

HEALTHCARE SECTOR BULLETIN



Issue 8: July 2014

HEALTHCARE TRENDS & IMPACT STORIES

Country: Southeast Asia
Headline: **Why SE Asia Is Ripe For Healthcare Investors**
Summary: Southeast Asia's huge population, widespread health issues, low insurance rates and a lack of universal healthcare mean a wealth of opportunity for investors. The article features an interview with Quadria Capital's Amit Varma, through which he shares his views and insights on the Southeast Asian healthcare industry.
Link: <http://www.privcap.com/southeast-asia-healthcare/>

Country: Global
Headline: **Making money and a world of difference**
Summary: The term "impact investing" did not exist a decade ago. But asset managers speak of it more and more, though they might refer to it as socially responsible investing or even green investing. The approach combines a social purpose with a desire for decent returns. Investing in healthcare in a disadvantaged community could be called impact investing if you make a return.

In a developing economy, there are investment opportunities that, as an end goal, produce competitive returns but at the same time address economic and social upliftment. Previously, it might have been referred to as development finance, but now many institutional investors are considering this approach. Research by the Forum for Sustainable and Responsible Investment finds that from 1995 to 2012, sustainable and responsible investing grew at a compound annual rate of 11% — 1.24 percentage points faster than all professionally managed investment assets in the US.

Overall, the socially responsible investment universe has increased 486% over that time, while the broader universe of assets under professional management in the US, according to estimates from Thomson Reuters Nelson, has grown 376%, from \$7-trillion in 1995 to \$33.3-trillion in 2012.

Link: <http://www.bdlive.co.za/business/2014/07/16/making-money-and-a-world-of-difference>

Country: India
Headline: **Hospitals make a killing on medical devices like stents, implants**
Summary: The cost of medical devices like stents and pacemakers is enough to give anyone a heart attack. TOI found that patients were being forced to pay double or even triple the price for medical devices at hospitals. As most of these are not available in the open market, patients can't check prices and are held hostage by hospitals, which force them to buy at the price they quote. Sources in the healthcare sector told TOI that in several hospitals, the margins on devices — ranging from stents, implants and pacemakers to artificial joints, titanium plates for fractures, and valves — could add up to as much as 30% of their profits. Hundreds of such devices are used in a hospital every day. Of course, it is the patient who pays for these handsome margins.

Adding to the margin on devices is the profit hospitals make billing patients for medicines using the same principle of buying cheap in bulk and selling at a much higher price to the patient. In fact, devices, medicines and diagnostics could account for as much as 70% of a hospital's profit. Some very reputed doctors confirmed to TOI that this was the case, but asked not to be named.

Link: <http://timesofindia.indiatimes.com/india/Hospitals-make-a-killing-on-medical-devices-like-stents-implants/articleshow/38278918.cms>

HEALTHCARE SECTOR NOTABLE TRANSACTIONS

Country: Indonesia
Headline: ***Sido Muncul to acquire two pharma companies for a combined IDR 350bn***
Summary: Sido Muncul, the listed Indonesian health drinks producer, will acquire two local pharmaceutical companies for a combined IDR 350bn (USD 30m), reported the Indonesian-language newspaper Investor Daily. The report, which cited Sido Muncul CEO Irwan Hidayat, noted that the company will acquire drug maker Berlico Mulia Farma, and an unnamed Java-based herbal medicine producer.

The company is expecting to close the IDR 150bn acquisition of Berlico sometime in October this year, Hidayat added in the report. Hidayat also said in the report that the company expects to spend up to IDR 200bn for the herbal medicine company acquisition this year. The company is also planning to make more acquisition of similar companies in the coming years, Hidayat concluded without elaborating.

Links: [Mergermarket](#)

Country: Vietnam, Myanmar
Headline: ***Vietnamese drugmaker eyes expansion***
Summary: DHG Pharmaceutical, Vietnam's largest drugmaker by market value, plans to boost sales of health supplements, ramp up exports and expand into Myanmar as the industry faces tighter domestic controls on antibiotics. DHG wants to raise health supplement sales to 15 per cent of revenue within the next five years from 8 per cent now, chief executive officer Pham Thi Viet Nga said. The company expects exports to climb 25 per cent annually for the next five years. In Myanmar, DHG is in talks with a local company on a joint venture in which it may invest as much as 91 billion dong to make pharmaceutical products similar to those it sells in Vietnam.

DHG's moves come as the Vietnamese government clamps down on the sale of prescription drugs sold over the counter, passing a decree with more controls that took effect on Dec 31. In Vietnam, access to medication is relatively unrestricted while the government attempts to address insufficient regulation of antibiotic use. Some 78 per cent of antibiotics in Vietnam are sold from private drug stores without prescription, according to an FPT Securities report in January. DHG generated 41 per cent of its sales from antibiotics last year. It also sells painkillers, nutritional, respiratory, digestive, cardiovascular and skin-care products.

Links: [The Business Times Singapore](#)

TRANSACTION NEWS

Date	Headlines	Summary
21-Jul	<i>Kalbe Farma expects to make an acquisition before year-end; targets 15% YoY revenues increase for FY14 (Source: Kontan)</i>	Kalbe Farma, the listed Indonesian pharmaceutical company, is expecting to complete an acquisition of a health foods and drinks company by the end of the year, the Indonesian-language newspaper Kontan reported. The report, which cited Kalbe Farma director Vidjongtius, noted that the company is looking up to 10 possible targets. The company has allocated IDR 500bn (USD 43m) for its acquisition plans this year, Vidjongtius added. The report also noted, citing Vidjongtius, that the company aims to book revenues of IDR 18.4tn (USD 1.6bn) for FY14, an increase of 15% YoY.
21-Jul	<i>Bafna Pharmaceuticals sells majority stake in branded generic business to Strides Arcolab (Source: BSE)</i>	The following announcement was posted to the BSE today, 21 July: Bafna Pharmaceuticals Limited (“Bafna”) today announced that it has entered into a definitive agreement for the sale of majority stake in its India Branded Generics Business to Strides Arcolab Limited (“Strides”). India Branded Generics Business of Bafna is engaged in sales and marketing of branded pharmaceuticals products in niche therapeutic segments of Haematinic, Women healthcare, Pediatric care in India and includes the flagship brand ‘Raricap’ and 7 other brands. The Business has presence in 17 states in India with a field force of about 400 people and had revenue of INR 246 million (USD 4.08m) for the financial year ended March 31, 2014.
21-Jul	<i>Skanray Technologies buys CEI-Italy (Source: The Times of India)</i>	Skanray Technologies, the India-based medical-equipment company, has bought CEI-Italy (Compagnia Elettronica Italiana), an x-ray tube manufacturer, reported The Times of India on Saturday. The newspaper cited Vishwaprasad Alva, the founder of Skanray. The deal value was not disclosed by the companies, the paper noted, and added that CEI-Italy has a revenue of EUR 5m. Skanray had acquired a minority holding in CEI-Italy in 2008, the newspaper noted.
21-Jul	<i>Zhong Zhu Holding to buy 20% stake in Qianjiang Zhongzhu Industry for CNY 40m (Source: Shanghai Stock Exchange)</i>	Zhong Zhu Holding (Zhong Zhu Kong Gu) [SH: 600568] has signed an agreement with Qianjiang Qiansheng State-owned Assets Operation to buy a 20% stake in construction company Qianjiang Zhongzhu Industry for CNY 40m (USD 6.44m). According to a stock exchange announcement posted by Zhong Zhu Holding, the listed company, which is engaged in the medicine and real estate businesses, signed the agreement on 17 July. The remaining 80% stake in Qianjiang Zhongzhu Industry is owned by Zhuhai Zhongzhu Group, the listed company's controlling shareholder. Last August, Zhong Zhu Holding said it planned to acquire a 100% stake in Qianjiang Zhuzhou with the capital raised via a non-public offering, as reported.
21-Jul	<i>Ingenia Communities Group to sell Noyea Riverside to RetireAustralia for AUD 5.9m (Source: ASX)</i>	Ingenia Communities Group (ASX: INA) today announced it has entered into a conditional contract to divest Noyea Riverside, a DMF village, to RetireAustralia for AUD 5.9m subject to settlement adjustments. The adjusted sale price represents a 4% discount to the current carrying value with estimated net proceeds of AUD 5.3m.
20-Jul	<i>Chongqing Tong Jun Ge says largest shareholder terminates proposed</i>	Chongqing Tong Jun Ge [Tong Jun Ge, 000591.SZ], a Chongqing-based, listed retailer, said its largest shareholder Chongqing Taiji Group [Chong Qing Tai Ji Ji Tuan] has terminated the proposed stake sale in the listed company. According to a stock exchange announcement by the listed company dated 21 July, Chongqing Taiji

	<p>stake sale in the listed company (Source: Shenzhen Stock Exchange)</p>	<p>Group had planned to sell part of the stake in the listed company in order to integrate its assets; however, no agreement can be reached by the parties concerned and Chongqing Taiji Group has therefore decided to terminate the proposed stake sale. The listed company will resume share trading on 21 July and the company will not plan stake sale within three months after that. Chongqing Tong Jun Ge has a market cap of CNY 2.455bn (USD 394.3m).</p>
<p>19-Jul</p>	<p>Beijing Guohua Jiedi Hospital Management 30% stake bought by Golden Meditech for HKD 154m (Source: HKEX)</p>	<p>Golden Meditech, the Hong Kong-listed medical equipment company, announced that it has signed an agreement to acquire a 30% stake in Beijing Guohua Jiedi Hospital Management for approximately HKD 154m (USD 19.9m). Upon completion of the deal, Golden Meditech will hold the entire equity interest in Beijing Guohua Jiedi, which owns an 82.73% equity interest in Beijing Qinghe Hospital, which manages hospitals and offers related services.</p>
<p>18-Jul</p>	<p>Cipla takes 100% ownership of Mabpharm through purchase of remaining 75% stake by subsidiary Meditab Specialities (Source: BSE)</p>	<p>Cipla Ltd has informed BSE that Meditab Specialities Private Limited ("MSPL"), a wholly owned subsidiary of the Company, has acquired a 75% stake in Mabpharm Private Limited ("Mabpharm"). The Company was earlier holding a 25% stake in Mabpharm. Consequent to the acquisition of the aforesaid stake, Mabpharm has now become 100% subsidiary of the Company. Mabpharm is inter alia engaged in development of monoclonal antibodies for treatment of cancer and auto-immune diseases. Meanwhile, a related report in DNA cited an unnamed pharma analyst as saying that Cipla is expected to make more small-ticket buys following the closure of this acquisition deal.</p>
<p>18-Jul</p>	<p>Tablets (India) scouts for JV and in-licensing opportunities (Source: Mergermarket)</p>	<p>Tablets (India), a privately held Chennai, India-based pharmaceutical formulations company, is scouting for joint venture opportunities with Japanese strategics in the pharma and industrial manufacturing segments, a source familiar with the matter said. The company, which is a part of family owned conglomerate The Jhaver Group, is currently in talks with a Japanese company to establish a JV for marketing injectable products in India by the end of this year.</p> <p>At the same time, Tablets (India) is seeking partners to market its own range of probiotics products – Bifilac and Nugica – in Japan and Southeast Asia, he said. For Southeast Asia, the company is focusing on Indonesia, Malaysia, and the Philippines. It is also seeking in-licensing opportunities for nutraceuticals and probiotics globally, the source said. The company currently in-licenses probiotics products from Toa Pharmaceutical, he noted. Tablets (India) has about a 48% market share in India's probiotics market.</p>
<p>18-Jul</p>	<p>Nippon Kayaku eyeing biologics R&D and production targets following Infliximab approval (Source: Mergermarket)</p>	<p>Looking for small- to mid-sized targets around USD 50m-USD 100m Operational facilities and technical specialists needed In preliminary talks for further in-licensing opportunities in biologics Nippon Kayaku (TYO: 4272), the Tokyo, Japan-based functional chemicals and pharmaceutical company, is eyeing small- to mid-sized biologics R&D and production targets after receiving marketing approval for Infliximab BS earlier this month.</p>
<p>18-Jul</p>	<p>Tianjin Chasesun Pharmaceutical inks agreement to buy 80% stake in Tianjin Chasesun Kangrentang</p>	<p>Tianjin Chasesun Pharmaceutical [Hong Ri Yao Ye; SZ: 300026] has entered into an agreement with a group of individual investors led by Yao Xiaoqing over buying an 80% stake in Tianjin Chasesun Kangrentang Pharmaceutical for CNY 144m (USD 23m). As of 30 June 2014, Tianjin Chasesun Kangrentang Pharmaceutical has total assets of CNY 206.6m and debts of CNY 14m. Upon completion of the deal, Tianjin</p>

Pharmaceutical for USD 23m
(Source: Shenzhen Stock Exchange)

Chasesun Pharmaceutical will own the 100% stake in Tianjin Chasesun Kangrentang Pharmaceutical, directly and indirectly.

18-Jul	<p>Taking You Forward and Richmond Private Equity Group enter US joint venture (Source: Company press releases)</p>	<p>Richmond Private Equity Group Limited announced today that its "portfolio company", National Med Care Ltd, a Salt Lake City Utah, based pharmaceutical marketing firm has entered into an agreement with Taking You Forward Inc., a Cebu, Philippines-based BPO firm, to form a joint venture for the marketing of its compound pharmaceutical products in the US. Under the terms of the agreement, Taking You Forward will provide 400 call center agents throughout the Philippines for the purpose of marketing a transdermal topical pain solution and scar cream, distributed by multiple compound pharmacies in the United States under contract with National Med.</p>
18-Jul	<p>Hengkang Medical Group signs LOI to buy Wafangdian No.3 Hospital (Source: Shenzhen Stock Exchange)</p>	<p>Hengkang Medical Group [Heng Kang Yi Yuan; SZ: 002219] inked a letter of intent with individual investor Song Lihua to acquire a 100% stake in Wafangdian No.3 Hospital [Wa Fang Dian Di San Yi Yuan], according to a stock exchange announcement. Wafangdian No.3 Hospital had total assets of CNY 463m (USD 74.6m) and net assets of CNY 229m as of 31 December 2013. The hospital booked revenue of CNY 252m in 2013. It is expected the the acquisition will be funded by the IPO proceeds of Hengkang Medical Group.</p>
18-Jul	<p>The Co-operative Group agrees to sell Pharmacy business for GBP 620m to Bestway Group (Source: The Co-operative Group)</p>	<p>The Co-operative Group ("The Co-operative") announces today that it has entered into an agreement to sell its Pharmacy business to Bestway Group ("Bestway"), for a purchase price of GBP 620m*. The transaction is due to complete in October 2014, following the fulfilment of a number of required steps to separate the Pharmacy business from The Co-operative. The agreement follows a formal sale process initiated by The Co-operative reflecting its decision that the Pharmacy business was not part of its future strategy.</p>
17-Jul	<p>Phapros aims to raise IDR 450bn from IPO in early 2015; plans Afghanistan market entry (Source: Investor Daily)</p>	<p>Phapros, the Indonesian pharmaceutical company, is planning to launch an IPO in early 2015, reported the Indonesian language newspaper Investor Daily. The report, which cited Phapros CFO Budi Ruseno, noted that the company aims to raise up to IDR 450bn (USD 38m) from the maximum 20% shares offering. Meanwhile, Phapros CEO Iswanto, was cited in the report as saying that the company plans an Afghanistan market entry as early as October this year. The report noted that Phapros is a subsidiary of Rajawali Nusantara Indonesia, the state-owned Indonesian diversified group. Separately, Iswanto was cited in a Kontan item as saying that the company is aiming to book revenues of IDR 623bn (USD 53m) this year, an increase of 31% YoY.</p>
17-Jul	<p>Acacia Life Sciences in talks with strategics for sale (Source: Mergermarket)</p>	<p>Acacia Life Sciences, an Andhra Pradesh, India-based active pharmaceutical ingredients (API) manufacturer, is in talks with three strategic players regarding a potential sale of the company, founder K. Gopi said. The company has been speaking with potential buyers, including Granules India, as well as two other strategics from India and the US, he said. It is looking to sell Acacia for INR 750m (USD 12.5m) after it secures US FDA certification for its manufacturing plant.</p>

17-Jul <i>Medibank Private could be listed by October (Source: Australian Financial Review)</i>	Medibank Private, the Australian government-owned private health insurance group, could be listed by October, the Australian Financial Review reported. The report in the paper's Street Talk column noted that the accelerated time frame depend on conditions remaining positive. Sources also noted that the government will be eager to keep its options open on the IPO window. Another report in the AFR noted that the government has sent out tenders for selling services providers as part of Medibank's IPO selling syndicate.
17-Jul <i>SDIC Zhonglu proposes buying integrated healthcare-related services asset (Source: Shanghai Stock Exchange)</i>	SDIC Zhonglu, the holding company of Zhongxin Fruit and Juice, a China-based producer of apple juice concentrate, has proposed the acquisition of an integrated healthcare-related services asset, noted a stock exchange announcement.
17-Jul <i>Medinova Diagnostic Services majority stake secured by Vijaya Diagnostic Centre following purchase of 29.16% stake from SMPL (Source: BSE)</i>	According to a BSE disclosure -- a copy of which is available here -- Indian, medical diagnostics company, Vijaya Diagnostic Centre's stake in Medinova Diagnostic Services has increased to 53.88% from 24.67%, following Vijaya's purchase of an additional 29.16% stake in Medinova. The stake, constituting 2.75 million shares, were purchased from Standard Medical and Pharmaceutical (SMPL) through an off-market transaction, the item noted.
17-Jul <i>United Imaging to conduct Series-C funding; could be in in CNY 100m - 200m range (Source: Mergermarket)</i>	United Imaging Healthcare [Hui Ying Yi Liao], a private Beijing-based medical equipment maker, is conducting a series-C fundraising, the company has said. The Beijing-based company has also hired an advisory firm for the deal. The company declined to state what the fundraising goal would be but a buy-side source familiar with the situation said United Imaging Healthcare is going to raise CNY 100m (USD 16m) to CNY 200m for this round by offering around 15% stake. A number of investors are interested in the company, including the Beijing-based Prometheus Capital fund.
17-Jul <i>Integrated Cleanroom Technologies explores strategic sale options; in talks with Japanese strategics (Source: Mergermarket)</i>	Integrated Cleanroom Technologies (iClean), a privately held Hyderabad, India-based manufacturer of cleanroom partitions, is exploring strategic sale options to propel growth, Managing Director K. Gopi said. The company could look to offload a minority stake of up to 40% or a majority stake over 60% depending on the potential buyer and valuations on offer.
17-Jul <i>Meenakshi Speech and Hearing Clinics may close USD 5m fundraise by October (Source: VCCircle; Mergermarket)</i>	<p>India-based Meenakshi Speech and Hearing Clinics (MSHC) may close a deal by October to raise a maximum of USD 5m, reported VCCircle, citing Meenakshi Wadhwa, MSHC's founder. The company is currently in advanced discussions with potential investors, and is also considering social impact/development funds to raise the money, the report cited Wadhwa as saying. The article cited undisclosed sources as saying that MSHC is in discussions with around six investors in connection with the planned fundraising.</p> <p>Earlier it was reported that Meenakshi Speech & Hearing Clinics has retained BMA Capital to raise USD 5m to expand its network of clinics. The family-owned company is looking to sell a minority stake and has held early stage discussions with some investors, she said. It has an existing network of around 17 clinics and is looking to add around 50 new sites in the next two to two and a half years.</p>

16-Jul <i>Sun Pharmaceutical Industries acquires Pharmeducence (Source: Company press releases)</i>	Sun Pharmaceutical Industries Ltd. (Reuters: SUN.BO, Bloomberg: SUNP IN, NSE:SUNPHARMA, BSE: 524715) today announced acquisition of Pharmeducence Inc., by one of its subsidiaries. Pharmeducence has sterile injectable capacity in the US, supported by strong R&D capabilities.
16-Jul <i>Strides Arcolab makes strategic investment in Oncobiologics (Source: Company press releases)</i>	Strides Arcolab and Oncobiologics, Inc., announced today that India-based Strides has made a series of strategic investments in Oncobiologics, Inc., a privately held New Jersey biopharmaceutical firm developing a pipeline of biosimilars and next generation biotherapeutics. The investment is part of Strides' strategy to fund promising biopharma companies with high quality scientific management and proprietary approaches to developments that confer significant time and cost advantages.
16-Jul <i>Healthscope allocates 30% of shares on issue to retail investors (Source: Australian Financial Review)</i>	Healthscope, the Australian hospital operator, has allocated stock representing around 30% of shares on issue to retail investors, the Australian Financial Review reported. According to the unsourced report in the paper's Street Talk column, retail brokers took allocations on Monday night and are believed to have received an allocation of between AUD 750m (USD 705m) and AUD 800m. Retail brokers bid for a combined AUD 1.2bn, the item noted. Healthscope's owners, TPG and The Carlyle Group are seeking to raise between AUD 2.25bn and AUD 2.57bn in Healthscope's IPO. The deal has already received AUD 1.7bn in cornerstone commitments from institutional investors.
16-Jul <i>Biosensors International: possibility of buyout offer by Citic decreases after share sale (Source: Business Times Singapore)</i>	A share sale by Citic Private Equity decreases the likelihood of a buyout offer for Biosensors International, reported the Business Times. The report cited a CIMB note to clients which said that Citic may be planning to pull out of Biosensors. The move would end any speculation of a possible takeover offer from the China-based fund. Earlier, a news wire reported that Citic may pursue a buyout of the firm. A stock exchange announcement noted that CB Medical, a unit of Citic Private Equity, sold 39.5m shares. The sale decreased the group's total shareholding in Biosensors to 19.46% from 21.78%.
16-Jul <i>Furuno Electric acquires 10% stake in Electronic Navigation (Source: New Zealand Herald)</i>	Furuno Electric, the listed Japan-based marine/industrial equipment maker, has acquired a 10% stake in Electronic Navigation, the New Zealand-based marine electronics company, the New Zealand Herald reported. An unsourced part of the report noted that Electronic Navigation has between NZD 15m and NZD 20m (USD 17.5m) in annual revenues.
15-Jul <i>Orchid Chemicals & Pharmaceuticals board approves issuance of shares to principal shareholders (Source: BSE)</i>	India-based Orchid Chemicals & Pharmaceuticals has informed the Bombay Stock Exchange that the board of directors at its meeting held yesterday, 14 July, approved the issuance of shares to the promoters (principal shareholders). The issuance will be on a preferential basis pursuant to conditions of the corporate debt restructuring (CDR) package sanctioned to the company by the CDR Cell (the third tier of the three-tier CDR mechanism in India). The consent for the same from the shareholders is being sought through a postal ballot for which the notice will be sent shortly.
15-Jul <i>Hubei Guangji Pharmaceutical sees Hubei Province Changjiang Industry Investment become largest</i>	Hubei Guangji Pharmaceutical [Guang Ji Yao Ye, 000952.SZ] said its largest shareholder Wuxue State-owned Assets Management [Wu Xue Guo Zi] signed an agreement with Hubei Province Changjiang Industry Investment over the sale of a 15.11% stake in the listed company on 12 July. According to a stock exchange

shareholder (Source: Shenzhen Stock Exchange)

announcement by the listed China-based pharmaceutical company dated 15 July, Wuxue State-owned Assets Management, a local government-controlled company, agrees to sell 38,044,483 shares, representing a 15.11% stake in the listed company, at CNY 7.30 per share, the deal amounting to CNY 277.725m (USD 44.75m).

15-Jul	STIC Investments exits Access Bio investment (Source: Seoul Economic Daily)	STIC Investments, a pre-IPO investor of Access Bio, has sold its entire stake in the New Jersey-based in-vitro diagnostics test maker, reported Seoul Economic Daily. The Korean-language report cited South Korean investor STIC as it announced that it has sold its entire stake in STIC Investments until the end of last month, for a total of KRW 54.3bn (USD 53.3m). STIC has acquired a stake in Access Bio in 2011 for KRW 12.5bn as a pre-IPO investment. An earlier report claimed STIC Investments had acquired a 28.93% stake as pre-IPO investment. STIC Investment reported that it held a 13.43% in June 2013 right after Access Bio had launched the IPO on the exchange.
15-Jul	Narayana Healthcare may get INR 9bn investment from CDC Group (Source: The Economic Times)	CDC Group, the UK-based development finance institution, is now in negotiations for investing about USD 150m (INR 9bn) into the Indian hospital chain Narayana Healthcare, The Economic Times reported. Two sources with knowledge of the development were cited as saying that the deal will help existing backer JP Morgan partially exit from Narayana Healthcare, while also providing the latter with fresh capital for its expansion purposes. As per the report, private equity (PE) investors Pinebridge Capital and JP Morgan have invested USD 100m in Narayana Healthcare in 2008 to buy a 25% stake in the company. At the time, Narayana Healthcare was valued at INR 16bn, the item noted.
15-Jul	Chongqing Chemical & Pharmaceutical to sell interest in drug distribution arm (Source: Mergermarket)	Chongqing Chemical & Pharmaceutical is actively looking to introduce an EU, US or Chinese strategic investor to bolster its drug distribution arm, a company source said. The Chinese, state-owned group plans to sell more than a 40% stake in its wholly-owned subsidiary Peace Drugstore, a retail chain offering pharmaceuticals, cosmeceuticals, medical equipment and personal care products. It would be willing to hear from a drugstore chain, logistics services provider or private equity fund focused on investment in the pharmaceutical or medical equipment sector.
15-Jul	Shandong Lukang Pharmaceutical subsidiary to create JV with Heber Biotec (Source: Shanghai Stock Exchange)	Shandong Lukang Biological Pesticides [Lu Kang Sheng Wu Nong Yao], a subsidiary of Shandong Lukang Pharmaceutical, [Lu Kang Yi Yao; SH: 600789] and Cuba-based Heber Biotec plan to set up a joint venture with a total investment of USD 18.43m. Heber Biotec is a company that commercializes medical, biotechnological and chemical products developed by the Center for Genetic Engineering and Biotechnology.
14-Jul	Medical System Network denies report it will spend USD 79m to buy up to 50 pharmacy outlets (Source: Company press release, Nihon Keizai Shimbun)	<p>Medical System Network [TYO: 4350] has denied a report in the Nihon Keizai Shimbun which said that the company plans to spend as much as JPY 8bn (USD 79m) to acquire up to 50 prescription pharmacies by the end of March 2015. The Japanese company, which runs chain prescription pharmacies, said in a press release today (14 July) that the report is untrue, and that any M&A deals would be considered based on profitability prospects.</p> <p>Earlier it was reported that the Japanese company plans to buy 40 to 50 outlets in the year ending March 2015, comparable with the purchase of 45 outlets a year earlier, which was the highest number for the company's past acquisition of pharmacy stores. At present, Medical System holds about 230 chained pharmacy outlets under seven regional offices.</p>

14-Jul <i>HealthStreet Hospitals seeks to raise a maximum of USD 10m via private-equity route; considering acquiring hospitals having 50-125 beds (Source: VCCircle)</i>	<p>HealthStreet Hospitals, an India-based hospital chain, is seeking to raise a maximum of USD 10m via the private-equity route, reported VCCircle on Saturday. The report cited Ajay Gupta, HealthStreet Hospitals' managing director, as saying that his company is in discussions already with some players from the private-equity space, and is hoping to get the first instalment of the money within a few months. The article cited Gupta as saying that HealthStreet Hospitals is also considering acquiring hospitals having 50-125 beds, and is in advanced talks with some players.</p>
14-Jul <i>General Medical Merate and Kangda Medical Equipment explore tie-up ahead of IPO (Source: Mergermarket)</i>	<p>Kangda to sell 14% stake to PE firm for CNY 180m by October Chinese partner to launch IPO in Shanghai or Shenzhen in late 2016. Kangda welcomes proposals from financial sponsors General Medical Merate (GMM), the private equity-backed Italian X-ray systems manufacturer, and Shanghai-based Kangda Medical Equipment [Kangda guoji yiliao qixie] are looking to clinch a share agreement ahead of the Chinese partner's initial public offering in late 2016.</p>
14-Jul <i>Onjung Medical Foundation files application for court receivership (Source: Court documents)</i>	<p>Onjung Medical Foundation, a privately held South Korean medical facilities operator, has filed an application to commence a court receivership process, according to a court statement on 14 July. According to the statement from the Daejeon District Court, all the company's assets and debts will be frozen until a decision is made to approve the receivership. Established in 2006, Onjung operates Hyorim Sanatorium & Hospital.</p>
14-Jul <i>Binex sells 50% stake in venture capital subsidiary (Source: KOSDAQ)</i>	<p>Binex, the KOSDAQ-listed pharmaceutical company, announced today, 14 July, that it has sold a 50% stake in With Venture Capital, an unlisted South Korean investment firm and a major subsidiary. In a stock exchange statement, Binex said its stake in the arm decreased to 35.7% from 85.7%, after the sale.</p>
14-Jul <i>Starkstrom Group acquired by Progility for GBP 9.68m (Source: Progility, Starkstorm Group)</i>	<p>Progility plc (AIM: PGY), the project management services group, is pleased to announce that it has acquired the entire share capital of Starkstrom Group Limited ("Starkstrom") for an aggregate consideration, payable in cash and loan notes, of GBP 9.68m from its owner managers. Starkstrom is the holding company of, Starkstrom Limited, a UK based project management services' company specialising in manufacturing and supplying medical infrastructure equipment for operating theatres and intensive care units. In its last audited accounts for the year ended 31 May 2013, Starkstrom generated revenues of GBP 13.7m, made a profit before tax of GBP 1.8m and had net assets of GBP 4.9m.</p>
13-Jul <i>Damier eyeing four or five new acquisitions; plans to build OTC medicines portfolio (Source: De Tijd)</i>	<p>Damier Group, a Belgian investment company owned by Yvan Vindevogel, has four or five new acquisitions in the pipeline in prescription-free medicines, the Belgian daily de Tijd reported, citing Yvan Vindevogel who said this in a lengthy interview. Yvan Vindevogel said that he plans to build a new OTC medicines portfolio with his Damier Group, an investment vehicle Vindevogel established last year. Earlier, Damier Group acquired ABC Chemicals from Vemedia, in which Vindevogel still has a minority holding, and recently Damier acquired Japanese Takeda's health products operations in the Netherlands for EUR 8.5m. This Dutch portfolio has an annual turnover of EUR 10m. Vindevogel added that he aims at a turnover of EUR 100m with Damier Group in a couple of years' time.</p>

13-Jul <i>By-health to raise CNY 1.9bn, could provide capital for future M&As (Source: QQ.com)</i>	<p>The capital to be raised in shares issuance by By-health [Tang Chen Bei Jian; SZ: 300146] could provide the fund for future mergers and acquisitions, Chinese-language qq.com reported citing Lin Zhicheng, the board secretary of the China based listed dietary supplements producer. According to a stock exchange announcement posted by By-health on Friday (11 July), the company plans to issue 70m shares to no more than 10 investors, aiming to raise CNY 1.9bn (USD 306m) in order to enhance production capacity and expand sales channels.</p>
12-Jul <i>DiaSorin looks for Asian buys (Source: Milano Finanza)</i>	<p>DiaSorin (FTSE MIB:DIA), the Italian diagnostic company, is looking to make acquisitions in Asia, reported Milano Finanza, quoting Chen Even, senior corporate vice president commercial operations of DiaSorin. The company is in particular interested in China, Indonesia, Vietnam and Korea, the Italian language report noted. Even was quoted as saying that its Chinese products Liaison are growing 20% a year. The company reported EUR 434.8m in revenues in 2013. Even said that China will be the second market for the company after the US, by the end of the year. The diagnostic market in Italy is worth EUR 1.4bn, while China is double the figure. In Indonesia, the company could acquire local distributors.</p>
11-Jul <i>Cygnus Medicare in second round of fundraising (Source: Mergermarket)</i>	<p>Cygnus Medicare, a New Delhi, India-based hospital network, is close to bringing on board another private equity investor as part of its second round of fundraising, said founder Shuchin Bajaj. The company, currently backed by Somerset Indus Capital Partners, expects to raise around INR 750m (USD 12.44m), which will be used to expand its current hospital network.</p> <p>The funds raised would help the company expand to an additional 13 districts in the state of Harayana, where there is no presence of super-speciality hospitals, he said. Cygnus has an existing network of nine tertiary health care hospitals in the states of Delhi and Harayana. The company closed FY14 with INR 790m in topline revenue and expects to cross INR 1.1bn in FY15. In the next phase of expansion, it would look at setting up hospitals in Punjab and Himachal Pradesh. It is aiming to cross INR 5.5bn by FY15. The company plans to do a public listing after three years, at which point it would expand in north Indian states such as Uttar Pradesh.</p>
11-Jul <i>Medicalgorithmics revisits search for foreign acquisition targets, in talks with several (Source: Mergermarket)</i>	<p>Medicalgorithmics, the listed Polish arrhythmia diagnostic and cardiovascular monitoring company, is reopening its search for foreign acquisition targets, and is in talks with several. Medicalgorithmics has about PLN 50m (EUR 11.8m) allocated for potential acquisitions. The company raised PLN 56m (EUR 13.1m) from a private placement conducted on the Warsaw Stock Exchange in 2012. In November 2013, the PLN 280m market-cap company signed a strategic alliance agreement with MdiCloud, located in Marden, in the UK.</p>
11-Jul <i>Tofflon Science and Technology inks agreement to buy Ruipai Machinery for USD 5.5m (Source: Shenzhen Stock Exchange)</i>	<p>China based pharmaceutical freeze dryer products maker Shanghai Tofflon Science and Technology [Dong Fu Long; SZ: 300171] has entered into an agreement over acquisition of 100% stake in Shanghai Ruipai Machinery [Rui Pai Ji Xie] for CNY 33.95m (USD 5.47m). Shanghai Ruipai Machinery is mainly engaged with manufacturing of production equipment for sectors like pharmaceutical, chemical, food, etc. The company has total asset of CNY 65m as of 31 May 2014.</p>
11-Jul <i>British Biologicals speaking to GSK and Nestle for stake sale in Life</i>	<p>Life Sciences unit valued at INR 1bn (USD 16.5m) Would look at acquisitions in the UK and US for growth British Biologicals, a Bangalore, India-based nutraceuticals company, is speaking with global giants GlaxoSmithKline and Nestle to sell a minority stake in its subsidiary company British Life Sciences, as part of its aim to</p>

	Sciences subsidiary (Source: Mergermarket)	add new nutritional products to its portfolio, founder V S Reddy said. The company would look at offloading up to 40% in the unit, he said. Reddy said that, while it is in discussions, the company is willing to hear from other overseas strategics interested in bringing nutrition products to India.
11-Jul	Archimedes Pharma to be acquired by Kyowa Hakko Kirin subsidiary ProStrakan Group for GBP 230m (Source: Tokyo Stock Exchange)	Kyowa Hakko Kirin said today (11 July) that its UK-based subsidiary ProStrakan Group has reached an agreement with private equity fund Novo to acquire UK-based specialty pharmaceutical company Archimedes Pharma for GBP 230m. With the completion of the acquisition, ProStrakan Group will hold 100% of the shares of Archimedes Pharma. The deal is conditional upon obtaining approvals from German regulatory authorities. Kyowa Hakko Kirin will use cash-on-hand to pay for the acquisition. ProStrakan Group has retained Lazard as its financial advisor and Wragge Lawrence Graham & Co as its legal advisor for the deal. Novo is operated by the Novo Nordisk Foundation.
11-Jul	Royal DSM agrees to buy vitamin C producer Aland (Source: Stock exchange announcement)	Royal DSM, the global Life Sciences and Materials Sciences company, announces today it has reached agreement to acquire Aland (HK) Holding Limited ("Aland"), a Hong Kong-based company producing vitamin C in mainland China. Financial details will not be disclosed at this time. Subject to customary conditions, the transaction is expected to close in the next six to nine months. DSM previously announced on 9 April 2014 that it was in exclusive discussions to acquire Aland. Acquiring Aland, one of the leading Vitamin C manufacturers in China, allows DSM to further strengthen its position in vitamin C. Aland increases DSM's global footprint in vitamins for Human Nutrition & Health, Animal Nutrition & Health and Personal Care. DSM remains fully committed to its current vitamin C manufacturing facility in Dalry (Scotland, United Kingdom).
11-Jul	DAV Farm up for sale, mandate up for grabs (Source: Mergermarket)	Russian privately held pharmaceutical company DAV Farm is on the block, according to Alexander Pushkin, vice president at private equity backer RnB Capital. An RUB 150m (USD 4.4m) price tag, which nearly totals 6x its annual net income, has been placed on the asset. The owners of DAV Farm plan to spend the proceeds from the sale on other investment projects. The company is specialised in the production of over-the-counter medications, pharmaceutical products and specialist materials, according to company records.
11-Jul	Asia Resources will look for opportunity to dispose of its pharmaceutical operation (Source: HKEX)	Asia Resources Holdings, the Hong Kong-listed manufacturer of pharmaceutical products and iron ore trading company, announced that it will look for opportunity to dispose of its pharmaceutical operation: The Board (of Asia Resources Holdings) notes that market prices of the products manufactured by the Group has continued to drop despite the successful accreditation of the GMP standard. Given this situation, the Board believes that the production plant for the pharmaceutical operation shall remain suspended until the market condition is improved.
11-Jul	International Healthway SGD 600m REIT may face difficulty (Source: Mergermarket)	International Healthway [SGX:IHC], the integrated healthcare provider, is planning to raise SGD 600m (USD 482m) from the initial public offering of a real estate investment trust, a source familiar with the matter said. BNP Paribas is among the banks involved in the transaction, which is expected by the third quarter of this year. It has already filed with regulators, the source said. Bank Muamalat Malaysia Berhad has taken a pre-IPO investment in the REIT, the source added.

International Healthway said in January it was considering a REIT listing in Singapore. Regulatory approval for the REIT, however, is expected to be hard to

come by since the company is seeking 10 times the amount in the REIT that it raised from an IPO only last year, bankers said. International Healthway raised USD 60m in an initial public offering in July last year. It is technically possible for the company to sell assets larger than its own market capitalization if it offloads all of its healthcare assets, but that would leave International Healthway with only a large chunk of cash, they said. International Healthway provides primary, preventive and specialist care to patients, according to its website. It also own and manage nursing facilities, senior residences and maternity homes and other healthcare-related assets.

10-Jul	<i>Vital Healthcare Property turns acquisition focus to Australia, keeping an eye on Healthscope property assets (Source: Mergermarket)</i>	Vital Healthcare Property Trust [NZX:VHP], a New Zealand-based healthcare property trust, is actively seeking healthcare real estate acquisitions in Australia and is keeping an eye on Australian private healthcare service provider Healthscope's property assets. The company has turned its acquisition focus to Australia where there are more opportunities than in New Zealand. It has also widened its acquisition net to include not only hospitals and medical facilities, but also aged care operations, day surgery facilities and life science assets like medical research and manufacturing centres.
10-Jul	<i>Shandong Jincheng Pharmaceutical and Chemical signs agreement to acquire 100% of Shanghai Tianchen Pharmaceutical for USD 8m (Source: Shenzhen Stock Exchange)</i>	Shandong Jincheng Pharmaceutical and Chemical [Jin Cheng Yi Hao; 300233.SZ] said in a stock exchange announcement that it has signed a formal agreement to acquire 100% of Shanghai Tianchen Pharmaceutical for CNY 50.3m (USD 8.1m). As reported, the listed company inked a Letter of Intent on 26 June with a group of individual investors led by Zhu Yizhang over buying the target stake. The deal does not need approval from Shandong Jincheng Pharmaceutical and Chemical's shareholders.
10-Jul	<i>SciGen to sell rights in design for construction of human insulin manufacturing facility to Bioton for USD 11m (Source: ASX)</i>	The Board of Directors of SciGen Limited (ASX : SIE) (the "SciGen") are pleased to announce the conclusion of an Agreement for the sale of its rights in the design for the construction of a facility for the manufacture of recombinant human insulin (the "IP") to Bioton S.A. ("Bioton") for a cash consideration of USD 11m ("Transaction"). As SciGen does not intend to set up a human insulin manufacturing facility, the Board of Directors have approved the disposal of the IP which is not in use or likely to be in use in the foreseeable future. The IP will be sold at cost and there will be no loss upon its disposal. The proceeds from the Transaction will be used to decrease the value of the SciGen's debt position towards Bioton.
10-Jul	<i>Grove Instruments talking with advisors for capital raise (Source: Mergermarket)</i>	Grove Instruments, the Worcester, Massachusetts-based developer of a non-invasive blood glucose monitor, is interviewing investment banks for a USD 25m to USD 30m capital raise expected within 12 months. The company plans to target institutional and strategic investors in the next round. So far, Grove has raised approximately USD 25m in outside equity from individual investors and grants. It raised funds in 2012 and 2013, and is in the process of seeking USD 5m from individuals, which will take the company through to the Series C.
10-Jul	<i>Newtree Group to acquire 10% stake in Goldbell Holdings for HKD 159m (Source: HKEX)</i>	Newtree Group, the Hong Kong-listed manufacturer of consumable materials for the pharmaceutical industry, announced that it has signed an agreement to acquire a 10% stake in Goldbell Holdings Limited for HKD 159m (USD 20.5m). Goldbell Holdings Limited, an investment holding company incorporated in the British Virgin

		Islands, is principally engaged in exploration and exploitation of gold mines, and processing, smelting, refining and sales of gold in the PRC.
9-Jul	<i>Luye Pharma Group seeking opportunities to acquire prescription-only drugs manufacturers</i>	Luye Pharma Group, a Hong Kong-listed Shandong-based drug maker, is seeking acquisition targets, the online Hong Kong Economic Times reported. The Chinese language news report, citing chairman Liu Dian Bo, said potential takeover targets are mainly prescription-only drugs manufacturers. He added that the company will not acquire downstream businesses. Luye Pharma Group has a HKD 19.6bn (USD 2.54bn) market cap.
9-Jul	<i>Hitachi High-Technologies has in excess of JPY 130bn available for M&A (Source: Nihon Keizai Shimbun)</i>	Hitachi High-Technologies, the listed Japan-based electric and automated equipment maker, has in excess of JPY 130bn (USD 1.3bn) available for M&A, the Nihon Keizai Shimbun reported. The Japanese-language report cited president Masao Hisada, who said during an interview with the paper that his goals include strengthening the company's business structure and updating the record for earnings at an early date. Although operating income in FY14 is expected to increase by 15% from the previous fiscal year to JPY 35bn, the amount is still below the record of JPY 49.1bn booked in FY07. As well as its main business of making semiconductor equipment, going forward the company will accelerate the growth of its bio-healthcare business, as demand for DNA sequencers used by medical institutions is on the rise, the report said.
9-Jul	<i>Soothe Healthcare plans fundraise via strategic stake sale in six months (Source: Mergermarket)</i>	Soothe Healthcare, a New Delhi, India-based healthcare company that owns the Patee sanitary napkin brand, would look at raising USD 5m from a strategic player in the next six months, Managing Director Sahil Dharia said. The fundraise would help the company expand its sanitary napkin business as well as set up a portable diagnostic products business, Dharia said. The company would look to offload a maximum 49% stake to an investor and it would be willing to hear from both domestic and overseas strategics.
8-Jul	<i>Luye Pharma Group IPO shares priced at HKD 5.92 per share; IPO raised USD 486m (Source: HKEX)</i>	The IPO share price of Luye Pharma Group, a Shandong-based drug maker, is fixed at HKD 5.92 per share, according to a stock exchange announcement. The IPO has raised approximately HKD 3.766bn (USD 486m).
8-Jul	<i>Bal Pharma could consider strategic investor from Japan or China (Source: Mergermarket)</i>	Bal Pharma, a Bangalore, India-based pharmaceuticals company, would consider off-loading a minority stake to a strategic investor from Japan or China for growth, Managing Director Shailesh Siroya said. The company would also look at domestic acquisitions to boost its API business, he said. A strategic investment from a Japanese investor would help Bal Pharma expand its presence in the Japanese market whereas an incoming strategic player would get an entry to the Indian markets via Bal Pharma's API and formulations business. It would also be interested in hearing from Chinese strategics as well, as that is another market where Bal Pharma may look to enter.
8-Jul	<i>Shionogi seeks remedies to replenish pipeline as patent expiries loom (Source: Mergermarket)</i>	Shionogi could look at portfolio deals or spend up to USD 100m per product, development compound May divest long-listed legacy products Pitched on various M&A scenarios but under no pressure for consolidation Shionogi (TYO: 4507), the listed Osaka, Japan-based pharma specializing in infectious diseases and pain/central nervous system (CNS), is actively seeking to acquire or in-license products and/or development compounds to replenish its pipeline.

<p>8-Jul <i>OHNO to be acquired by Vital KSK Holdings subsidiary Vital-Net (Source: Tokyo Stock Exchange)</i></p>	<p>Vital KSK Holdings, the listed, Japan-based pharmaceutical products wholesaler, announced today its wholly owned subsidiary, Vital-Net, will acquire unlisted Japan-based drugstore operator OHNO. Vital-Net will acquire 100% of the shares in OHNO on 14 July 2014 for an undisclosed sum from president Michiko Ohno (holder of a 70.67% stake) and current management (29.33% stake). OHNO had net sales for the year through September 2013 of JPY 12.401bn (USD 122m).</p>
<p>8-Jul <i>Novotech to see Mercury Capital exercise its option to buy 50% this month (Source: Mergermarket)</i></p>	<p>Mercury Capital, an Australian private equity fund, will exercise its option to acquire 50% of private Australian clinical research organization (CRO) Novotech this month (July 2014). In 2013, Mercury Capital took a 30% stake in Novotech and the new capital injection will be used to continue growing Novotech’s business in Asia</p>
<p>8-Jul <i>Infopia denies talk that largest shareholder wants to sell stake (Source: KRX)</i></p>	<p>Infopia, the listed South Korea-based medical equipment maker, denied market rumors that its largest shareholder - a private individual investor who holds 18.54% - was seeking to sell a stake in the company. In an announcement to the Korea Stock Exchange, Infopia said no such sale would be conducted. It added that suggestions that Samsung Electronics might acquire Infopia were also groundless. Earlier on 8 July, the Korea Exchange had requested the company to reply with respect to the market rumors. Infopia has a market cap of KRW 144.6bn (USD 143m).</p>
<p>8-Jul <i>Awal Bros Hospital mulls IPO, strategic stake sale to speed up expansion (Source: Mergermarket)</i></p>	<p>Awal Bros Hospital Group, a private chain of hospitals in Indonesia, is mulling a listing or a strategic stake sale in a year or two to finance accelerated growth, Chief Executive Officer Arfan Awaloeddin said. The company, which is wholly owned by Awaloeddin’s family, has seven general hospitals, one for women and children, three laboratories and clinics, and a medical services business. It was established in 1996 with IDR 20bn (USD 1.67m) as initial capital. Awal Bros aims to wants to capture prospects from anticipated population growth in Indonesia, and plans to add about six to seven hospitals in the next decade through organic growth or acquisition, Awaloeddin said. In terms of possible buys, the company is targeting major city hospitals, he added, without mentioning the bed capacity that would be of interest.</p>
<p>8-Jul <i>Beijing Chunlizhengda Medical Instruments plans to get listed in Hong Kong; China Everbright Capital to sponsor (Source: Ming Pao)</i></p>	<p>Beijing Chunlizhengda Medical Instruments Co., Ltd., a Beijing-based orthopedic medical device company, plans to get listed in Hong Kong, Ming Pao reported. The Chinese language news report, citing a preliminary IPO document, added that China Everbright Capital is the sole sponsor of the flotation. The company reported a net profit of CNY 32.6m (USD 5.3m) in 2013, the report noted. No IPO size or time table was disclosed in the report.</p>
<p>8-Jul <i>Aarti Drugs to acquire company in Himachal Pradesh (Source: BSE)</i></p>	<p>Aarti Drugs, the listed Indian bulk drugs manufacturer, has announced the following on the Bombay Stock Exchange. Aarti Drugs Ltd has informed the Bombay Stock Exchange that the Board of Directors of the Company at its meeting held on 7 July 2014, has considered a proposal to acquire an undertaking/Company at Baddi in Himachal Pradesh to cater its existing business of Toll manufacturing of formulations as an initiative to have its own facilities for this business subject to necessary diligences and approval processes.</p>

8-Jul Asia Resources Holdings enters into MOU for possible acquisition of an operator and developer of commercial facilities in China
(Source: HKEX)

Asia Resources Holdings, the Hong Kong-listed manufacturer of pharmaceutical products, announces that after the close of trading hours on 8 July 2014, the Company has entered into the MOU with an Independent Third Party for a possible acquisition of the entire issued share capital of the Target Company pursuant to which the Group intends to acquire the Target Company, whose principal asset is the 60% legal and beneficial interest in a PRC company, which is principally engaged in the investment, development and operation of commercial facilities in relation to and surrounding of the exhibition industry.

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