HEALTHCARE SECTOR BULLETIN

Issue 4: May 2014

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HEALTHCARE TRENDS & IMPACT STORIES

Country: India

Headline: **Quadria-backed hospital chain Medica Synergie aims to triple its capacity in a year**

Summary: Kolkata-headquartered hospital chain Medica Synergie Pvt Ltd, which is building up its presence in eastern region of the country, aims to more than triple the number of hospital beds by middle of next year. "We have 800 beds operational at present and we are chasing a target of around 2,500 beds by mid-2015. For this expansion, we are investing around Rs 400 crore," Alok Roy, chairman of Medica Synergie said.

Close to half of this growth will come through inorganic route where the company takes over land parcels or under construction hospitals and runs it in a profit sharing model with promoters of the property. According to Roy, for its expansion, company will use the capital it has raised, internal accruals and debt. It will completely deploy the capital it has raised recently by next year.

Link *http://www.vccircle.com/news/healthcare-services/2014/05/23/quadria-backed-hospital-chain-medica-synergie-aims-triple-its*

Country: China

Headline: **A bitter pill as China crackdowns squeeze pharma margins**

Summary: A crackdown on corruption and pricing in China`s fast-growing pharmaceutical market has squeezed profits and margins, raising a red flag to global Big Pharma that the days of easy growth in the country may be over. A Reuters' analysis of more than 60 listed Chinese healthcare firms shows average profit margins declined to around 10 percent last year from 15 percent in 2012. Average net profits fell 2.1 percent, down from close to 20 percent growth in previous years.

China has been a magnet for the big global pharmaceutical companies and other healthcare firms as growth slows in Europe and the United States. It is the largest emerging drugs market and is set to be the global number two overall within three years, according to consultancy IMS Health. While global drugmakers withhold their China profit figures, the analysis suggests profit growth is harder to come by - a concern as many global firms look to China as a future growth driver.

Link: *http://zeenews.india.com/business/news/international/bitter-pill-as-china-crackdowns-squeeze-pharma-margins_100217.html/bitter-pill-as-china-crackdowns-squeeze-pharma-margins_100217.html*

Country: Thailand

Headline: **Coup crisis could cost Thailand its medical tourism crown**

Summary: Thailand is in danger of losing its crown as the world's top destination for medical tourism if foreigners looking for low-cost, quality healthcare are scared off by political unrest, especially at a time of growing competition from Asian rivals. The army seized power in a coup on Thursday after failing to prod bitter political rivals into a compromise, prompting several governments to warn their citizens to think again before travelling to Thailand.

Tourism accounts for 10 percent of the Thai economy and, of the 26.5 million people who visited last year, about 2.5 million came for medical reasons, including spa and healthcare services, according to figures from the Department of Export Promotion. About a third of those medical tourists come from the Middle East, another quarter from Southeast Asia and nearly 15 percent from Europe. The months of unrest, which began with anti-government protests in Bangkok in November, already appear to be having some effect, and that could worsen if the army's intervention fails to put a stop to outbreaks of disorder.

Link: *http://www.reuters.com/article/2014/05/23/us-thailand-protest-tourism-medical-idUSBREA4M04520140523*

HEALTHCARE SECTOR NOTABLE TRANSACTIONS

Country: Singapore

Headline: ***Q & M Dental Group and IMC Group Announce Strategic Partnership***

Summary: Q & M Dental Group (Singapore) Limited ("Q&M" or the "Group"), the leading private dental healthcare group in Asia, has today announced a strategic partnership with IMC Group ("IMC") by way of signing a call option with Heritas Helios Investments Pte. Ltd. ("HHI"), a healthcare private equity fund seeded by IMC and managed by IMC's wholly owned subsidiary, Heritas Capital Management Pte. Ltd. on 24 May 2014 ("Call Option"), granting HHI the right to call upon Q&M to issue 63 million new ordinary shares within a 2-year option period for a minimum exercise price of S$0.48 per share.

"We are excited to work together with IMC given their esteemed and renowned reputation. This strategic partnership enables us to leverage on IMC's strong presence, experience and resources in the region to achieve further growth in Singapore, Malaysia and China, as well as other new markets", said Dr Ng Chin Siau, Group Chief Executive Officer of Q&M.

Separately, Q&M has been informed that Quan Min Holdings Pte Ltd ("QMH"), controlling shareholder of Q&M, together with substantial shareholders Dr Koh Shunjie, Kelvin and Dr Koh Shuhui, Felicia, have agreed to sell shares collectively equivalent to 10% of Q&M to HHI. In connection with this transaction, Q&M has agreed to release these shares of Dr Kelvin and Dr Felicia from the existing contractual moratorium which was due to expire in 2017. The remaining shares held by Dr Kelvin and Dr Felicia will continue to be subject to the moratorium.

Links: *http://qandm.listedcompany.com/newsroom/20140526_072141_QC7_1GZPHPMGBB71AA7P.1.pdf*

Country: Philippines, Singapore

Headline: ***GIC Invests in Minority Stake to Expand MPIC Hospital Group***

Summary: Metro Pacific Investments Corporation ("MPIC" or the "Company") (PSE: MPI) and GIC, Singapore's sovereign wealth fund through its private equity arm, have entered into a definitive partnership agreement to facilitate the further expansion of the hospital group of MPIC. GIC, through its affiliates, will invest Php 3.7 billion (app. US$ 84 million) for a 14.4% stake in Neptune Stroika Holdings Inc. (NSHI), MPIC's wholly-owned subsidiary which will be the holding company for all of its hospital investments. GIC will also advance to MPIC Php 6.5 billion (app. US$ 149 million) by way of an Exchangeable Bond which can be exchanged into a 25.5% stake in NSHI in the future, subject to certain conditions. Proceeds from the bond will be used by MPIC for continuing investments in roads, power and water. This definitive agreement is subject to a few conditions precedent and is contemplated to be completed sometime in the middle of 2014.

GIC is a leading global investment firm with well over US$100 billion in assets under management. Established in 1981, the firm manages Singapore's foreign reserves and is uniquely positioned for long-term and flexible investments across a wide range of asset classes, including public equities, fixed income, real estate, and private equity.

The MPIC Hospital Group under NSHI comprises 8 premier hospitals – Makati Medical Center, Asian Hospital, Cardinal Santos Medical Center, Our Lady of Lourdes Hospital, De los Santos Medical Center, Davao Doctors Hospital, Riverside Medical Center in Bacolod, and Central Luzon Doctors Hospital in Tarlac – with a total capacity of 2,200 beds, and a recently acquired mall-based diagnostic center MegaClinic.

Links: *http://www.gic.com.sg/en/newsroom/news-speeches/213-2014/473-gic-invests-in-minority-stake-to-expand-mpic-hospital-group*

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Country:	Indonesia, Singapore
Headline:	***Ciputra Teams Up with Singapore Medical Group on Hospital Business***
Summary:	Ciputra Group through its subsidiary PT Ciputra Raya Sejahtera is establishing a joint venture with Singapore Medical Group (SMG) to open eye clinic in Jakarta. Tulus Santoso, Director of PT Ciputra Development Tbk. (CTRA), said PT Ciputra Raya Sejahtera will control 60% in the joint venture, while SMG will own 40%. The eye clinic is expected to be opened this December in Ciputra World 1, Jakarta. Ciputra is ready to invest IDR 50bn (USD 4.3m). The company is also planning to construct 10 new hospitals with an investment of IDR 250bn (USD 21.6m) each, the report added, citing Santoso.
Links:	*http://m.bisnis.com/en/read/20140513/110/28102/business-in-indonesia-ciputra-teams-up-with-singapore-medical-group-on-hospital-business*

Country:	Philippines, Japan
Headline:	***Mitsubishi to open hospitals in Philippines***
Summary:	Mitsubishi Corp. plans to open 10 facilities in the Philippines by 2020, outfitting them with advanced Japanese medical devices. The Japan International Cooperation Agency will help finance what is expected to be a 30 billion yen ($292.77 million) effort. Work on the first hospital is likely to begin next year. Mitsubishi will start out by setting up hospitals it can supply with multiple pieces of Japanese equipment. The trading house is in talks with potential local partners in establishing a special-purpose company that would build and own the hospitals. The hospitals will range in size from 50 to 150 beds. Potential locations include Manila and the island of Cebu. Mitsubishi will lease the hospitals and their equipment to local operators. It will apply know-how gained from designing hospitals in Japan, including floor plans that help doctors and nurses work more efficiently. The company will offer management advice and send Japanese doctors to train local hospital staffs. After gaining a foothold in the Philippines, Mitsubishi will seek opportunities to expand its hospital business to other Southeast Asian markets.
Links:	*http://asia.nikkei.com/Business/Consumers/Mitsubishi-to-open-hospitals-in-Philippines*

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TRANSACTION NEWS

Headlines	Summary
Kalbe Farma plans to set up medical device arm; may consider strategic partner (Source: Mergermarket)	Kalbe Farma (KLBF:JKT), a listed Indonesian pharmaceutical company, plans to establish a medical devices manufacturing unit, and may consider seeking a strategic partner for the new unit, said Director Vidjongtius. The company is still undertaking an internal study of this plan, and will start to look for a partner in the second half of this year, Vidjongtius said. It is expected that this new business can be set up in the next year. The company would prefer a foreign company with expertise in producing medical devices as a strategic partner, and could sell a minority stake in the unit to the potential partner. The company wants to integrate its current drug business with its medical devices unit, so a patient with a particular disease can take a complete product package from Kalbe. The medical device products that Kalbe wants to produce are connected to its current drug products, such as blood-sugar test kits for diabetics, which could be useful alongside its dairy product, Diabetasol, and a cholesterol-test tool which can be marketed with a cholesterol-lowering beverage of Kalbe's, Nutrive Benecol. The company also wants to produce other medical devices, such as catheters, infusion sets and spuits, etc.
BioPharm Solutions initiates USD 5m fundraise for biologics microneedle patch development (Source: Mergermarket)	BioPharm Solutions, a privately owned, specialty biopharmaceutical company developing advanced delivery technologies for biologics, is initiating a USD 5m Series A fundraise, founding partner Tom Jin said. This will be for a negotiable stake in the company which is owned by five unnamed private investors. The company will entertain discussions with both strategic and VC investors.
Horiba seeks M&A in medical sector (Source: Nikkan Kogyo Shimbun)	Horiba, the listed Japan-based industrial measurement and medical diagnosis manufacturer, is seeking M&A in the medical-related sector, the Nikkan Kogyo Shimbun reported. No specific targets were revealed in the report. Horiba has a market capitalization of JPY 137.168bn (USD 1.3bn).
Qiagen Suzhou entertains USD 10m-USD 30m fundraise, in talks with German POC target (Source: Mergermarket)	Qiagen Suzhou Translational Medicine (Qiagen Suzhou) the joint venture (JV) entity established between Netherlands-based Qiagen [ETR: QIA] and Chinese local government incubator bioBay, could initiate a USD 10m-USD 30m fundraise in Q314.
Newtree Group to raise approximately USD 9.8m through share placement for funding future potential acquisition activities (Source: SEHK)	Newtree Group, the Hong Kong-listed manufacturer of consumable materials for the pharmaceutical industry, announced that it plans to raise approximately HKD 76m (USD 9.8m) through a share placement for funding future potential acquisition activities
Teijin seeks targets to expand healthcare-related IT business (Source: Mergermarket)	Teijin, the listed Tokyo, Japan-based chemical manufacturer, is seeking information technology (IT) targets engaged in the healthcare field to strengthen synergies between the two segments.

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Doctor's Kits could consider stake sale to financial investor for Asian expansion (Source: Mergermarket)	Doctor's Kits, a privately held Tokyo, Japan-based cosmetology equipment maker, could consider selling part of the CEO's stake to a financial investor to facilitate expansion in Japan and the rest of Asia, CEO Ariko Fusegawa said. The company would be receptive to approaches directly from investors or from advisory companies that can introduce such opportunities.
Percos India looking to provide exit to angel investors (Source: Mergermarket)	Percos India, a New Delhi, India-based privately-held personal and medical skincare products company, has hired a US based investment bank to provide an exit to its angel investors, said a company source. The company received a bid for INR 550m (USD 9m) recently from a large India-based pharmaceuticals company, however, it decided to hold out for more.
Nikon nominee for president has sights on M&A in medical sector (Source: Nikkei Sangyo Shimbun)	Nikon's nomination for the post of president has his sights on M&A, the Nikkei Sangyo Shimbun reported. The report cited Kazuo Ushida, who said at a press briefing on 16 May, announcing his nomination for promotion from his current position as director and senior vice president, that the company's business domain is limited by the technology close at hand. He said he wants to promote cooperation with other companies, indicating he has his eye on M&A.
HOYA seeks Colombia and Argentina market entry for eyeglass business (Source: Mergermarket)	HOYA, a listed Tokyo, Japan-based manufacturer of eyeglasses, contact lenses, and photomasks for LCD panels, is pursuing Colombia and Argentina market entry for its eyeglass lens business as it seeks to shore up its sales in emerging markets.
Medipal Holdings to acquire 20% stake in Yakuju, two companies to form joint venture (Source: Medipal Holdings)	Medipal Holdings, the listed Japan-based drug wholesaler, announced on 20 May 2014 a business/capital tie-up with unlisted Japan-based pharmacy dispensary company Yakuju. As part of the tie-up, Medipal Holdings will acquire a 20% stake in Yakuju, which operates 150 dispensing pharmacies in the Metropolitan Tokyo area. The two companies aim to jointly expand the automatic ordering system for drug stores developed by the two companies and introduced at Yakuju outlets since February.
Jenoptik seeks international metrology, laser optics and life science/healthcare buys (Source: Mergermarket)	Jenoptik (ETR:JEN) the Jena, Germany-based supplier of lasers, optical sensors and other products to the defense, medical, semiconductor and automotive industries, is seeking international metrology, laser optics and life science/healthcare buys, said CEO Michael Mertin. The company, with a market cap of EUR 702.3m (USD 962m) and annual revenues of EUR 575m (USD 787.6m), wants to bulk up its metrology and laser optics presence in the automotive as well as life sciences and healthcare spaces.
Yaoyaohao.com plans to raise USD 50m within two months (Source: Beijing News)	Yaoyaohao.com [Yao Yao Hao], the online pharmaceutical products retail platform of Shanghai Pharmaceuticals [Shang Hai Yi Yao], is expecting to raise USD 50m within two months, the Chinese-language Beijing News reported, citing President Wang Haiping. The report cited Wang as saying that the company has reached a preliminary agreement with several venture capital investors.
PKU Healthcare in talks to buy Shenzhen ET Medical Technology 100% stake	PKU Healthcare [Bei Da Yi Yao; SZ: 000788], a listed China-based pharmaceutical company, said in a stock exchange announcement that it is in talks to buy the 100% stake in Shenzhen ET Medical Technology [Yi Ti Yi Liao Ke Ji] through a share issuance. Shenzhen ET Medical Technology is a Chinese medical equipment researcher and maker, the Chinese-language announcement noted.

Alliance Pharma to tap Chinese healthcare market via transformational buy (Source: Mergermarket)	Alliance Pharma [LON:APH] is looking for a strong foothold in China through a transformational acquisition, Executive Director International Tony Booley said. He declined to say how much the management would spend on any buy, but noted that the AIM-listed GBP 83.2m market cap company can access a revolving credit facility or raise money from the stock exchange.
Heart assist devices could see near-term M&A (Source: Mergermarket)	Several circulatory and ventricular assist device (VAD) companies could be targeted as large device companies seek to increase revenue, bankers and analysts said. Over the past few years, device companies have struggled to bolster their topline and may see the VAD/mechanical assist space as an attractive area to acquire new growth, an industry analyst said. The heart failure device space is a USD 3bn market and growing quickly. Assist technologies could fit nicely within many large player's cardiac rhythm management units, he said. Thoratec (NASDAQ:THOR), HeartWare International (NASDAQ: HTWR), Sunshine Heart (NASDAQ:SSH) and Abiomed (NASDAQ: ABMD) could be attractive near-term targets for companies, including Medtronic, St Jude Medical, and Boston Scientific, according to analysts and bankers.
Zhongyuan Union Stem Cell Bioengineering will bid for stake in Union Stem Cell (Source: Shanghai Stock Exchange)	Zhongyuan Union Stem Cell Bioengineering [Zhong Yuan Xie He; SH: 600645], a China based company engaged in the stem cell inspection and storage business, intends to bid for the 33% stake in Union Stem Cell & Gene Engineering (USCGEN) that is on the block, according to a stock exchange announcement. As reported, a 33% stake in Union Stem Cell & Gene Engineering has been put up on the Tianjin Property Rights Exchange by the vendor, the Institute of Hematology & Blood Diseases Hospital within the Chinese Academy of Medical Sciences (CAMS). The initial bidding price is CNY 125.981m (USD 20.22m) China-based USCGEN is engaged in the development, production and sale of stem-cell engineering products. It has a registered capital of CNY 100m. The company's total assets were valued at CNY 382m, as of 30 June 2013.
Shanghai Runda Medical Technology files CNY 582m Shenzhen IPO application with CSRC (Source: CSRC)	Shanghai Runda Medical Technology [Shang Hai Run Da Yi Liao Ke Ji], a privately held medical equipment maker, has filed its Shanghai IPO application with the China Securities Regulatory Commission (CSRC). Sinolink Securities has been hired as the sponsor/lead underwriter. According to the company filing on the CSRC website on 21 May, it plans to sell up to 23.6m shares or no less than a 25% stake via the initial public offering, with the aim of raising CNY 581.92m (USD 93.26m). The proceeds will be used to fund the medical equipment development and production as well as replenish the working capital of the company.
Wellness Centers seeks commercialization partners for Psoria-Light device (Source: Mergermarket)	Wellness Center USA (OTCQB:WCUI), the Schaumburg, Illinois-based alternative healthcare sales company, is seeking licensing or distribution partners, or both, for its Psoria-Light medical device, said Chairman and CEO Andrew Kandalepas. Psoria-Light has been FDA-cleared and CE-marked for sale in the US and Europe. Wellness Center, which has a market cap of approximately USD 20m, is looking for domestic or international commercialization partners, or both, for the device, which delivers targeted UV phototherapy for the treatment of certain skin disorders, including psoriasis, eczema and vitiligo.
Citic Private Equity mulling options regarding investment in Biosensors International Group (Source: SGX)	Citic Private Equity, a unit of Beijing-based investment group Citic, is still considering options to enhance the value of its investment in Biosensors International Group, a Singapore-listed maker of medical devices, according to a stock exchange announcement. The options include restructuring its shareholding interests in the company, it said.

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Bioserve Biotechnologies (India) acquired by US' Cancer Genetics (Source: Cancer Genetics, Inc.)	Cancer Genetics, Inc. (Nasdaq: CGIX) ("CGI" or the "Company"), a DNA-based diagnostics company focused on developing genomic-based oncology tests and services, today reported financial results for the first quarter ended 31 March 2014, and announced an agreement to acquire BioServe Biotechnologies (India) Pvt. Ltd. for approximately USD 1.9m primarily in CGIX stock and other deferred consideration.
PW Medtech to acquire Beijing Tianxinfu Medical Appliance for CNY 802.6m (Source: SEHK)	PW Medtech, a Beijing-based medical equipment maker, announced that it has signed an agreement to acquire Beijing Tianxinfu Medical Appliance Co., Ltd. for CNY 802.6m (USD 128.7m). Beijing Tianxinfu Medical Appliance Co., Ltd. is a high-tech enterprise integrating research, development, production and sales service together. Its main products include regenerative medical biomaterials and orthopedic implant products. It has been granted the High-Tech Enterprise Certificate jointly by several government authorities of Beijing in October 2012. It owns a total of 11 patents and has obtained 7 registration certificates for Class III medical devices. It is also in the process of developing and applying for patents for a number of new products. It has an extensive nationwide distribution network with over 150 distributors covering the major provinces in the PRC. Such distribution network is managed and supported by the inhouse marketing and sales team of 39 members. Beijing Tianxinfu Medical Appliance also owns the right to use the land of its production base in Beijing with a gross floor area of approximately 6,400 square metres.
Sogo Medical to increase number of pharmacy outlets through new store openings (Source: Nikkei Sangyo Shimbun)	Sogo Medical, the listed Japan-based dispensing pharmacies operator, will use new store openings and M&A to increase by 85 the number of pharmacies it operates by March 2015, the Nikkei Sangyo Shimbun reported. The Japanese-language report, which did not cite sources, disclosed that Sogo Medical plans to increase the number of pharmacies it operates by opening new outlets and acquiring existing shops via M&A, in order to provide local drug services in response to scheduled openings of new clinics by young doctors. While the cost of drugs is decreasing, the purchase price of drugs is rising due to the increase in the consumer tax, and Sogo Medical is aiming to supplement reductions in earnings by increasing the number of shops it operates. By the end of March 2015, the company plans to add 85 outlets to bring the total number of shops it operates to 578. Of that number, the company will open 59 new outlets, 31% more than it opened in the previous year. The remaining 26 will be obtained through M&A, the report said. In addition to expanding in its base area of Kyushu, the company is working quickly to open shops in the Metropolitan Tokyo and Tohoku areas, the report said. Sogo Medical has a market capitalization of JPY 31.371bn (USD 310m).
Manipal Health Enterprises seeks to acquire control of Balabhai Nanavati Hospital (Source: The Times of India)	India-based Manipal Health Enterprises is seeking to acquire control of Balabhai Nanavati Hospital based in Mumbai, reported The Times of India, citing undisclosed sources. Manipal Health Enterprises intends to acquire Balabhai Nanavati Hospital's management rights for more than INR 4bn (USD 68.5m), which will cover the working capital, existing debt and planned expansion of the latter as well as a voluntary scheme of retirement for some employees of Nanavati Hospital
Jiangxi Sanxin Medtec resubmits ChiNext IPO application with CSRC (Source: CSRC)	Jiangxi Sanxin Medtec [San Xin Yi Liao], a privately held disposable medical devices maker, has resubmitted its ChiNext IPO application with the China Securities Regulatory Commission (CSRC)
Shanghai Tofflon Science and Technology plans to invest CNY 500m	Shanghai Tofflon Science and Technology (Tofflon) (Dong Fu Long) [300171.SZ], a Shanghai, China-based listed pharmaceutical freeze dryer maker and seller, plans to invest CNY 500m

to expedite M&As in medical equipment sector (Source: DZH News)	(USD 80m) to expedite its merger and acquisitions mainly in medical equipment sector, the Chinese DZH News reported today (19 May).
Asahi Kasei seeking medical device targets to expand healthcare business (Source: Mergermarket)	Asahi Kasei, a listed Tokyo, Japan-based chemical manufacturer, continues to seek medical device targets to expand its bio process and therapeutic apheresis business, following its acquisition of Zoll Medical, Representative Director Hideki Kobori said.
Terumo seeks US acquisition targets in cardiac and vascular segment (Source: Mergermarket)	Terumo, a listed Tokyo, Japan-based medical equipment manufacturer, is continuing to actively seek US-based medical equipment targets to shore up its US cardiac and vascular businesses, Senior Executive Officer Shoji Hatano told this news service. The JPY 777bn (USD 7.62bn)-market cap company is currently searching for targets with the help of financial advisors, President Yutaro Shintaku said. Terumo is interested in a peripheral area where the target manufactures PTA balloon and wire products, he added. Terumo is looking to accelerate expansion through acquiring companies with desirable technologies, as it has done in the past, Hatano noted. The company plans to spend between JPY 20bn and JPY 50bn on a target but could spend up to JPY 100bn, Hatano added.
Vasan Healthcare in process of raising fresh investment of USD 50m from existing investors (Source: The Times of India)	Vasan Healthcare, the India-based dental and eye care hospitals operator, is in the process of raising fresh investment of USD 50m from existing investors WestBridge Capital, Government of Singapore Investment Corporation and Sequoia Capital. This was reported by The Times of India, which cited undisclosed sources as saying that the fresh investment values Vasan Healthcare at more than USD 600m overall. The company is raising the money via a rights offer in which AM Arun, its principal shareholder, will also take part.
Ciputra and Singapore Medical Group to form joint venture for Indonesian clinics and hospitals (Source: Bisnis Indonesia)	Indonesian real estate company, Ciputra Development, will form a joint venture with Singapore Medical Group (SMG) for Indonesian clinics and hospitals, the Indonesian-language newspaper Bisnis Indonesia reported. The report cited Ciputra Development director Tulus Santoso as saying that Ciputra will hold a 60% stake in the new company, while SMG will own 40%. The first project of the partnership will be an eye clinic in Ciputra's integrated real estate area Ciputra World I. Ciputra is ready to invest IDR 50bn (USD 4.3m). The company is also planning to construct 10 new hospitals with an investment of IDR 250bn (USD 21.6m) each, the report added, citing Santoso.
Healthscope's Asian suitors competing hard against HCA Holdings (Source: Australian Financial Review)	Asian suitors are understood to be competing hard in the sale process for Healthscope, the ASX-listed hospital operator, the Australian Financial Review reported. According to the unsourced report in the paper's Street Talk column, US-based HCA Holdings was last week speculated to have pulled ahead in the race by submitting an AUD 5bn (USD 4.67bn) offer. However, the report claimed that both China's Fosun and Malaysia's IHH are anticipated to present competitive offers in the upcoming two weeks. The item noted that IHH is considering a bid in partnership with its real estate subsidiary, Parkway Life REIT, which has been interested in Healthscope's AUD 1.2bn hospital property portfolio. IHH owns 36% of Parkway. The report noted that Healthscope's owners, TPG and Carlyle, are running a dual-track sales process and are expected to decide whether to list or sell the business by the end of the month. The owners are also considering a separate sale of Healthscope's property portfolio. The item noted that the real estate portfolio is likely to be sold to institutions should the float proceed. The article said that the owners have not yet decided on the real estate, which could still be included in the IPO, or a trade sale. The report noted that, in addition to Parkway, four other groups have been shortlisted for the

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	property, including GPT Group, Ventas REIT, Vital Healthcare REIT, and an unidentified fourth group. The item noted that Lend Lease is no longer involved.
Healtheon in talks to acquire targets in Australia and Southeast Asia (Source: Mergermarket)	Healtheon Investments, the Singapore-based, healthcare investment company, is in talks to acquire several targets in Australia and Southeast Asia, Managing Director Joe Corrigan said. In total, the firm is eyeing about 30 targets across these regions. However, it is looking to close one or two deals in Australia this year.
Mankind Pharma seeks buys of companies with molecules close to patent expiry (Source: Mergermarket)	Mankind Pharma, a Delhi, India-based company, is interested in acquiring small and midsize firms as well as brands, according to Marketing Director Sheetal Arora, who holds equity in the company and participates in the overall growth strategy. The pharmaceutical company is among the top 10 Indian firms that have so far grown largely organically. It would now like to look at acquisitions as a strategy for growth.
Chengdu Kanghong Pharmaceutical files CNY 953m Shenzhen IPO application with CSRC (Source: CSRC)	Chengdu Kanghong Pharmaceutical (Kang Hong Yao Ye), a privately held, Sichuan-based pharmaceutical company, is expecting to raise CNY 953m (USD 152.8m) via an initial public offering (IPO) on the Shenzhen Stock Exchange. BOC International has been hired as the sponsor/lead underwriter.
Dr. Datsons Labs worth INR 3.5bn after Mires pre-acquisition valuation (Source: Bombay Stock Exchange)）	Dr. Datsons Labs informed the Bombay Stock Exchange on 19 May 2014 that Mires ("Proposed Acquirer"), the Netherlands-based company, has completed a valuation of the two plants of the Company (Dr. Datsons Labs) situated at Mahad and Pune. The total fair valuation of the Company stood at INR 3.5bn (USD 59.7m), out of which valuation the fixed assets of the Company stood at INR 2.7bn.
China Resources Double-crane in talks over buys (Source: China Securities Journal)	China Resources Double-crane [Hua Run Shuang He, 600062.SH], a listed Beijing-based pharmaceutical company, is in talks with several potential targets of acquisition and is expected to speed up its pace of acquisition within 2014, the Chinese-language China Securities Journal reported on 21 May. The report cited an unidentified senior executive at China Resources Double-Crane, who said the company has reserved funds for business expansion via external M&As and the targets of acquisition will be those companies that match its current products. The source added that the company will strive to avoid buying biopharmaceutical or cancer treatment drug makers in the future. China Resources Double-Crane's major products include infusion fluid and preparation products as well as cardiovascular and diabetes products, the paper added. As reported, the company has a market cap of CNY 11.131bn (USD 1.788bn).
PlantForm seeks USD 10m IPO and USD 10m Series A to fund Herceptin biosimilar (Source: Mergermarket)	Canadian biopharma PlantForm is looking to conduct a USD 10m IPO on London's AIM or the Toronto Venture Exchange around 1Q15, CEO Donald Stewart said. Discussions are ongoing with both bourses, he said on the sidelines of this week's BioTrinity conference in London. PlantForm hopes the IPO will run besides an ongoing USD 10m Series A equity round to fund the development of a preclinical biosimilar of Roche/Genentech's(VTX:ROG) breast cancer antibody trastuzumab (Herceptin), to the end of Phase I, he said.
Rundu Pharma resubmits Shenzhen IPO application with CSRC, aims to raise CNY 345.6m (Source: CSRC)	Rundu Pharma [Run Du Zhi Yao], a Zhuhai, Guangdong-based, privately held pharmaceutical company, has resubmitted its Shenzhen IPO application with the China Securities Regulatory Commission (CSRC); JP Morgan First Capital Securities has been hired as the sponsor/lead underwriter. According to the company filing on the CSRC website tonight (20 May), it plans to sell up to 25m shares, with the aim of raising CNY 345.6m (USD 55.4m). The proceeds will be used to fund production, marketing and the technical center construction.

Kwang Dong and Ahn-Gook Pharmaceutical confirm interest in buying Dream Pharma; JW Pharmaceutical not bidding for Dream Pharma (Source: Korea Exchange; Korea Economic Daily)	South Korean Kwang Dong Pharmaceutical and Ahn-Gook Pharmaceutical have confirmed that they are interested in buying Dream Pharma, the business division of Hanwha Chemical, according to statements to the stock exchange. In a stock exchange statement on 20 May, Kwang Dong Pharmaceutical said it has been in talks with a company that have submitted a letter of intent in the sale regarding establishment of a consortium for joint bid. In a disclosure to the stock exchange on 20 May, the listed South Korean pharmaceutical company JW Pharmaceutical said that it would not participate in the binding bid for Dream Pharma. It submitted a letter of intent to acquire the peer on 28 April, said the company.
Invion seeks partner or buyer for lupus asset to focus on core respiratory pipeline (Source: Mergermarket)	Invion [ASX:IVX], an Australian clinical-stage pharmaceutical drug developer, is actively seeking a partner or buyer for its INV103 systemic lupus erythematosus (SLE) drug, so that it can focus on strategic development of its core respiratory pipeline, said Chief Executive Officer Greg Collier. Invion wants to secure a deal by the end of 2014 after final data of its Phase II trial for INV103 is available, he said. The company has spent the past six months having conversations with potential partners, some of which are looking at existing data under confidentiality agreements.
Takeda Pharma content to sit out consolidation (Source: WSJ)	Takeda Pharma is not planning to take part in any pharmaceutical sector consolidation, according to Francois-Xavier Roger, chief financial officer. The Wall Street Journal reported that Roger said the Japan-based listed drugs group is content to remain on the sidelines and will concentrate on integrating its existing acquisitions.
Sido Muncul to acquire Berlico Mulia Farma for around IDR 150bn (USD 13.2m) at the end of May (Source: Investor Daily (Indonesia))	Sido Muncul, the listed Indonesian traditional health drinks company, is planning to acquire Berlico Mulia Farma, an Indonesian pharmaceutical company, for around IDR 150bn (USD 13.2m), Investor Daily reported. The Indonesian report, which cited Sido Muncul CEO Irwan Hidayat, noted that the company will acquire Berlico using its internal cash, which stood at IDR 1.36tn at the end of March 2014. The company expects to complete the acquisition of Berlico by the end of the month, Hidayat added.
Kangmei Pharmaceutical board approves CNY 6bn capital raise via preferred share issue (Source: CSRC)	Kangmei Pharmaceutical [Kang Mei Yao Ye, 600518.SH], a listed Guangdong-based pharmaceutical company, said in a stock exchange announcement dated 17 May that its board meeting has approved to raise up to CNY 6bn (USD 962.4m) via an issuance of preferred shares. The company plans to sell up to 60m preferred shares, each having a nominal value of CNY 100. The shares will be subscribed by no more than 200 investors and the interest over the shares will be paid annually. Out of the total proceeds, CNY 2bn will be used to repay short-term financing bills, CNY 2bn to repay bank loans and the remaining amount will be used to replenish the operating capital of the listed company. The proposal for the preferred shares issue is pending approvals from its shareholders' meeting and the China Securities Regulatory Commission (CSRC).
OctreoPharm initiates EUR 24m financing plan to launch radiopharmaceutical theranostics, seeks China partner (Source: Mergermarket)	Privately owned German radiopharmaceuticals specialist OctreoPharm Sciences, is in talks to raise EUR 17m-19m, Managing Director Hakim Bouterfa said. Between EUR 3m-5m has been already committed by existing investors, and the company is in talks with both US and EU venture capital (VC) funds to commit the remaining amount, Bouterfa said. Two unnamed VCs are currently doing due diligence and a few more investors are sought to form a consortium, he explained. The financing round is expected to close by late summer 2014, he added. OctreoPharm, which is located in the Biomedical Research Campus in Berlin, is developing both diagnostic and therapeutic tools - known as theranostics - using radiopharmaceuticals.

Jiva Ayurveda seeks to raise maximum of INR 800m via private-equity route by 2015 (Source: VCCircle)	Jiva Ayurveda, an India-based provider of ayurvedic remedies, is seeking to raise a maximum of INR 800m (USD 13.5m) via the private-equity route by 2015, reported VCCircle. The report cited Madhusudan Chauhan, a director of Jiva Ayurveda. According to the article, Jiva Ayurveda is also seeking to get investors from the private-equity space for building its brand and expanding its distribution set-up. Jiva Ayurveda offers remedies for chronic ailments such as joint pain, diabetes, stomach problems, mental disorders, infertility and skin and liver diseases.
Kalbe Farma readies IDR 500bn to acquire health foods producer (Source: Investor Daily (Indonesia))	Kalbe Farma, the listed Indonesian pharmaceutical company, has readied IDR 500bn (USD 43.8m) for acquiring a health foods producing company, reported the Indonesian-language newspaper Investor Daily. The report, which cited Kalbe Farma director, Vidjongtius, noted that the company has received an offer to acquire an unspecified health foods producer based in the ASEAN region. The company's ASEAN expansion plans include, forming joint ventures and acquisitions, the report added, citing Vidjongtius. The report noted that the company is also planning an IDR 240bn investment to enter the ASEAN and African markets by establishing distribution, infrastructure, and marketing networks, the report concluded citing Vidjongtius.
Hao Wen Holdings signs MoU to acquire medical products business in China (Source: SEHK)	Hao Wen Holdings, the Hong Kong-listed pharmaceutical products manufacturer, announced that it has signed a non-legally binding memorandum of understanding for the possible acquisition of a 51% stake in a company. The target company is principally engaged in research and development, manufacturing and selling of medical products in China.
Horizon seeks small acquisitions in US, Asia and UK (Source: Mergermarket)	Horizon Discovery (LSE: HZD) is opportunistically seeking small complementary acquisitions to expand its offering and grow its footprint in North America, Asia and the UK.
Jesam Biozam seeks investors to raise USD 5m (Source: Mergermarket)	Jesam Biozam, a privately held South Korean pharmaceutical trading and distribution company, wants to attract investors to raise USD 5m in exchange for a 35% stake in the business, CEO Simon Sung Moon Oh said. The proceeds would be earmarked to fund further developments of its health-functional foods unit, mainly its facilities and equipment, as well as its pharmaceutical R&D drive in the next three years.
Henan Jinbaokang Medicine Services 100% stake to be auctioned by Nanjing Pharmaceutical for USD 5.4m (Source: Shanghai Stock Exchange)	Nanjing Pharmaceutical [Nan Jing Yi Yao, 600713.SH], a China-based, listed pharmaceutical company, plans to put a 100% stake in Henan Jinbaokang Medicine Services [Jin Bao Kang Yao Shi Fu Wu] on the block for CNY 33.7m (USD 5.4m), according to a stock exchange announcement.
Ribo Life Sciences initiates USD 15-20m fundraise, will explore siRNA applications in new sectors (Source: Mergermarket)	Kunshan City, China based Ribo Life Sciences Company [Rui Bo Shengwu Jishu Youxian] is looking to initiate a USD 15-20m financing round, Chairman Zicai Liang said. It expects to close the round within the next four months. Ribo Life, which is among the few companies in China focused on developing small-interfering RNA (siRNA) molecules, has already begun a roadshow with both western and Chinese investors. The Chairman holds a 40% majority stake in Ribo Life Sciences while another seven investors retain the remainder in undisclosed proportions. The investment, which will be in exchange for a minority stake in the company, will be used to propel the company's specialization and development of nucleic acid drugs and RNA interference (RNAi) technology on a wider scale.

Zhejiang Huatong Medicines files CNY 229.3m Shenzhen IPO application with CSRC (Source: CSRC)	Zhejiang Huatong Medicines [Hua Tong Yi Yao], a privately held pharmaceutical production and sales company, has filed its Shenzhen IPO application with the China Securities Regulatory Commission (CSRC). The proceeds from the fundraising are expected to reach around CNY 229.3m (USD 37m) and will be used to fund three projects covering logistics construction, chain stores expansion and wholesale business expansion.
Centaur Pharmaceuticals' private equity investor exits as founder buys back in (Source: Mergermarket)	Centaur Pharmaceuticals' private equity backer SIDBI Venture Capital has exited the investment through a founder buyback of shares, said a company source and another source. The private equity investor sold its 23% stake in the Mumbai, India-based pharmaceuticals company at an exit multiple of over 3x, said the first source. SIDBI Venture Capital had invested INR 300m (USD 5m) in May 2008. Centaur is now fully owned by the founding family, he added.
Chiesi Pharmaceutical (Shanghai) to strengthen neonatal, respiratory and special care portfolio in China (Source: Mergermarket)	Chiesi Pharmaceutical (Shanghai), the China-based subsidiary of private, family-owned Italian drug developer Chiesi Farmaceutici, is looking to strengthen sales in China by acquiring or in-licensing drug candidates, Chris Zheng, Senior Business Development Manager for China said. Such transactions would be focused in its core, niche therapeutic areas, he added. The company's expertise lies in respiratory, neonatology and special care for use in hospitals.
Gland Celsus Bio Chemicals' proposed 24.9% holding purchase by KKR cleared by Indian cabinet (Source: VCCircle)	The proposed acquisition of a 24.9% holding in the India-based Gland Celsus Bio Chemicals by KKR, the private-equity player, was cleared by the Indian cabinet, yesterday, Tuesday. This was reported by VCCircle, citing from a government announcement. The Gland Celsus Bio Chemicals stake will be acquired by KKR with a USD 39.8m (INR 2.4bn) investment, the report noted. KKR, Gland Celsus and Gland Pharma, Gland Celsus' parent company, had inked share-purchase pacts on 27 November 2013, the article noted.
Sun Pharma petitions Supreme Court against order of Andhra Pradesh High Court on proposed merger of Ranbaxy Laboratories with company (Source: Financial Express)	Sun Pharma petitioned the Indian Supreme Court yesterday, Wednesday, against an earlier status-quo order of the Andhra Pradesh High Court on a proposed merger of the India-based Ranbaxy Laboratories with the company. This was reported by the Financial Express, citing from Sun Pharma's petition, wherein it requested the apex court to vacate the high court's order. In the petition, Sun Pharma said any impediment to the proposed merger would harm both its as well as Ranbaxy's shareholders, and that the insider-trading allegation against it was based merely on surmises, assumptions and conjectures, the newspaper reported. Sun Pharma also raised a question on the Andhra Pradesh High Court's jurisdiction in the matter, and added that the Securities and Exchange Board of India can investigate insider-trading allegations independently even after approval of the proposed merger's scheme of arrangement.
BioPlus Life Sciences in discussions to find new investor as AIF Capital looks to exit (Source: Mergermarket)	BioPlus Life Sciences, an Indian pharmaceuticals, nutritional products and specialty chemicals company, is in discussions with both strategic and financial investors as current investor AIF Capital looks to exit, chairman Sundeep Aurora said. Hong Kong-based AIF Capital acquired a 12% stake in BioPlus in 2008, investing USD 31m in convertible preference shares. According to Aurora, AIF Capital now holds a 20% stake, while the remaining 80% stake is owned by the Aurora family.
Lupin on the lookout for potential buys in India in specialty drug segments, including injectibles manufacturing, oncology (Source: Mint)	Lupin, the India-based pharmaceutical company, has been on the lookout for potential buys in India in the specialty drug segments, including injectibles manufacturing and oncology, reported the mint. The newspaper cited Nilesh Gupta, managing director, Lupin. The company may also still look to grow inorganically overseas, particularly in Brazil, the paper cited Gupta as saying. Lupin intends to restructure its business in India, and the plan will include divesting or dropping a few non-core brands, and addition of a few critical

	drugs, including those for cancer, via acquisitions as well as other channels, the newspaper reported.
Beijing Fogangren BioPharm seeks up to USD 10m to expand operations and enter biosimilar space (Source: Mergermarket)	Privately-owned, China-based Beijing Fogangren BioPharm Tech [Fu Kang Ren] is in talks with European and US investors to raise up to USD 10m, Chief Executive Officer Jinjing Wang told this news service. The USD 8m-turnover company is currently within the top five private drug development players in China and is looking to build its own manufacturing plant and increase its commercialisation prowess. The company's activities include pre-clinical research and active pharmaceutical ingredients (API) R&D and manufacture; the development of modified release dosage forms, micro-emulsions for injection and oral dispersible films; and the clinical development and commercialisation of drug products in China.
Shanghai Shyndec Pharmaceutical to raise up to CNY 1.51bn via non-public offering (Source: Shanghai Stock Exchange)	Shanghai Shyndec Pharmaceutical (Xian Dai Zhi Yao) [600420.SH], a China-based pharmaceutical company, said in a stock exchange announcement that its board has approved a non-public offering of up to CNY 1.51bn (USD 242m). The listed company plans to issue 103,283,173 new shares at CNY 14.62 per share to four investors. China National Pharmaceutical Group (Sinopharm) (Guo Yao Ji Tuan), China State Institute of Pharmaceutical Industry (Zhong Guo Yi Yao Yan Jiu Zong Yuan), Shanghai Pudong Science and Technology Investment (Pu Dong Ke Tou) and Caitong Fund Management (Cai Tong Ji Jin) will subscribe to 6,839,945 shares, 4,103,967 shares, 64,979,480 shares and 27,359,781 shares with cash of CNY 100m, CNY 60m, CNY 950m and CNY 400m, respectively.
Samsung Pharmaceutical Industry's largest shareholder considers to sell stake or other measures to raise money (Source: Korea Exchange)	Samsung Pharmaceutical Industry, the listed Korean medicine maker, announced yesterday, that the largest shareholder of the company has been considering selling his stake or other measures to raise money. In a stock exchange statement issued as a reply to a request of the stock exchange to response a recent share price fluctuation, Samsung Pharmaceutical said it is also considering corporation bonds issue and rights issue. A South Korean private individual, Won-kyu Kim, and related parties have a combined 27.92% stake in the company. Samsung Pharmaceutical Industry has a market cap of KRW 38.7bn (USD 37.7m).
CCB International Medical Industry Equity to sell 17.77% stake in Yunnan Liangfang Pharmaceutical (Source: Chongqing United Assets and Equity Exchange)	CCB International Medical Industry Equity, a China-based equity investment fund focused on the medical and health industries, has put its 17.77% stake in Yunnan Liangfang Pharmaceutical up for sale from 12 May to 9 June. The initial bidding price is CNY 92.45m (USD 14.821m).
Provectus to sign China and India oncology outlicensing deals by July; eyes future sale (Source: Mergermarket)	Provectus Biopharmaceuticals (OTCMKTS:PVCT) plans to sign two outlicensing deals by July for India and China marketing rights of its Phase II oncology compound PV-10 (rose bengal), according to Chief Financial Officer Peter Culpepper. The company hopes the deals--along with anticipated US FDA breakthrough therapy designation; data in other indications; and further development on its dermatology compound PH-10 (rose bengal)--will lead to an eventual trade sale.

QUADRIA CAPITAL

Mallinckrodt to bolster specialty product portfolio in Asia through acquisitions (Source: Mergermarket)	Mallinckrodt [NYSE:MNK], the Dublin-based, New York-listed specialty pharma and diagnostic imaging group, is looking for targets in Asia to enhance its specialty portfolio, Vice President Asia & General Manager China Grace Xu said. The company which completed the acquisition of US-based Questcor Pharmaceuticals for USD 5.6bn at the beginning of April, has a strong specialty portfolio in the US and Europe. Mallinckrodt now needs to increase its specialty portfolio in Asia by acquiring local targets, Xu said.
Hangzhou Xinfu Pharma resumes acquisitions of Yifan Bio-Pharma and Yifan Pharma with new deal terms (Source: Shenzhen Stock Exchange)	Zhejiang Hangzhou Xinfu Pharmaceutical [Xin Fu Yao Ye, 002019.SZ] has decided to proceed with acquisitions of Hefei Yifan Bio-Pharm and Hefei Yifan Pharmaceutical after the proposed deals were rejected by the China Securities Regulatory Commission.
Cipla to acquire 14.6% stake in Chase Pharmaceuticals for up to USD 6m (Source: Bombay Stock Exchange)	Cipla Ltd has informed the BSE that Cipla (EU) Limited, UK, ("Cipla") a wholly owned subsidiary of the Company, has signed a definitive agreement to invest USD 1.5 million in Chase Pharmaceuticals Corporation Inc, US ("Chase") to acquire 14.6% stake in Chase on a fully diluted basis. Cipla will make an additional USD 4.5m investment in Chase upon achievement of certain milestones. Chase is an early stage drug development Company developing novel approaches to improve treatments for Alzheimer's disease.