

BIOPHARMA NEWS DIGEST

Chinese Biotech/Pharmaceuticals Enter U.S. Financial Market

Reported by Zhen Zhu

With fast growing and maturation of Chinese Biopharmaceutical industry, more and more Chinese companies are entering or plan to enter foreign financial markets, particularly the US market. So far in the first quarter of 2007 three Chinese companies, 3Sbio, Tongjitang and Simcere Pharmaceutical Group have made headline news by successfully carried out IPO in US. Interestingly 3Sbio and Simcere Pharmaceutical Group represent biopharmaceuticals for biomedicine, while Tongjitang is a company for modernized Chinese Traditional Medicine (CTM). The successful public offering of a CTM company indicates an increasing public interest in Chinese medicine.

3SBio Files for IPO on Nasdaq

In January 2007, 3SBio Inc. (沈阳三生制药有限责任公司) successfully raised \$123 million through IPO in Nasdaq. UBS Investment Bank, CIBC World Markets and Pacific Growth Equities are listed as the underwriters. The company expects to use net proceeds from the offering for general corporate purposes, including funding clinical trials, research and development. The company may also expand manufacturing facilities and its sales and marketing network.



3Sbio (Shengyang SunShine Pharmaceutical Co. Ltd) was founded in 1993. 3Sbio is an integrated biopharmaceutical company engaged in research/development, manufacture and marketing/sales of biopharmaceutical products in China. Mainly engaged in manufacturing recombinant, or genetically engineered, protein-based products to address significant unmet medical needs in nephrology, oncology, supportive cancer care, inflammation and infectious disease. The company's principal products including EPIAO®, TPIAO®, INTEFEN® and INLEUSIN®. According to the company, new products in their pipeline include an anti-human papilloma virus, or HPV, vaccine for the prevention of cervical cancer; and an anti-TNF humanized monoclonal antibody for the treatment of rheumatoid arthritis and other autoimmune diseases.

A former SAPA-WEST Chairwoman Dr. Yingfei Wei, serving as CSO and VP of Business Development of 3Sbio, has played critical role in the process of IPO.



Tongjitang Chinese Medicines Company Files for U.S. IPO



Shenzhen based Tongjitang Chinese Medicines Company (同济堂制药股份有限公司) announced Feb. 27th 2007 that it intends to conduct an initial public offering of 9,865,000 American depositary shares (“ADSs”), representing 39,460,000 ordinary shares of the company. Tongjitang has applied to list its ADSs on the New York Stock Exchange under the symbol “TCM.” Merrill Lynch & Co. and UBS Investment Bank will act as joint global coordinators and joint book runners for the offering.

Tongjitang Chinese Medicines Company is a vertically integrated and profitable specialty pharmaceutical company focusing on the development, manufacturing, marketing and selling of modernized traditional Chinese medicine in China. Its flagship product, Xianling Gubao (仙灵骨葆), is the leading traditional Chinese medicine for the treatment of osteoporosis in China. In addition to Xianling Gubao, the company manufactures and markets 10 other modernized traditional Chinese medicine products and 37 western medicines.

仙灵骨葆片（贵州同济堂制药股份有限公司生产）

[应用] 滋补肝肾，接骨续筋，强身健骨，用于骨质疏松，骨折，骨关节炎，骨无菌性坏死等。[药理]：调节机体代谢，刺激骨形成，提高骨密度，增加骨矿含量，抑制破骨细胞的吸收活动。

该产品是在苗族验方的基础上，运用现代药物学的药理研究方法研制而成的。主要成分包括淫羊藿、丹参、知母及地黄。该处方收载于《国家中成药标准汇编·中成药地方标准上升国家标准部分·骨伤科分册》。

Simcere Pharmaceutical Group files with U.S. for \$120 mln IPO

China’s Simcere Pharmaceutical Group (先声药业) on Friday March 23rd said it is planning an initial public offering of as much as \$120 million in American depositary shares. Goldman Sachs (Asia) LLC will underwrite the offering, according to a preliminary prospectus filed with the U.S. Securities and Exchange Commission. Simcere is seeking a New York Stock Exchange listing under the symbol “SCR.”



Simcere plans to use the offering to fund research and development, to expand its production facilities and equipment for marketing efforts and to repay debt. The company currently manufactures and sells 35 pharmaceutical products, including antibiotics, as well as anti-stroke medication Bicun and anti-cancer drug Endu (恩度), also known as Endostar. The company has also obtained approvals from Chinese authorities to manufacture and sell 100 other products. Simcere had revenue about \$22 million in 2006.