

## Hong Kong's Luye Pharma acquires Beijing's Jialin

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**Singapore:** Hong Kong based-Luye Pharma has entered into an agreement to purchase a majority stake into Beijing's Jialin Pharmaceutical for an aggregate consideration of \$599 million in cash. The company will be acquiring 57.98 percent stake into Jialin.

The move comes just one month after its \$764 million initial public offering (IPO) in Hong Kong, and is a significant expansionary step for Luye Pharma.

Announcing about the acquisition in an official statement, the company said that the acquisition will add another key product to Luye's portfolio and enrich its product line of cardiovascular system, which is the strategic therapeutic focus of the company. Luye added that this acquisition will further strengthen its market position and competitive advantage in cardiovascular system, especially in the area of lipid regulators, and thus maximize its size and strengths swiftly.

According to the China Medical and Pharmaceutical Economic Information Network (MENET), cardiovascular system was the third largest overall therapeutic area for pharmaceutical products in China in 2013 in terms of revenue, accounting for 14.4% of the market.

The company's key cardiovascular system products include Xuezhikang, which is the most influential and best-selling lipid regulators Chinese medicine. Xuezhikang is listed in the National List of Essential Drugs and enjoys exclusivity in China.

Jialin Pharmaceutical has the leading product in cardiovascular system -A LE (atorvastatin calcium tablets). The company also has Beixin (acarbose capsules) used in the treatment of type 2 diabetes mellitus - core product in alimentary tract and metabolism. The combination of three products will create substantial synergies and considerably strengthen the company's competitive advantage in the key strategic areas of the PRC cardiovascular system and alimentary tract and metabolism market.