CHINA'S LIFE SCIENCE INDUSTRY 7-9/17

Dear Friends and Colleagues,

Last month, the Chinese National Development and Reform Commission ("NDRC") released a draft of the Guidelines on Pricing Conduct by Business Operators for Drugs in Shortage and Active Pharmaceutical Ingredients . This measure, together with others, is designed to employ pressure on healthcare providers in order to prevent manipulations that render certain products and services unattainable for patients in need. Along its push to include more Chinese under the coverage of an effective and affordable health insurance, China is making good on its promise to increase and improve the accessibility of modern health services to the average Chinese.

I'd like to take the opportunity and wish you and your loved ones a healthy and prosperous new Jewish Year (5778) and a happy Chinese National Day!

Eyal Harel

CEO-Global

NEWS FROM THE INDUSTRY

HanAll Biopharma and Harbour BioMed to Collaborate on two Novel Biologic Therapies in China

On Sept. 12, 2017 Korea-based HanAll Biopharma Co., Ltd. and China-based Harbour BioMed announced that they have entered into a strategic collaboration and license agreement to develop, manufacture and commercialize in Greater China (including Hong Kong, Macau and Taiwan) HanAll's two novel biologics, the anti-FcRn monoclonal antibody, HL161, for the treatment of pathogenic IgG-mediated autoimmune diseases, and the anti-TNF ophthalmic solution, HL036, for dry eye and other inflammatory diseases.

HanAll Biopharma will receive up to $81 million in total upfront, development, registration, and sales milestones, as well as royalties on net sales. The rights outside of Greater China are reserved for HanAll.

WuXi and Gloria to Out-license their Fully Human PD-1 Antibody to Arcus Biosciences

Aug. 17, 2017. WuXi Biologics and its Chinese partner, Harbin Gloria Pharmaceuticals, announced that an exclusive license to the anti-PD-1 antibody GLS-010 has been granted to Arcus Biosciences, a US-based biotechnology company focused on the discovery and development of innovative cancer immunotherapies.

Previously, Gloria has contracted WuXi Biologics to discover and develop its GLS-010, a novel anti-PD-1 antibody. The GLS-010 is currently being evaluated in cancer patients in phase I clinical studies in China.

Arcus has licensed its exclusive development and commercialization rights in North America, Europe, Japan and certain other territories.

Based on the terms of the agreement, Arcus will pay $18.5 million in upfront payments as well as development and regulatory milestones which could total up to $422.5 million for the development and approval of 11 products that include GLS-010 as a component. WuXi Biologics and Gloria, through an existing agreement, will also receive commercial milestones of up to $375 million which could result in aggregate payments from Arcus of $816 million. Arcus will also pay tiered royalties on net sales of GLS-010. In addition, WuXi Biologics and Arcus intend to enter into an exclusive 3-year agreement for the development of Arcus' biologics portfolio.

Mologen AG and iPharma Signed Binding Term Sheet for the co-Development of a Cancer Treatment

Germany-based Mologen AG announced on Aug. 25, 2017 the signing of a binding term sheet with iPharma, a China-based drug development company. The collaboration will consist of an exclusive license to iPharma for the development, manufacturing and commercialization of Mologen's lead compound, lefitolimod, in oncology in Greater China. Mologen and iPharma will share the economic returns from this joint development pursuant to both parties' contributions.

Under the contemplated agreement, Mologen would receive an upfront payment of EUR 3 million, milestone payments as well as royalties and an equity investment of EUR 2 million.

All costs relating to development, registration, marketing and commercialization of lefitolimod in Greater China would be covered by iPharma.

Innovent Buys from the Chinese Science Academy an Anti-Cancer drug for $457 Million

Sept. 5, 2017. Innovent Biologics announced a USD457 million acquisition of the exclusive global rights for Indoleamine 2, a 3-dioxygenase (IDO) inhibitor, developed by Shanghai Institute of Organic Chemistry (SIOC).

Innovent is planning to combine the IDO therapy in its Phase-3 PD-1 program.

Celgene Corporation to Enter into a Strategic Collaboration with BeiGene to Advance PD-1 Inhibitor Program for Solid Tumor Cancers

July 5, 2017. Celgene Corp. and BeiGene entered into a strategic collaboration to develop and commercialize BeiGene's investigational PD-1 inhibitor, BGB-A317, for patients with solid tumor cancers global markets outside of Asia. BeiGene will acquire Celgene's commercial operations in China and gain an exclusive license to commercialize Celgene's approved therapies in China - ABRAXANE®, REVLIMID® and VIDAZA®.

Shandong Weigao to Buy Argon for $850 million

Sep. 24, 2017. Shandong Weigao Group Medical Polymer Co. announced it will acquire US-based Argon Medical Devices Inc. for $850 million through a joint venture with an undisclosed private equity firm.

Argon is poised to become a platform for Shandong Weigao's expansion overseas.

Shanghai Ankon Raises $100 Million To Market its Pill-like Endoscopy Device

Aug. 16, 2017. Shanghai Ankon Technologies raised $100 million to market its NaviCam, an orally-swallowed device which is designed for imaging the gastric track.

Ankon plans to expand into new markets as well as develop similar diagnostic technologies for different indications.