CHINA'S LIFE SCIENCE INDUSTRY 10-11/11

Dear Friends and Colleagues,

A recent ChinaBio® analysis, based on the SFDA's summary of registration approvals from 2010, shows interesting trends in the registration of drugs in China. A round number of 1,000 drugs were approved for marketing in China during 2010 (a 26% increase over 2009), of which 65% were generics, 11.5% imported and 11% locally registered new drugs (to China). Interestingly enough, Traditional Chinese Medicine accounted for less than 10% of the total registration approvals, which is in line with the growing trend – and market for "Western" drugs.

The foregoing indicators show China's growing "appetite" for new pharmaceutical products and the realization of previous forecasts that put China in the center of the global health market.

We would like to take the opportunity and wish you all a happy New Year. May next year be a prosperous and healthy year for you and for your families.

Yours Sincerely,

Eyal Harel

Co-CEO

AstraZeneca to Build $200 Million Plant in CMC

On October 10, AstraZeneca announced its plan to invest $200 million into building a major new manufacturing facility in Taizhou's China Medical City. The plant, which will produce both IV and solid oral medications for the China market, is the largest investment AstraZeneca has ever made in a single manufacturing site. Construction of the site is scheduled to be completed at the end of 2013. China is becoming increasingly important to AstraZeneca. In the first half of 2011, the company's revenues in the PRC grew by 22% to $624 million.

Chiva Pharma Acquires Global Rights to Osteoporosis Drug from Ligand

Ligand Pharmaceutical announced on October 10 that it has entered into a global licensing agreement with Chinese

Chiva Pharma for Fablyn (lasofoxifene), a selective estrogen receptor modulator (SERM) that was approved in the EU in 2009 for the treatment of osteoporosis in post-menopausal women at increased risk of fracture. In return for the license, Ligand will receive $4 million in licensing payments over the next eight months and is also eligible to receive milestones and royalties on worldwide sales of Fablyn.

WuXi Buys Antibody Maker Abgent

On October 14, WuXi PharmaTech, a leading Chinese CRO, acquired Abgent, a provider of antibodies and custom services based in Suzhou and San Diego. Abgent brings to WuXi new product lines of biological research reagents for drug discovery and basic research to expand its service offering.

BeiGene In-Licenses Two Potential Cancer Drugs from Janssen

The Chinese pharmaceutical company BeiGene announced on October 14 that it has entered into an exclusive in-licensing and co-development agreement with Janssen Pharmaceutica NV, a division of Johnson & Johnson, for two clinical-stage oncology compounds. Founded last year, BeiGene has an ambitious two-pronged business plan that combines in-licensing of five clinical stage drug candidates with developing its own novel drugs. The two drug candidates, intetumumab and MTKi-327, are the first acquisitions the company has made.

Simcere Partners with Suzhou NeuPharma on Cancer Drug

On October 10, Simcere Pharma signed a strategic cooperation agreement with Suzhou NeuPharma to develop and produce novel drugs. The first candidate is a cancer drug, which is expected to be ready to apply for clinical research approval from both the Chinese SFDA and the US FDA in 2013. Simcere will contribute its production and marketing expertise, while NeuPharma will be responsible for developing the drug candidates.

Sino-UK Companies Announce TB Vaccine Partnership Deal

UK based ImmunoBiology and Chinese LIBP, a Sinopharm subsidiary, announced on October 17, 2011 the signing of a cooperation agreement which will enable both companies to co-develop ImmBio's proprietary T-BioVax vaccine for Tuberculosis (TB). Upon completion of successful clinical studies, they aim to first launch the TB vaccine in the Chinese market.

Aslan Pharma In-licenses China Rights to BMS Cancer Drug

On November 3, 2011, ASLAN Pharmaceuticals, a company headquartered in Singapore, and Bristol-Myers Squibb announced a strategic partnership allowing for the rapid development of BMS-777607, Bristol-Myers Squibb's investigational small molecule inhibitor of the MET receptor tyrosine kinase for treatment of

solid tumors. Under the terms of the agreement, ASLAN will receive exclusive rights to develop and commercialize BMS-777607 in China, Australia, Korea, Taiwan, and other selected Asian countries while Bristol-Myers Squibb retains exclusive rights in the rest of the world. ASLAN will run and fund development of BMS-777607 under a pre-agreed development program that will initially target gastric cancer and lung cancer. Financial terms were not disclosed.