



## CHINA'S LIFE SCIENCE INDUSTRY 11-12/12

Dear Friends and Colleagues,

Year-end is always a good time for summaries.

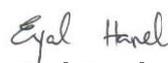
As partially detailed in this newsletter, this year was characterized by a rising number of cross-border technology transfers, with Chinese biomed companies taking an increasingly active role in complementing their generic offerings with innovative products.

Chinese biomed companies are also becoming more aggressive in taking an active role as buyers or as co-development partners for foreign R&D technology companies, gaining valuable experience in developing innovative drugs (in numbers, a recent Thomson Reuters report shows that the total capital spendings in M&A deals in China in 2012 totaled \$6.8 billion!).

Assuming this trend continues, China positions itself as one of the most attractive healthcare markets for the coming years as well.

We wish you all Happy 2013 and Happy New Year of the Snake (Feb. 10, 2013).

新年快樂!

  
Eyal Harel  
Co-CEO

### **NEWS FROM THE INDUSTRY**

#### ***Fosun Pharma and Dalian Wanchun Announce Partnership***

Dec. 11, 2012. Shanghai Fosun Pharma and Dalian Wanchun Biotech will establish a joint venture to develop innovative oncology treatments. Wanchun has in-licensed China rights to plinabulin, a Class 1.1 innovative anti-tumor drug from Nereus Pharma of the US. Through the JV, Fosun will build Wanchun's

development capability and add potential drugs to its pipeline. Wanchun will serve as an innovative drug incubator for Fosun.

#### ***Chi-Med and Nestlé Form JV to Develop Chi-Med's Lead Drug Candidate***

Nov. 28, 2012. Hutchison Chi-Med and Nestlé announced the formation of a major new JV named Nutrition Science Partners Limited (NSP).

NSP will research, develop, manufacture and market innovative nutritional products and medicines derived from botanical plants.

The new partnership will give Nestlé access to one of the world's leading Traditional Chinese Medicine libraries.

NSP will focus on gastrointestinal health and may in the future expand into the metabolic disease and brain health areas.

### ***Crown Bioscience and Beijing Purunao Team Up to Develop Cancer Drugs***

Nov. 27, 2012. Crown Bioscience will team up with Beijing Purunao Biotech Co. to develop small molecule drugs aimed at oncology targets. Crown Bio is a US-headquartered pre-clinical CRO specializing in cancer drugs with labs in China and the US; Purunao is a wholly-owned subsidiary of Sichuan Hengkang Development. The goal of the partnership is to develop and commercialize the drugs in China first and then take them to global markets. Crown Bioscience will receive an upfront payment for transferring its patents to the partnership and will also be given payments for attaining milestones.

The agreement framework determines CrownBio to be responsible for molecule identification and modification and the pre-clinical data, while Purunao will be in charge of clinical development in China. Global markets will be developed by CrownBio.

### ***Hua Medicine Advances Diabetes Treatment toward Trial***

Nov. 23, 2012. Hua Medicine is on track to get its first drug candidate into clinical trials. The molecule is a treatment for type II diabetes in-licensed from Roche.

### ***Sihuan Pharma In-Licenses Two CCV Products from NeuroVive of Sweden***

Sihuan Pharmaceutical Holdings Group, a leading pharmaceutical company with the largest cardio-cerebral vascular ("CCV") drug franchise in China's prescription drug market announced on Nov. 20, 2012 that it has entered into a collaboration agreement with NeuroVive Pharmaceutical, to develop two innovative products which are used for the treatment of heart reperfusion injuries and traumatic brain injuries respectively.

Pursuant to the collaboration agreement, NeuroVive will grant Sihuan an exclusive license to develop the market and sell the two products in China.

Sihuan will make upfront and milestone payments totaling RMB 35 million and RMB 12 million to NeuroVive. In addition, the company will pay a royalty amounting to 10% of the net revenue from the two products for a period of 10 years from the time they are launched.

### ***Innovent Constructing Biologic Facility in Suzhou***

Nov. 1, 2012. Innovent Biologics, a Suzhou company formed last year, is building a biotech plant in BioBay. The

company has two aims: it intends to in-license biotech drugs for the China market, and it also wants to provide contract manufacturing services to other companies. The company is led by an international management team of experienced biotech executives and has raised \$30 million in startup capital from Fidelity, Lilly Ventures and Suzhou BioBay.

display EGFR-enabling mutations in pre-clinical testing, according to Chi-Med.

### ***Sincere Pharma Given OK to Start China Trial of Cancer Drug***

Nov. 13, 2012. Sincere Pharma was given SFDA approval to begin clinical trials in China for BD0801, an anti-angiogenesis drug that will be tested as a treatment for cancer. The IND for the molecule was filed in March 2011. Sincere partners with Apexigen, a Californian company that developed a rabbit-based monoclonal antibody platform. Sincere owns China rights to BD0801, which will be the first of Apexigen's molecules to start human trials.

### ***Hutchison MediPharma Starts Clinical Trial on Cancer Drug***

Nov. 2, 2012. Hutchison MediPharma, the drug discovery arm of China MediTech, has begun a Phase I clinical trial of Theliatinib (HMPL-309) in patients with non-small cell lung cancer (NSCLC). The drug is a small molecule inhibitor of the epidermal growth factor receptor tyrosine kinase. Unlike most EGFR inhibitors, Theliatinib has shown efficacy against NSCLC that does not