

Shandong to acquire Argon Medical Devices

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Shandong Weigao Group Medical Polymer Co. has agreed to buy closely held Argon Medical Devices Inc. for \$850 million, continuing a string of deals by Chinese companies seeking to gain a foothold in the U.S. health-care market.

Shandong Weigao made the acquisition through a joint venture with a private equity-backed firm that will control 10 per cent. The venture will fund \$420 million of the purchase with debt.

Argon, which posted revenue of \$225 million last year, makes devices including biopsy products, drainage catheters and systems that remove blood clots. Once the purchase is complete, Argon will become one of Shandong Weigao's core platforms for overseas expansion.

The deal comes as Chinese companies have been targeting healthcare businesses that give them access to developed markets, particularly the U.S., even as the government has enacted rules to restrict overseas investments. The healthcare industry has faced relatively little resistance as the government has encouraged companies to drive innovation to meet local demand for new therapies and build national champions.