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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. Between 2012 and 2017, nearly half of all drugs approved by the US Food and Drug Administration (FDA) were 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, New York City, Boston, and San Diego.

C-Bridge currently has \$800 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 leading institutional investors around the globe.

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, I-Mab Biopharma is 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 in early 2017. 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.

C-Bridge has also invested in CMAB Biopharma, a full-service contract development and manufacturing organization (CDMO) that provides process development and manufacturing services for biologic products. "With the regulatory advancement in China, we believe there is urgent need for high-quality, pure-play CDMO services," said Meng Jiang, managing director at C-Bridge Capital. "CMAB's commitment to global quality standards is aligned with rising regulatory standards and the ultimate goal of bringing higher quality products to patients domestically and around the world." C-Bridge Capital put together a top team for CMAB and led the series A financing of \$38 million that was raised in January 2018. By the end of March 2018, CMAB had opened its facility in Suzhou BioBay, established collaborations with several leading biopharma companies, and closed its series B financing of \$34 million, which speaks to the quality of CMAB's services and to the expertise of its management team.

### Platforms for future innovation

Going forward, C-Bridge is conducting many of its incubation activities via a new platform company, Everest Medicines, which is in-licensing, developing, and commercializing 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, with scientific expertise in the fields of oncology, infectious disease, immunology, nephrology, cardiovascular disease, and other therapeutic areas. Everest is focusing 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. Everest recently signed licensing agreements with two companies in the United States, Arena Pharmaceuticals and Tetrphase Pharmaceuticals, to develop and commercialize their products in China.

C-Bridge will create additional platforms with the success of Everest Medicines to broaden structures. "We continue to look for partnerships with innovators from biopharma to medtech, including diagnostics, to help expand their market to Asia, especially greater China, and bring their innovation to more patients," said Michael Keyoung, managing director and head of North America at C-Bridge Capital. "We plan to leverage the success of Everest to create more synergistic partnerships in coming years."

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."

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