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Investment gives Mitsui 12% of Hutchison MediPharma

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Hutchison MediPharma Holdings has secured additional funding to help progress its R&D pipeline by way of a \$12.5 million cash injection from Mitsui & Co.

The Japanese trading house has made a private investment in new convertible preference shares that will give it 12.2% of Hutchison MediPharma's enlarged share capital. Mitsui pointed to the Chinese firm's "rich and extensive pipeline" and its alliances with international partners (which include Lilly, Johnson & Johnson and Merck KGaA) as some of the reasons behind its decision.

Hutchison MediPharma already has several development projects in the clinic, led by HMPL-004. The botanical-derived product acts on multiple inflammation targets including interleukin and TNF-alpha and has completed Phase IIb trials for ulcerative colitis (scripintelligence.com, 9 November 2009). It is also in development for Crohn's disease, another form of inflammatory bowel disorder.

Behind this are a number of other oncology and anti-inflammatory molecules, including HMPL-011 and sulfatinib (HMPL-012). The first is a cytokine-modulating anti-inflammatory with potential in rheumatoid arthritis and psoriasis and is at the Phase I stage. Sulfatinib is a small molecule FGFR/VEGFR inhibitor for cancer currently in Phase I trials in China (scripintelligence.com, 10 May 2010).

Shanghai-based Hutchison MediPharma is the R&D subsidiary of London AIM-listed Hutchison China MediTech (Chi-Med), which in turn is majority owned by the diversified Hutchison Whampoa group of Hong Kong. Over the mid-term, Chi-Med is looking for Hutchison MediPharma to become fully self-funding and is considering spinning it off, possibly through an IPO in a few years' time (scripintelligence.com, 29 July 2010).

Mitsui, which has diverse international business interests, appears to be stepping up its pharma investments and has taken stakes in several firms in the sector this year. It recently paid around \$13 million for roughly 5% of the Indian intermediates producer Arch Pharmalabs, and has invested \$5 million in the Singapore bioventure S*BIO and \$4.4 million for around 50% of Gleneagles CRC, a Singapore-based CRO.