Client: Chi Med
Source: Scrip World Pharmaceutical News (Main)
Date: 22 August 2007
Page: 15
Circulation: 4686
Size: 208cm2
AVE: 1574.56

Citigate Dewe Rogerson

Lilly signs drug discovery deal with Chi-Med for oncological candidates

Lilly and Hutchison China Meditech (Chi-Med) have entered a drug discovery and development agreement for several compounds with indications in oncology and inflammation.

The deal, which will be operated through Chi-Med's wholly owned drug R&D subsidiary, Hutchison Medipharma R&D, offers Lilly the advantage of China's accelerated drug development process but with similar regulatory controls at a lower cost, said Chi-Med.

Hutchison Medipharma will be responsible for the identification and selection of several clinical candidates, while Lilly will provide technical advice and have responsibility for the IND filing and clinical development of the candidates.

The Chinese firm will receive a small up-front payment and annual R&D support fees. In addition, it will receive potential discovery and milestone payments of up to $29 million per candidate. If the candidates are commercialised Hutchison Meditech will earn royalties from their worldwide sales. Detailed financial terms were not disclosed.

The company also has the right to continue with the development of candidates that Lilly has abandoned.

...pipeline

Meanwhile Chi-Med is growing increasingly confident in its status as an R&D player, rather than just a commercialisation vehicle for traditional Chinese remedies. HMPL-002, one of Chi-Med's clinical candidates, and HMPL-004 are the only botanicals in its portfolio. The preclinical pipeline consists entirely of single chemical entities derived from natural products, and includes a cytokine inhibitor to treat psoriasis and kinase inhibitors for cancer and inflammatory disease.

"It will be easier to sign deals for the SCEs," admitted Chi-Med's CSO Dr Samanthu Du. "They are more in the comfort zone of large pharmaceutical companies." However, there has been a lot of interest in HMPL-004, says Dr Du. Once data become available from the US Phase II Crohn's disease trial, expected in the third quarter next year, she expects to sign a "good deal".

Last month the firm announced positive data from its Phase II trial of HMPL-004 in ulcerative colitis. The anti-inflammatory candidate showed efficacy comparable to that of mesalazine (*Scrip* No 3274, p 22).

...alternative to mesalazine

"We do not need to be better than mesalazine," pointed out Dr Du. "Our product is being developed for patients that cannot be treated by mesalazine or for those that become resistant to it." Only around 60% of patients respond to treatment with mesalazine.

HMPL-002 is currently in a Phase I trial in head and neck cancer in the US. The first cohort of patients has been treated with no drug-related serious adverse events, and the second and final cohort has just begun dosing. HMPL-002 is already in a Phase II trial in China for non-small cell lung cancer. A Phase II trial in the US is slated for next year.

Chi-Med is majority-owned by Hutchison Whampoa and consists of three subsidiaries: Hutchison Medipharma, China Healthcare (focused on traditional Chinese medicines) and Sen Consumer (a chain of retail stores). Chi-Med shares were admitted onto London's Alternative Investment Market in May last year.