



CHINA'S LIFE SCIENCE INDUSTRY 12/11-01/12

Dear Friends and Colleagues,

On January 10, 2012, the Israeli biotech company D-Pharm announced the expansion of its collaboration with the Chinese firm Wanbang Biopharmaceuticals to develop its ischemic stroke compound (DP-b99). Shortly afterwards, however, on January 24, D-Pharm was instructed to stop recruiting patients for its b99's Phase III trial. The steering committee in charge of the trial had acted upon a recommendation by the Data and Safety Monitoring Board on grounds that there were insufficient chances of success.

While this development presents a setback to D-Pharm's R&D program, it also highlights the significance of D-Pharm's latest China-collaboration with Nhwa Pharma, announced last May, according to which Nhwa will conduct a full clinical development of D-Pharm's epilepsy compound, DP-VPA, in China. This strategy allowed D-Pharm to conduct, in fact, two clinical programs in parallel, despite the financial constraints. This also served as a safety net – in the event of a failure of its flagship program.

We hope these news will be remembered as a minor bump in a very successful, joyous and healthy 2012, Year of the Dragon!

Yours Sincerely,

A handwritten signature in black ink that reads 'Eyal Harel'.

Eyal Harel

Co-CEO

Syneron Medical Expands Product Portfolio in China

On January 24, 2012, Syneron Medical, an Israeli company that specializes in aesthetic devices, announced it had received SFDA approval for five of the company's products: eLaser, eLight, eMatrix, eMax and VelaShape systems.

The company said the approvals constituted a 'significant' expansion of its product portfolio in China. Syneron began marketing its products in the country in 2008.

Jiangsu Kanion Out-licenses three Molecules to NewGen Therapeutics

On December 19, 2011, Jiangsu Kanion Pharma announced that the company and its US subsidiary have transferred the global ex-China rights for three small molecule oncology drug candidates to a newly formed California startup, NewGen Therapeutics. NewGen has received exclusive global rights, excluding China, for the development, manufacturing and commercialization of three therapeutic programs targeting pan-ErbB, EGFR/Her-2, and PARP, respectively. In return, Kanion Pharmaceutical has taken a minority equity position in the privately financed startup, and will continue development of the compounds for the Chinese market. The two companies also plan to share data on the compounds' development.

Da An Gene and Life Technologies Form \$5.5 Million JV

January 16, 2012 - Da An Gene Co., a leading Chinese company in molecular in-vitro diagnostics, will form a joint venture with a China subsidiary of Life Technologies, a major San Diego-based company also involved in molecular diagnostics. The move is expected to contribute to the early diagnosis of cancer, infectious diseases and genetic diseases. The JV will develop capillary electrophoresis-based molecule diagnosis detection reagents and instruments. The JV will start with \$5.5 million of capital. Da An Gene will contribute \$2.4 million of the total for a 42.5% stake in the newly formed company.

Amerigen Pharma Announces Two China-US Deals

Two new cross-border agreements were announced by Amerigen Pharma on January 11, 2012.

Under the terms of the agreement with Shanghai Fosun Omni Pharma, Fosun Omni will use its formulation expertise to develop products for Amerigen to commercialize in the United States and other territories. Upon signing the agreement, Fosun Omni received an up-front fee with respect to the first product and is eligible for additional product-specific development milestones and royalties for all commercialized products.

Amerigen also signed an MOU with VIWA Pharma, a Chinese company, to set up a JV that will develop and register a number of branded generics for sale in China.

Vivo Ventures Closes \$375 Million US-China Life Science Fund

January 3, 2012 - Vivo Ventures, a Californian healthcare investment firm that invests in both US and Chinese life science companies, closed its seventh fund, Vivo Ventures VII, at \$375 million. In the US, the fund will target companies in the later stage of development. Its China investments will seek enterprises that are producing revenues.

Beijing SL Pharmaceutical to Form US-based JV for Curing Diabetes

On December 19, 2011, Beijing SL Pharmaceutical Co., Ltd., a

biopharmaceutical company, entered into an agreement with Lin Chai, a biotechnology firm, to establish a joint venture named Diapin Therapeutics, LLC. The new, US-based JV will specialize in the research and development of drugs for the prevention or cure of diabetes mellitus. Under the agreement, Beijing SL will invest \$2m into the JV for a 21.05% stake, while Lin Chai will invest its Diapin project, of which it has exclusive development rights, for a 78.95% stake. The project is evaluated at \$7.5m.

Hutchison MediPharma Signs \$140 Million Cancer Deal with AstraZeneca

AstraZeneca and Hutchison MediPharma Limited, announced on December 21, 2011 that they have entered into a global licensing, co-development, and commercialization agreement for Volitinib (HMPL-504), a novel targeted therapy and a highly selective inhibitor of the c-Met receptor tyrosine kinase for the treatment of cancer. Volitinib, which will imminently enter Phase I testing, has been discovered and developed in China by Hutchison Medipharma. AstraZeneca made a \$20 million upfront payment, and the agreement calls for up to \$120 million in milestones as well as royalties on future sales.

Simcere and Bristol-Myers Squibb Partner on Cardiovascular Compound

On December 13, 2011, Bristol-Myers Squibb and the Simcere Pharmaceutical Group announced that they had expanded the strategic partnership formed last year to include a second collaboration in a

different therapeutic area. The companies agreed to co-develop BMS-795311, Bristol-Myers Squibb's preclinical small molecule inhibitor of the Cholesteryl Ester Transfer Protein (CETP). This collaboration is expected to accelerate the delivery of clinical Phase IIa proof-of-concept by leveraging the complementary strengths of a leading Chinese pharmaceutical company and a global biopharmaceutical firm.

Under the terms of the agreement, Simcere will receive exclusive rights to develop and commercialize BMS-795311 in China, while Bristol-Myers Squibb will retain exclusive rights in all other markets. Simcere will run and fund initial development work. Financial terms were not disclosed.