

ASIAN HEALTH NEWSLETTER

MARCH 2011, ISSUE 66

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 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 any one of our offices.

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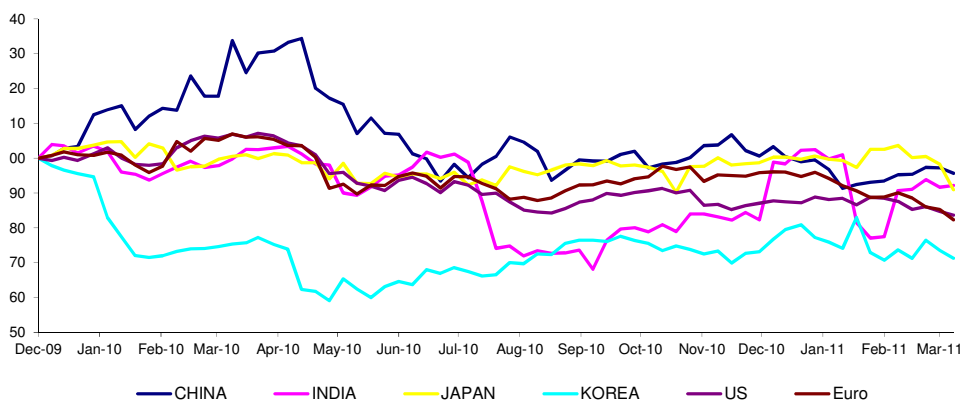
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Australia



Allied Medical, an owner and operator of medical clinics in Australia, has agreed to acquire **bioMD**, an Australian developer and commercializer of medical therapy products and bioimplants for drug delivery, in a reverse merger transaction. bioMD will offer 428m shares to Allied, or 32 shares for each share of Allied. The offer has been recommended by Allied’s Board. The offer is subject to a greater than 90% minimum acceptance by Allied’s shareholders and also to bioMD shareholder’s approval. Post acquisition, Allied shareholders will have 70% of the issued capital of the combined group. *February 14, 2011*

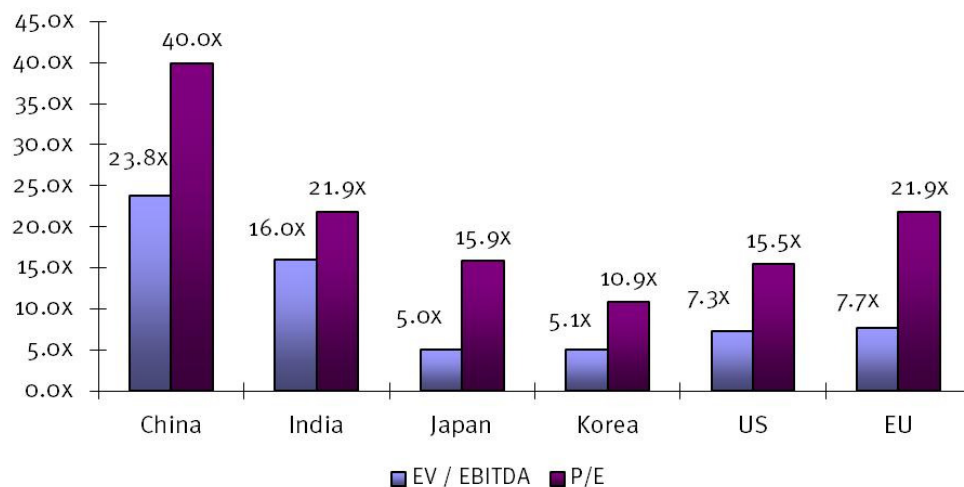
Health Sector Stock Indices (12 months ending 15Mar11)



Source: Capital IG, BDA

Fortis Global Healthcare Holdings, a Singapore-based investment wing of

Healthcare LTM Trading Multiples (14Mar11)



Source: Capital IQ, BDA

Fortis Healthcare, a Bombay Stock Exchange-listed owner of hospitals in India and southeast Asia, has entered into a takeover bid implementation deed to acquire an additional unknown stake in **Dental Corporation Holdings**, an Australian dental services organization offering tooth whitening, orthodontics, ceramic crowns, and implants related services, for US\$133m. Fortis has agreed to make an offer to each DCH shareholder to acquire up to 30% of their existing shareholding at a price of AUD 2.54 per share and aims to acquire between 26m and 52m shares in addition to the 17m shares in DCH which it already owns. *February 25, 2011*

China



Aier Eye Hospital Group, a Chinese hospital conglomerate specializing in ophthalmic and eye care services, has agreed to acquire 67% of **Xi'an Ancient City Eye Hospital**, a private general

services hospital, from nine Chinese private investors, for US\$9m.

January 25, 2011

Beijing Double-Crane Pharmaceutical, a Chinese manufacturer, processor and distributor of pharmaceuticals, has agreed to acquire Shenyang Enshi Pharmaceutical, a Shenyang-based manufacturer and distributor of pharmaceutical products, from Enshi International (Holding), a Singapore-based investment company, for US\$14m. *December 30, 2010*

Cogo Group, the Chinese provider of module and subsystem design solutions, has agreed to acquire certain assets of **MDC Tech**, a Chinese industrial software producer focused on the smart grid roll-out and medical equipment sectors, for US\$22m. The deal is expected to close in the first quarter of 2011. *December 29, 2010*

Concord Medical Services, a Chinese operator of radiotherapy and diagnostic imaging centers, has acquired of 52% **Chang'An Hospital**, Chinese full-

service private hospital, for US\$30m. Concord presently manages Chang'An Hospital under a management contract dating to 2008 and has an existing 52:48 cancer diagnosis clinic JV with the hospital. *January 6, 2011*

Elsevier, a Netherlands-based global publisher of scientific, technical and medical information products and services, and a subsidiary of **Reed Elsevier Group**, a global publisher and information provider, has acquired **Shanghai Datong Medical Information Technology**, a Chinese developer of drug decision support software for hospitals, for an undisclosed amount. *February 21, 2011*

Essilor International, a French producer of eyeglass frames, lenses and equipment, has acquired 50% of **Zhenjiang Wanxin Optical Glasses**, a Chinese producer of single vision lenses, bifocal lenses, lenticular lenses and progressive lenses, for an undisclosed amount. *January 13, 2011*

Euticals, an Italian producer of APIs, bulk pharmaceuticals and nutraceuticals and **Mandarin Capital Partners**, a fund of **China Development Financial** and **Mandarin Capital Management**, have acquired 35% of **Tianma Tianji Bio Pharma**, a Chinese manufacturer of traditional Chinese and western medicine products. Terms of the transaction were not disclosed. *January 12, 2011*

Fosun Pharmaceutical, the pharmaceutical wing of the Chinese conglomerate **Fosun International**, has agreed to acquire 75% of **Dalian Aleph Biomedical**, a developer, manufacturer and marketer of bio-medical products for the prevention and treatment of infectious diseases, from **Aleph**

Biotechnology Holding and **Beijing Hexin Boye Consulting**, for US\$102m. Aleph's primary product is an inactivated split flu vaccine. Fosun will acquire its 74% stake from Aleph Biotechnology Holding and 1% from Beijing Hexin Boye Consulting.

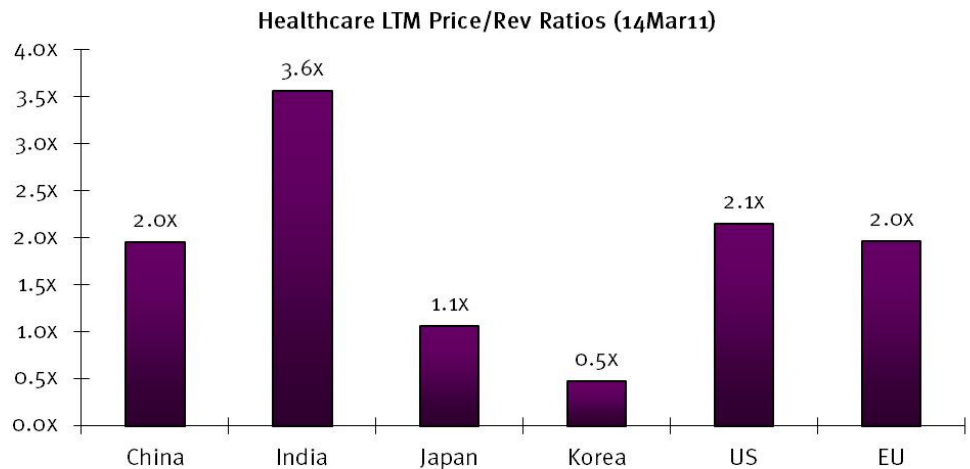
January 27, 2011

Jilin Sihuan Pharmaceutical, a Chinese developer of generic drugs, has signed an agreement to acquire 80% of **Changchun Xiangtong Pharmacy**, a Chinese manufacturer of pharmaceutical products in granule, tablet, hard capsule, ointment, cream and injection form, from a group of ten Chinese private investors, for US\$21m.

January 20, 2011

Kunming Jida Pharmaceutical, a Chinese company, has agreed to acquire **Jiangsu Jiwa Rintech Pharmaceutical**, a research-oriented producer of FDA-compliant APIs, from **Jiwa Rintech Holdings**, a Hong Kong based producer of bulk pharmaceuticals, for US\$10m in cash. In a related transaction, Kunming Jida Pharmaceutical has agreed to acquire 93% of **Yunnan Jiwa Pharm Logistics**, a pharmaceutical distribution services provider, from Jiwa Pharm & Chemicals for US\$6m. The transaction is expected close on April 30, 2011. *February 16, 2011*

Merck, the German chemical and pharmaceutical company, has acquired **Beijing Skywing Technology**, a Chinese producer of cell-culture media products, related technical services, and bioreactors, for US\$18m. The acquisition will permit Merck to immediately establish a presence in this market segment and provide potential outlets for consumables sales from its Millipore division, acquired in mid-2010. *January 5, 2011*



Source: Capital IQ, BDA

Mindray Medical, China's largest developer of medical equipment, has agreed to acquire **Shenzhen Shenke Medical Instrument Technical Development**, an international manufacturer of injection pumps, infusion/syringe pumps, and infusion supervision systems, from **China Medical System**, a Chinese pharmaceutical services provider, for an undisclosed amount. *February 28, 2011*

Nanjing First Pesticide Group, a Chinese pesticides producer, has agreed to acquire an additional 48% of **Jiangsu Zhongbang Pharmaceutical**, a producer of APIs, veterinary drugs, feed additives, and anti-infection pharmaceuticals, from **Nanjing Redsun**, a Chinese manufacturer of insecticides, intermediates and fine chemical products, for US\$2m.

February 16, 2011

Shanghai Pharmaceutical, a Chinese producer of pharmaceutical products, has agreed to acquire the remaining 35% stake it does not own in **CITIC Pharmaceutical**, a the 3rd largest Chinese distributor of medicines,

biological products, vaccines, medical instruments, and consumables, from an investor group composed of **Qiming Weichuang Venture Capital Management**, **FountainVest Partners** and **Warburg Pincus**, for US\$188m. Shanghai Pharmaceutical is the second-largest pharmaceutical distributor in China. *January 28, 2011*

Sichuan Kelun Pharmaceutical, a Chinese pharma company that manufactures injections, medical bottles and bags, has agreed to acquire 80% of **Guilin Dahua Pharmaceutical**, a Chinese manufacturer of cephalosporin APIs and injections, from five Chinese private investors, for US\$22m. *January 25, 2011*

Sinopharm Holding GuoDa Drug Store, a distribution subsidiary of the Chinese pharmaceutical giant **Sinopharm**, has entered discussions to acquire 60% of **Shijiazhuang Le Ren Tang Pharmaceutical Chain**, a manufacturer and distributor of Chinese traditional pain management medicines, from **Le Ren Tang Pharmaceutical**, a Chinese company

principally engaged in the retail sale of medicines in Hebei province. In a related transaction, **Sinopharm Group** has entered discussions to acquire 60% of **Le Ren Tang Pharmaceutical Logistics**, a related logistics subsidiary, from Le Ren Tang Pharmaceutical. The aggregate consideration payable for the acquisitions will not exceed US\$180m. *January 25, 2011*

Sinopharm Weiqida Pharmaceutical, a general pharmaceutical company held by Sinopharm, has agreed to acquire 51% of **Aurobindo (Datong) Bio-Pharma**, a Chinese manufacturer of pharmaceutical products such as Penicillin G Potassium and 6-APA, from **Aurobindo Pharma**, an Indian producer of APIs. Terms of the sale were not disclosed. After the completion of 51% stake, Sinopharm Weiqida will further infuse capital to increase its stake to 80%. *January 11, 2011*

Tianjin Tianyao Pharmaceutical, a Chinese manufacturer of bulk pharmaceuticals, has agreed to acquire the amino acid bulk drug business as well as relevant assets and liabilities of **Tianjin Tianan Pharmaceutical** for approximately US\$25m. *January 18, 2011*

Tonghua Dongbao Pharmaceutical, a Chinese manufacturer of gene-recombinant insulin lyophilized powders and injections, has announced its intention to sell its 29% stake in **Gan & Lee Pharmaceutical**, a Beijing-based researcher, manufacturer, and distributor of biosynthetic human insulin, for a minimum of US\$61m. Gan & Lee's products include Basalin, an insulin glargine injection; GanLee pen, a pen-style insulin injector; and Prandilin, an insulin lispro. *March 1, 2011*

INDIA



Athena Pharma, an Italian pharmaceutical developer, has acquired **Ethypharm LL**, an Indian producer, formulation, development and marketing subsidiary of **Ethypharm**, a French healthcare company focused on drug delivery, for an undisclosed amount. Ethypharm LL's products include *Tremadol*, a pain management drug, *Propranolol* and *Metoprolol* for cardiovascular diseases and hypertension. *February 28, 2011*

Infrahealth, an Indian health care software and services provider, has acquired **Integrated Health & Healthcare Services India**, a provider of consulting services for establishing and managing healthcare facilities, for US\$44m. *January 18, 2011*

Krishna Deep Trade & Investments, an Indian investment company, has agreed to acquire **Naxpar Lab**, an Indian contract manufacturer of liquid orals, capsules, ointments, powder, and tablets; and **Parnax Lab**, an Indian pharmaceutical formulation and contract manufacturing services provider, in a stock swap. Financial terms were not disclosed. *February 21, 2011*

Piramal Healthcare, an Indian pharmaceutical company active in cardiovascular, respiratory and antibiotic treatments, has acquired 76% of **Oxygen Bio Research**, an Indian provider of integrated discovery services in synthetic, medicinal, and computational chemistry, for US\$11m. *February 11, 2011*

QPS, a US-based contract research company, has acquired **Bioserve**

Clinical Research, an Indian provider of bio analytical, clinical research, and other administrative services for various pharmaceutical sponsors, for an undisclosed consideration.

January 25, 2011

JAPAN



Cocokara fine, a Japanese holding company engaged that operates drug stores, has acquired 84% of **SO Pharmaceutical**, a Japanese developer of pharmaceutical products based on Solid in Oil Suspension technology as well as oral and transcutaneous drugs and consumer products, from a **group of Japanese private investors**, for an undisclosed consideration.

January 31, 2011

Medca Japan, a Japanese provider of clinical testing and nursing home services, has agreed to acquire **Unimat Care Support**, a Japanese owner and operator of care facilities for the elderly, for US\$10m. *January 26, 2011*

Sysmex Corp, a Japanese producer of diagnostic systems and clinical laboratory testing devices, has agreed to acquire **Katakura Industries Research Institute of Biological Science**, a Japanese company which uses gene-recombinant technology to create silkworm-derived proteins for diagnostic reagents, from **Katakura Industries**, a Japanese conglomerate active in textiles, pharmaceuticals, services and insect biotechnological technology, for US\$23m. The transaction is expected to close on April 1, 2011. *February 24, 2011*

TKEI has acquired 31% of **Medibic**, a Japanese biotechnology company

specializing in developing pharmacogenomics-based therapies for cancer, from **Sanvis**, a Japanese biotechnology company, for an undisclosed consideration. The transaction follows Sanvis' acquisition of 37% in Medibic from **Monster 9**, a Japanese media company involved in television, software and event planning, in January 2011. *February 3, 2011*

KOREA



Samsung Electronics, the Korean manufacture of semiconductors, LCDs, telecom and digital media products, acquired 43% of **Medison**, a Korean manufacturer of diagnostic ultrasound equipment, from **Consus Asset Management**, for US\$289m.

February 17, 2011

A group of seven investors have sold a 30% stake in **Wooridul Pharmaceutical**, a listed Korean producer of antibiotics, antithrombotic agents, hypertension agents, antifungal agents, antacid agents, anti-inflammatory age pharmaceutical company, to two individuals, for a consideration of US\$16m.

January 10, 2011

MALAYSIA



Kumpulan Perubatan, a Malaysian chain of general practice clinics, has agreed to acquire **Sibu Medical Centre**, the owner and operator of a general medical center, from a group of **individual shareholders**. In a related transaction, Kumpulan Perubatan has also agreed to acquire **Sibu Geriatric**

Health & Nursing Centre. The total consideration for the two transactions is in excess of US\$10m. *January 18, 2011*

Navis Capital and **Mettiz Capital**, two private equity groups, have made a bid to acquire **Latex Partners**, a Malaysian producer of latex and rubber gloves for medical purposes, for US\$250m.

January 27, 2011

NEW ZEALAND



Sandoz, a German generic pharma company and **Novartis** subsidiary, has agreed to acquire the assets of **InterPharma**, an Australian pharma company, for an undisclosed amount. Sandoz will acquire InterPharma's business of marketing and supplying Ebewe oncology and immunology products. *January 7, 2011*

SINGAPORE



Fortis Healthcare, an Indian owner of hospitals in India and Southeast Asia has agreed to acquire **Pacific Cancer Center**, a cancer-specialist clinic under construction, from **First REIT**, a Singapore-based company focused on healthcare facilities, for US\$26m.

February 24, 2010

TAIWAN



QPS, a US-based contract research organization, has acquired **the Center of Toxicology and Preclinical Sciences**, a fully accredited facility offering a wide range of toxicology and

safety testing services, from **Development Center for Biotechnology**, a Taiwanese government-funded non-profit organization working to advance the local biotech industry, for an undisclosed amount.

February 14, 2011

EPS International, a Japanese CRO with locations across East Asia, has acquired the remaining 27% it does not own in **Taiwan Total Management Consulting**, a provider of site management organization services for clinical trials in Taiwan, for an undisclosed amount.

January 3, 2011

THAILAND



Bangkok Chain Hospital, a Thai owner of hospitals, has agreed to acquire the remaining 59% it does not own in **Sriburin Medical**, the holding company of **Kasemrad Sriburin General Hospital** in Thailand, from its existing shareholders, for US\$15m.

February 22, 2011

Vibhavadi Medical Center, a Thai owner of hospitals in Bangkok, has made a tender offer to acquire **Chiang Mai Ram Medical**, a Thai owner of hospitals in Chiang Mai, in a stock swap worth US\$108m. *March 4, 2011*

Asian Healthcare Transactions with Multiples for Selected Countries (12 months ending in 15Mar11)

Announce Date	Target Name	Target Country	Acquirer Name	Acquirer Country	Deal Value	Percentage Acquired	EV / EBITDA	EV / Revenue	P/E
18-Mar-11	Bangkok Chain Hospital	Thailand	Bumrungrad Hospital	Thailand	\$116.6	25.0%	10.8x	3.3x	18.5x
9-Dec-10	C & O Pharmaceutical Technology	Hong Kong	Sumitomo Corp	Japan	\$72.8	29.0%	8.6x	2.7x	11.5x
29-Oct-10	Thomson Medical Centre	Singapore	-	-	\$398.1	100.0%	20.5x	5.9x	32.3x
12-Oct-10	Healthscope	Australia	TPG Capital; The Carlyle Group; The Blackstone Group	US	\$2,313.4	100.0%	10.0x	1.4x	19.4x
16-Aug-10	Parkway Holdings	Singapore	Integrated Healthcare	Malaysia	\$3,424.4	76.2%	22.2x	4.9x	37.4x
2-Aug-10	CMIC	Japan	Taiyo Pacific Partners	US	\$12.0	5.0%	5.0x	0.7x	10.9x
17-Jun-10	Kawamura Cycle	Japan	Max Co	Japan	\$11.5	41.0%	5.7x	0.7x	32.1x
31-May-10	JCR Pharmaceuticals	Japan	GSK	UK	\$43.5	12.8%	12.1x	2.3x	20.2x
25-May-10	Dong-a Pharmaceutical	Korea	GSK	UK	\$110.3	9.9%	11.2x	1.7x	20.0x
10-May-10	Nihon Spindle Manufacturing	Japan	Sumitomo Heavy Industries	Japan	\$69.0	-	7.0x	0.4x	82.3x
8-May-10	Solvay Pharma India	India	Abbott Capital India	US	\$67.0	20.0%	24.6x	6.1x	39.8x
13-Apr-10	SSP	Japan	Boehringer Ingelheim Auslandsbeteiligungs	Germany	\$296.4	33.6%	13.8x	1.3x	101.9x
8-Apr-10	Tongjitang Chinese Medicines	China	Investor Group	British Virgin	\$20.2	-	54.4x	1.7x	-
1-Apr-10	Aventis Pharma	India	Hoechst	Germany	\$91.5	10.3%	15.9x	3.4x	25.6x
24-Mar-10	ScinoPharm Taiwan	Taiwan	Uni-President Enterprises	Taiwan	\$94.0	31.0%	8.5x	2.6x	9.4x
22-Mar-10	Standard Diagnostics	Korea	Alere	US	\$36.2	12.9%	8.5x	4.5x	10.8x
16-Mar-10	Ascent Pharmahealth	Australia	Strides Arcolab	India	\$34.6	-	7.3x	0.9x	9.5x
11-Mar-10	Parkway Holdings	Singapore	Fortis Healthcare	India	\$685.3	23.9%	26.3x	4.8x	33.7x
26-Feb-10	Nectar Lifesciences	India	NSR Direct PE Mauritius	Mauritius	\$35.0	20.5%	8.4x	1.7x	10.1x
23-Feb-10	Shanghai Pharm	China	Shanghai Shengrui Investment	China	\$298.8	8.6%	-	1.3x	177.6x
23-Feb-10	Shanghai Zhongxi Pharmaceutical	China	Shanghai Pharmaceutical	China	\$396.1	100.0%	53.1x	7.7x	72.7x
15-Feb-10	Shanghai Industrial Pharmaceutical	China	Shanghai Pharmaceutical	China	\$1,166.1	100.0%	16.1x	1.8x	13.3x
8-Feb-10	Japan Lifeline	Japan	MT Shokai	Japan	\$19.0	26.6%	3.1x	0.2x	10.3x
28-Jan-10	Trident Medical	Taiwan	Investor Group	Taiwan	\$10.0	62.8%	5.8x	0.7x	13.6x
4-Jan-10	Shinva Medical Instrument	China	Zibo Mining Group	China	\$80.8	29.0%	34.7x	2.5x	54.2x
				Median	\$80.8	27.8%	11.0x	1.8x	20.1x

Source: Thomson Reuters, BDA

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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