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Hutchison China Meditech In Eli Lilly China Deal For Cancer Treatment

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LONDON (Alliance News) - Hutchison China MediTech Ltd Wednesday said it has entered a licensing, co-development, and commercialisation agreement in China with Eli Lilly & Co for cancer treatment Fruquintinib, a deal that will potentially secure it a series of payments of up to USD86.5 million.

The potential payments include upfront payments and development and regulatory approval milestones.

Fruquintinib is a potential treatment for various types of solid tumours. It is currently in Phase II testing in China. Under the terms of the deal, the costs of the future development of the drug in China, which will be carried out by Hutchison China, will be shared between the company and Eli Lilly.

"Our belief is that Fruquintinib has potential activity against multiple tumour types with high incidence rates and may benefit patients with significant unmet medical needs in China," Hutchison China Chief Executive Christian Hogg said in a statement. "The collaboration with Lilly will allow for Fruquintinib to be developed across various tumour types in China and at a far greater speed than if we went alone."

Separately, the company said it is set to receive a USD6 million milestone payment from Janssen Pharmaceuticals Inc under a 2010 alliance they created to develop small-molecule therapeutics for inflammation and immunology.

The payment was triggered after Hutchison China discovered a new potential compound and Janssen then hit certain development criteria. Hutchison China could get up to an additional USD90.5 million as the compound is developed and would get royalties on worldwide sales if it is commercialised.

Hutchison China Meditech shares were up 7% at 620.5 pence early Wednesday, one of the biggest rises on AIM.

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