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July 30, 2012 | News | By BioSpectrum Bureau

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Singapore: Novogen has entered into a merger agreement with Kai Medical, whose business is focused on sleep apnea therapy devices and wireless respiration monitoring technology. Novogen also highlighted that it will undertake a capital reduction and in specie distribution to the Novogen shareholders of the shares of MEI Pharma that it owns.

Furthermore, the glucan technology assets which Novogen currently holds will not be acquired by Kai Medical in the merger and Novogen plans to complete the sale of those assets to TR Therapeutics, in the next few days. Novogen Limited will be renamed to Kai Medical Holdings Limited when the merger becomes effective with Kai. Novogen expects to provide shareholders with full details of the merger proposal and in specie distribution within the next three weeks. The agreement is subject to a number of conditions including completion of due diligence and shareholder approval.

Mr William D Rueckert, chairman, Novogen, said that, "We are very pleased to be able to enter into a relationship with Kai Medical that provides Novogen shareholders with an opportunity to participate in the growth and success of Kai Medical's revolutionary sleep apnea therapy device."

Mr Bob Nakata, CEO, Kai Medical, added that, "Kai Medical has recently received its CE Mark for Kai Apnea, which is the key regulatory approval needed for sales in most of the world. Kai Apnea is more comfortable to use and will likely have higher compliance than most other sleep apnea devices. I believe that this will lead to strong growth in the coming years and am pleased that we can share this progress with Novogen shareholders through this transaction."

Mr Rueckert stated, "It has been our intention for the past few years to put Novogen's largest and most important asset directly in the hands of our shareholders. This distribution will allow each of our shareholders to own their proportionate share of the MEI Pharma (formerly known as Marshall Edwards) shares now held by Novogen, and also allow them to continue to hold their Novogen shares after the merger with Kai Medical."