	19.2%	-	17.0x	-
28-Jan-10	Trident Medical Corp	Taiwan	Investor Group	Taiwan	\$8.8	62.9%	7.4x	0.6x	9.0x
27-Jan-10	Zhejiang Jingxin Pharm	China	Lv Gang	China	\$6.6	49.9%	-	2.3x	-
12-Jan-10	Medimex	Korea	COREBIT	Korea	\$4.5	-	-	11.0x	305.3x
18-Dec-09	JCR Pharmaceuticals	Japan	Glaxo Group	UK	\$31.0	-	10.7x	1.7x	22.3x
8-Dec-09	Nihon Pharmaceutical	Japan	Nippon Chemiphar	Japan	\$18.1	50.0%	-	1.0x	14.2x
10-Nov-09	Bionime Corp	Taiwan	Hua Eng Wire & Cable	Taiwan	\$15.8	17.0%	28.5x	3.4x	42.4x
16-Sep-09	Bristol-Myers Squibb	Indonesia	Taisho Pharmaceutical	Japan	\$310.0	98.0%	16.4x	7.3x	24.4x
12-Sep-09	Yunnan Baiyao Grp	China	Chen Fa Shu	China	\$323.3	-	23.8x	2.4x	33.7x
24-Aug-09	Sihuan Pharm Hldgs Grp	China	China Pharma	China	\$315.1	99.3%	5.0x	2.8x	8.7x
19-Aug-09	LeROI Holdings	HK	Wai Yuen Tong Hldgs	HK	\$47.7	19.0%	-	33.8x	-
			<b>Mean</b>		<b>\$135.0</b>	<b>51.5%</b>	<b>26.0x</b>	<b>5.8x</b>	<b>55.4x</b>

Source: ThomsonOne

Business Development Asia is an investment banking firm which assists multinational companies in expanding their businesses in Asia through JVs, acquisitions, divestments 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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