

## C-Bridge Capital

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# Investing in China's health care opportunity

**C-Bridge Capital specializes in the growing Chinese health care market and is using its expertise to identify emerging industry leaders and bring global innovation into China.**

Access to innovative medicines in China currently lags behind that in the United States, with nearly half of all drugs approved by the US Food and Drug Administration (FDA) between 2012 and 2017 still waiting to start the regulatory process in China. But ongoing reforms to China's regulatory environment are expected to accelerate development and approval times for imported innovative drugs by 2–5 years, heralding a new era of opportunity for the pharmaceutical industry.

"The pharmaceutical industry in China is going through major changes driven by a number of macro factors, including an aging, wealthier population, a flow of health care talent back to China, and a demand for innovative medicines," said Wei Fu, the CEO at C-Bridge Capital. "Increasing disease burden, better insurance coverage, and rising medical needs are also strong fundamentals for growth in the Chinese health care market."

C-Bridge Capital is the leading health care private equity fund in China, focused on investment opportunities in innovation or commercialization in the fields of biotechnology, pharmaceuticals, medical devices, and *in vitro* diagnostics. The company has offices in Shanghai, Beijing, Hong Kong, Boston, Massachusetts, New York City, and San Diego, California.

C-Bridge currently has \$700 million in assets under management, including investments in biotechnology companies, one of the largest regional pharmaceutical distribution companies in China, as well as device and service businesses in China. The funds have a strong investor base that includes Singapore-based Pavilion Capital, family foundations, and other institutional investors around the globe.

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### Track record of Chinese investment

C-Bridge invests in a concentrated portfolio of companies with validated science and near-term commercialized products, and takes a hands-on approach to add value, ensuring that the companies are ready for the next phase of growth. It also works with a number of operating partners to help improve



portfolio company operations, such as finance, management, and contract manufacturing.

For example, Ascletris is a Chinese biotechnology company focusing on innovative drug development for liver diseases. Founded in 2011 by US returnee Jinzi Wu, the company is preparing to launch its first product for chronic hepatitis C virus (HCV) infection, ASC08, a clinical-stage HCV protease inhibitor licensed from Roche in 2013. Ascletris succeeded in developing ASC08 from investigational new drug (IND) approval to new drug application (NDA) submission within 2 years—faster than any other innovative drug developers in China. After leading a \$55 million series A financing round in 2015, C-Bridge Capital led the \$100 million series B financing in December 2016, which has helped Ascletris extend its pipeline into hepatitis B and other liver disease indications.

C-Bridge has also invested in I-Mab Biopharma, a leading biotechnology platform company that was established in 2017 through a merger of two of its portfolio companies: Third Venture Biopharma and Tasgen Biotech. "After incubating the companies for a year or two they reached a stage where we were able to merge them to become a fully integrated biologics company focused on immuno-oncology and autoimmune disease," said Fu. "The I-Mab team has expertise in all areas of innovative drug development, including discovery, CMC (chemistry and manufacturing controls), and clinical development." C-Bridge Capital led the series B financing of \$150 million earlier this year. I-Mab's strategy is to balance de-risked, late-stage biologic products licensed from global partners with early-stage, global, first-in-class or best-in-class innovative products from internal discovery.

### Platforms for future innovation

Going forward, C-Bridge will carry out many of its incubation activities via a new platform company, Everest Medicines, which aims to in-license, develop, and commercialize globally innovative pharmaceutical products in China. "A lot of what we do is driven by the China opportunity, and with Everest we are

planning to bring innovative drugs to China from the US and elsewhere," said Sean Cao, managing director at C-Bridge Capital.

C-Bridge has invested significantly in the new company, which has a leadership team experienced in high-quality clinical development in China, and scientific advisors from the fields of neurology, immunology, vaccines, and antivirals. Everest will focus on de-risked assets with clinical proof-of-concept data or a validated target, with clear market potential and the potential to be best in class or first in China. It aims to obtain Chinese FDA approval in 5 years for multiple programs that have completed phase 2 in the global market.

C-Bridge's portfolio also includes the Lu Daopei Medical Group, China's leading privately owned hematology and oncology hospital group. Named after a renowned hematologist and pioneer of hematopoietic stem cell transplantation (HSCT) in China, the group currently owns two hospitals that provide HSCT and related treatments. Two new hospitals are due to open in Beijing by the end of 2018.

"We believe we can build this up as a platform for future innovation, so that partner companies with innovative drugs or technologies and diagnostics for hematology diseases could potentially collaborate with the hospital on research for clinical studies," said Fu. "This is another area with potential for growth in China."

### contact

James Cen Bonsor,  
Investor Relations Director  
C-Bridge Capital  
Shanghai, China  
Tel: +86 21 8012 3390  
Email: james.cenbonsor@cbridgecap.com

Sean Cao, Managing Director  
C-Bridge Capital  
Boston, Massachusetts, USA  
Email: sean.cao@cbridgecap.com