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China Biotech In Review: Hutchison MediPharma Partners Cancer Drug With Lilly

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Deals and Financings

Hutchison MediPharma, which is majority owned by Chi-Med [AIM: HCM], announced it would partner its cancer drug fruquintinib (HMPL-013) with Lilly (NYSE: [LLY](#)) (see [story](#)). Lilly will make up to \$86.5 million in upfront and milestone payments to HMP in return for China rights to fruquintinib. The drug, which is in a Phase II clinical trial, is a selective inhibitor of the Vascular Endothelial Growth Factor (VEGF) receptor tyrosine kinases. HMP believes it will be an effective treatment for several solid tumor cancers.

ASLAN Pharmaceuticals of Singapore completed a Series B financing that brought in \$22 million, led by new investor Cenova Ventures of Shanghai and joined by two other new investors: Morningside Group and XinChen Ventures. Existing investors BioVeda Capital and Sagamore Bioventures also participated in the round. ASLAN in-licenses drugs that are at or near clinical trial stage, and then brings them through Phase II proof-of-concept, at which point the company plans to partner its drugs.

Eddingpharm has acquired China rights to Immunet's ImmunFact IMP321, a treatment for breast cancer. Immunet is a French clinical-stage immuno-oncology biopharma. Eddingpharm will develop, commercialize and manufacture the drug, with rights extending to Hong Kong, Macau and Taiwan. Originally Eddingpharm and Immunet will develop the product as a first-line treatment for metastatic breast cancer and then pursue other metastatic indications.

Shenzhen Chipscreen Biosciences has out-licensed Taiwanese rights for a cancer drug candidate, Chidamide, to GNT Biotech and Medicals of Taiwan. Chidamide is an oral, selective histone deacetylase (HDAC) inhibitor that is currently being tested in a China Phase II clinical trial.

Trials and Approvals

Sihuan Pharma (HK: 0460) reported that the CFDA has approved its application to begin clinical trials of pirotinib, a Category 1.1 innovative drug that was developed by the company's own R&D operation. Although Sihuan is known for its cardio-cerebral vascular products, it also produces treatments for cancer. Pirotinib is the first cancer drug that Sihuan discovered and developed itself.

A Japanese encephalitis vaccine produced by China National Biotec Group (CNBG), a subsidiary of state-owned Sinopharm, was prequalified by the World Health Organization. It is the first JE vaccine to be prequalified for use in children and the first-ever China vaccine to be granted WHO prequalification. The certification allows UN organizations to buy the vaccine and distribute it in less-developed countries. PATH, a nonprofit health organization, assisted CNBG. The agency was very interested in promoting a China vaccine because the low cost would facilitate distribution.

Company News

Hutchison MediPharma, a division of Chi-Med [AIM: HCM], will receive a \$6 million milestone payment from Janssen Pharma. The payment was triggered by a small-molecule candidate with an inflammation/immunology target that Janssen in-licensed from HMP in 2010. Although HMP has not disclosed the target, the company did say it could receive up to \$90.5 million in additional clinical and approval milestones from the partnership. If the drug is approved, HMP will be paid royalties on sales.

Two scientists formerly employed by Eli Lilly (NYSE: [LLY](#)) were indicted for stealing proprietary information about nine early-stage experimental Lilly drugs and passing it to an employee of Jiangsu Hengrui Medicine Company of Shanghai (see [story](#)). The two scientists, Guoqing Cao and Shuyu Li, are being held without bail in Indianapolis. Many questions about the incident remain unanswered, including whether Hengrui knew about the plot. Lilly said the secrets are worth \$55 million.

China police have arrested another suspect in the GlaxoSmithKline (NYSE: [GSK](#)) bribery case (see [story](#)). The suspect, whose surname is Guo, once worked for the Xi'an China Travel Service in Shaanxi Province. Police believe that GSK laundered money through the agency (and others) to bribe doctors, government officials and hospital administrators. They further allege that Ms. Guo, who has been wanted since late September, was involved in commercial bribery totaling 20 million RMB (\$3.3 million).

Disclosure: none.