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## China's CDH Bids \$1.9b For Sirtex - Board Opposes; Class Action; ASX200

Sirtex says it has received an unsolicited proposal from China's CDH Investments to buy it for \$33.60 a share, valuing it at \$1.87 billion, but the Sirtex board backs the Varian bid.

In January, California's Varian Medical Systems offered \$28 a share to buy the company, valuing it at \$1.56 billion (BD: Jan 30, 31, 2018).

In March, the company announced Australian, US and German regulatory approvals and said shareholders would vote on the scheme next Monday, May 7 (BD: Mar 27, 2018). Today, Sirtex said the offer was non-binding, indicative and conditional and CDH was an alternative asset fund manager with more than \$US20 billion of committed capital under management.

The company said the indicative proposal was subject to conditions including approval by CDH's investment committee following due diligence and entering into of formal transaction documents, as well as approval from Australia's Foreign Investment Review Board.

Sirtex said it had no engagement with CDH until it received the proposal and had called a Court-approved shareholder meeting to approve the Varian offer for Monday, May 7.

The company said it intended to apply to the Court for an adjournment of the scheme meeting to a time and date to be determined.

Sirtex said there was "no certainty that the indicative proposal will result in a binding offer and Sirtex recommends that shareholders take no action at this point in time".

The company said that it would engage with CDH “to further understand the conditions associated with the indicative proposal and, in an expedited timeframe, explore the potential to enter into a binding agreement”.

Sirtex said that under the scheme implementation deed with Varian, the engagement with CDH was an exception to its exclusivity obligations.

“At this time, the directors of Sirtex continue to believe the existing scheme of arrangement with Varian is in the best interests of Sirtex shareholders and continue to unanimously support and recommend the scheme,” the company said.

Separately, the company said that two class actions relating to claimed losses incurred from a fall in the share price following guidance over dose sales and “allegations of contraventions of the Corporations Act ... in relation to misleading and deceptive conduct and breach of continuous disclosure obligations” would be consolidated into a single proceeding, set for a hearing “sometime in April 2019” (BD: Jan 31, Feb 1, Dec 19, 2017).

In a separate announcement, the S&P Dow Jones Indices said it would remove Sirtex from the S&P/ASX 200, subject to “shareholder and final court approval of the scheme of arrangement”.

Sirtex climbed \$1.57 or 5.6 percent to \$29.42 with 1.2 million shares traded.