



李氏大藥廠

Lee's Pharmaceutical Holdings Limited

李氏大藥廠控股有限公司\*

(incorporated in the Cayman Islands with limited liability)

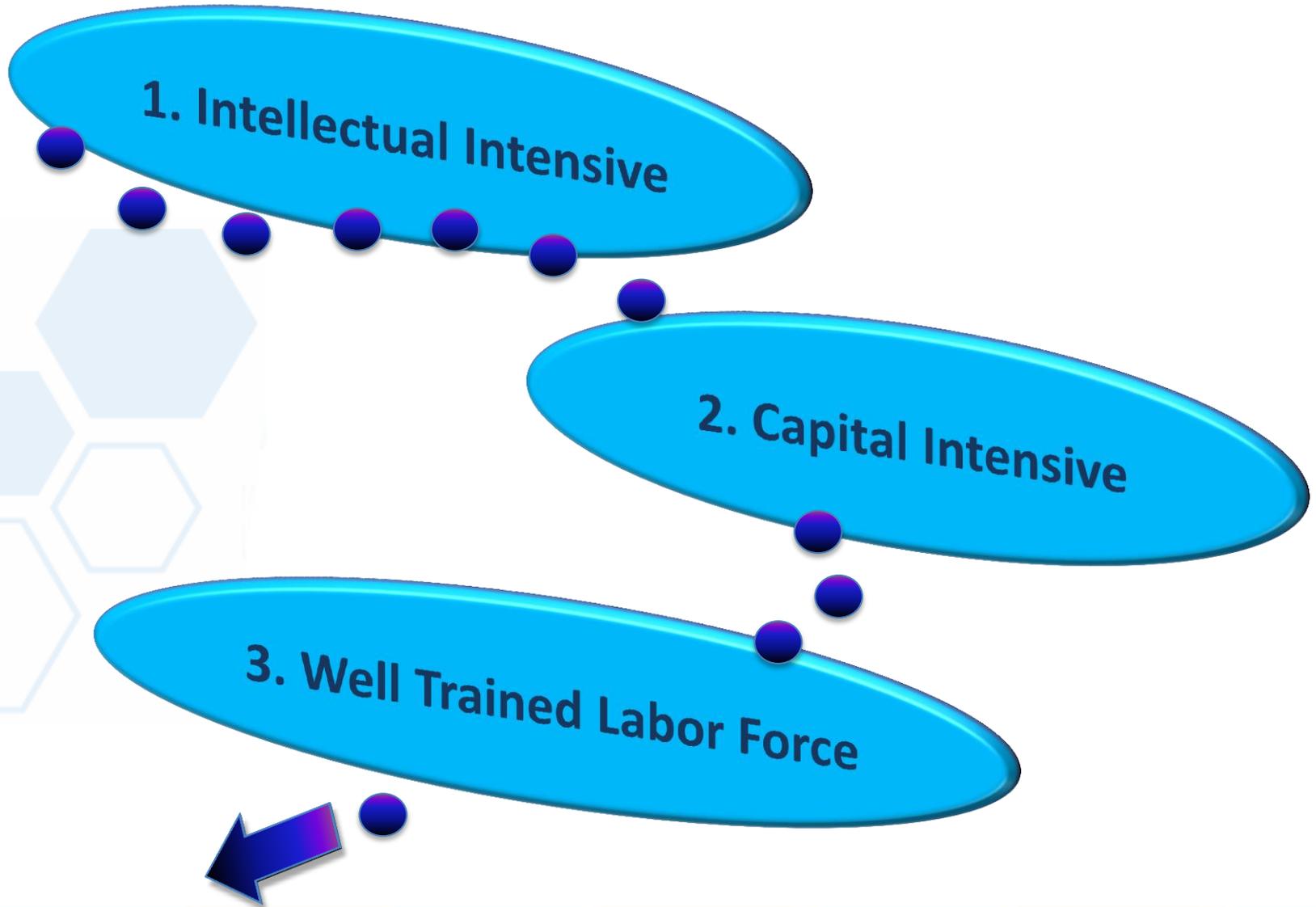
# Drug Development In Hong Kong The challenge and prospect from the industry's perspective

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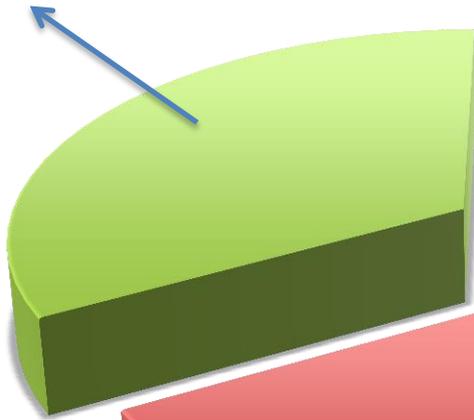


# Drug Development Cluster in US

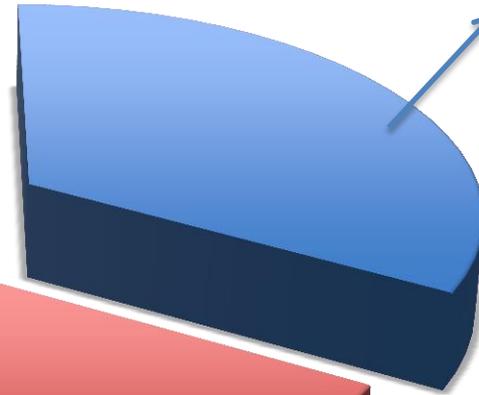




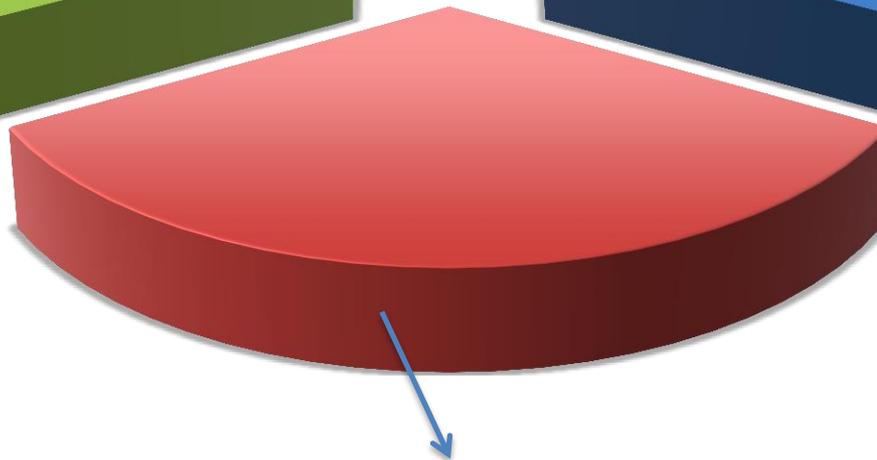
- Well establish venture capital



- Preferential government support (i.e. tax)



- Close proximity to universities and research institute





## ● Gateway to Mainland China

- ~ an ideal platform to achieve exposure in the rapidly growing Mainland Chinese market
- ~ ideally positioned at the center of rapidly developing East Asia

## ● Strong Legal System

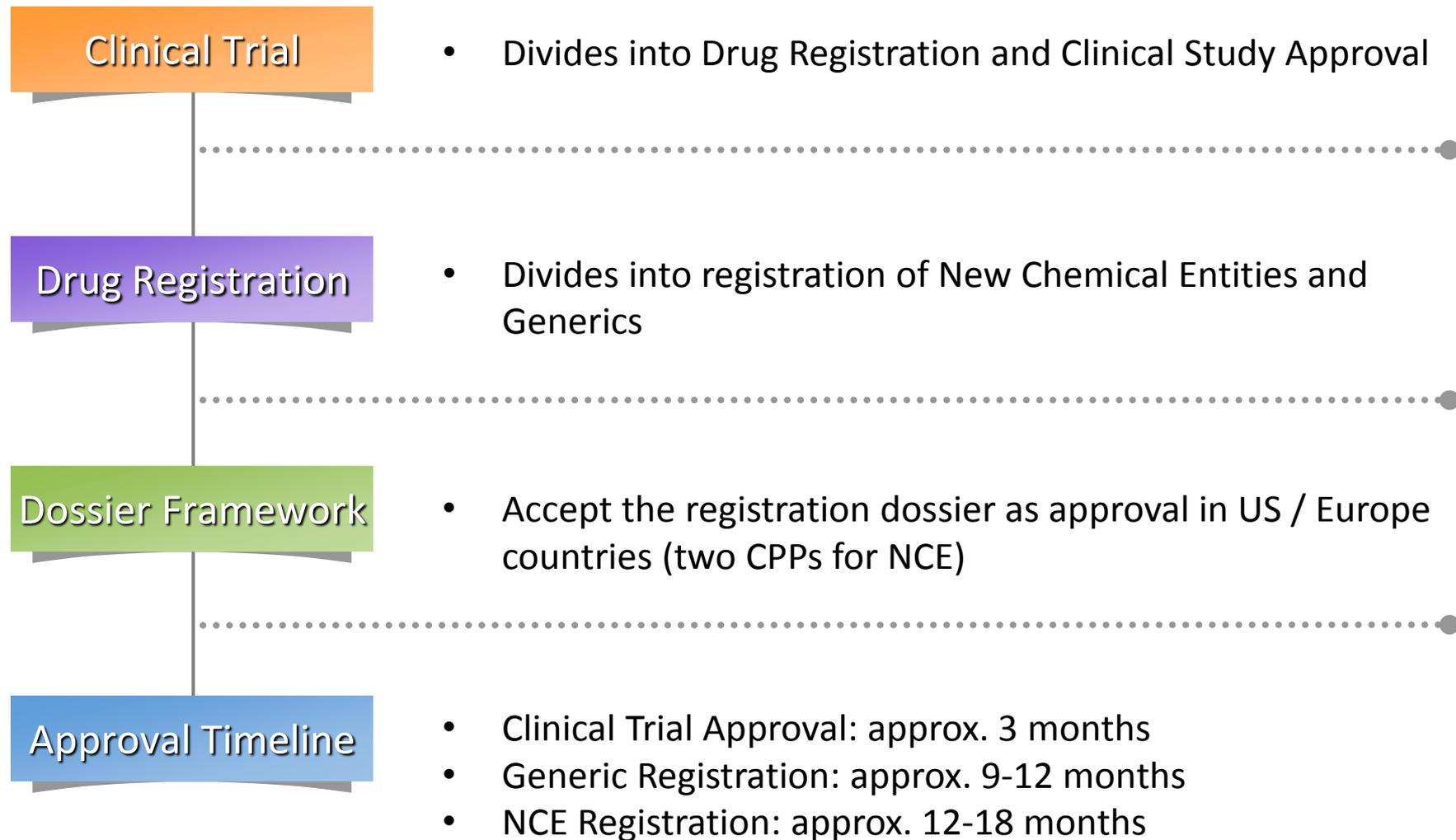
- ~ a well established legal system based on English common law
- ~ a strong foundation and intellectual protection for companies

## ● International business and information platform connecting to the world

- ~ a global communications hub and has excellent communications infrastructure
- ~ HK's two official languages—Chinese and English—provide a great flexibility

## ● World-class infrastructure and good supply of high quality manpower

- ~ a motivated and highly educated local talent pool
- ~ high quality expert panel

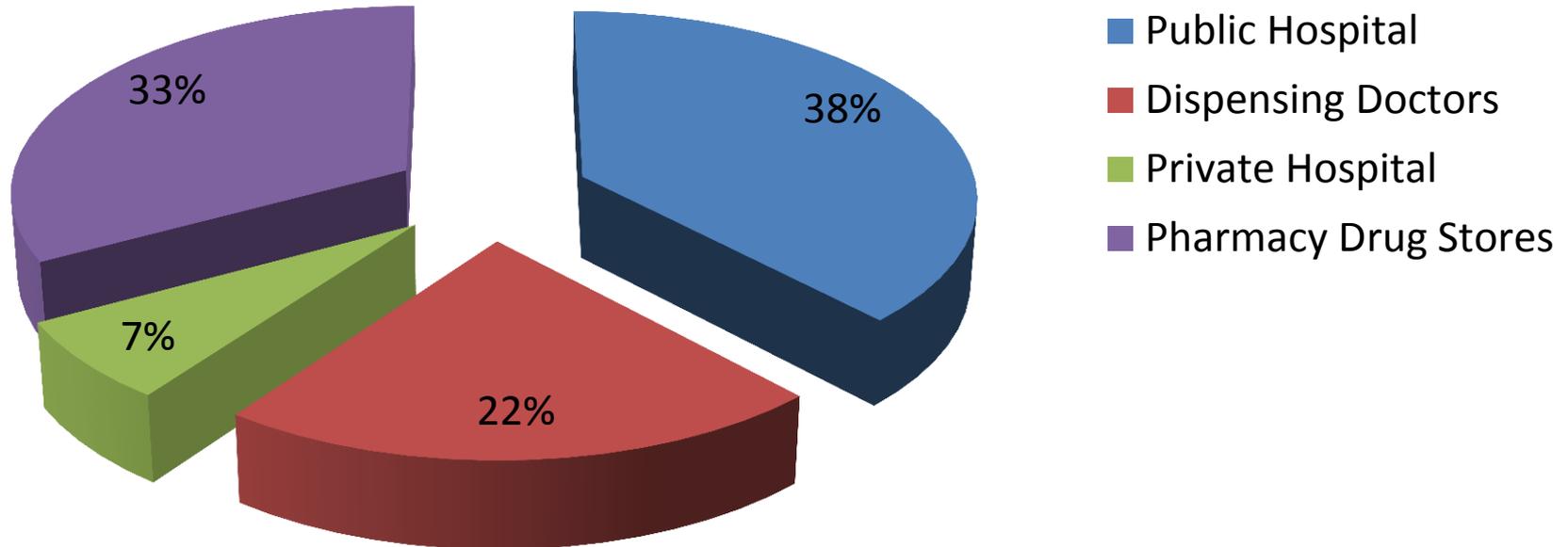


# Limitation of current Hong Kong Drug Registration Regulation



- Only tailored for US or Europe approved drugs
- Lack of review mechanism for development of New Drug
- Clinical Study Approval only valid for Hong Kong

# Limitation of Hong Kong Market



- Small population of about 8 million people
- Public hospitals formed the largest single sector of the market share; and majority went through tenders
- Price is the only concern that tames the drive for innovation

# Attractiveness of Mainland China Pharmaceutical Market



- Huge potential exists for the drug market with a population of over 20% of the worldwide total
- Pharmaceutical growth rate of 20% for the last 10 years
- Third largest pharmaceutical market in the world after the US and Japan with sales of US\$40 billion
- Projected to increase to \$100 billion in 2015; and to have a \$200 billion by 2020 making it the second largest in the world
- Increase investment by the government in healthcare spending.

# Current China Drug Registration regulation for Hong Kong Product



No connection in the registration regulation

Different registration standards and requirements

Not valid in China for trial approved in Hong Kong



**Drug development is a long, complicated  
and expensive endeavor**

- No clear regulatory path in sight
- No venture capital available (guide venture mentality)
- Lack of determination in the society

# Key ingredients for creating a favorable environment for drug development in Hong Kong



--regulatory

1

Harmonize with China's Drug registration regulatory for Hong Kong IND  
natural progress to China NDA

2

Hong Kong approval for clinical study valid for both Hong Kong & China

3

Shorten the review timeline;

# Key ingredients for creating a favorable environment for drug development in Hong Kong



-- Market Capital&Tax

1

Attack healthcare venture capital to Hong Kong

2

Attack healthcare venture capital to Hong Kong

3

Change the short term mentality

# Proposition of Hong Kong Government Action



--Regulatory

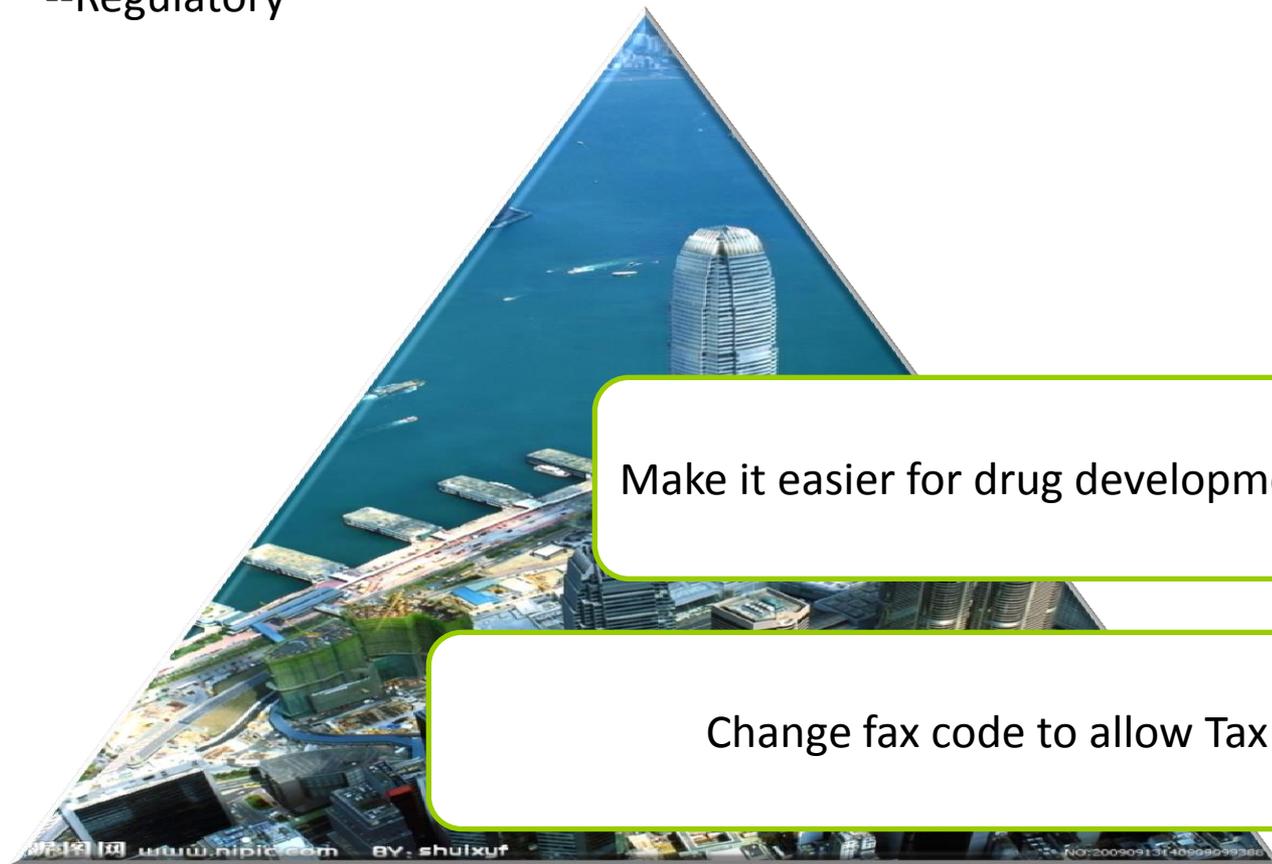


Reach out to CFDA and seek mutual recognition for Clinical Study Approval

Amend current Hong Kong Drug Registration regulation to keep up with the development and change of landscape



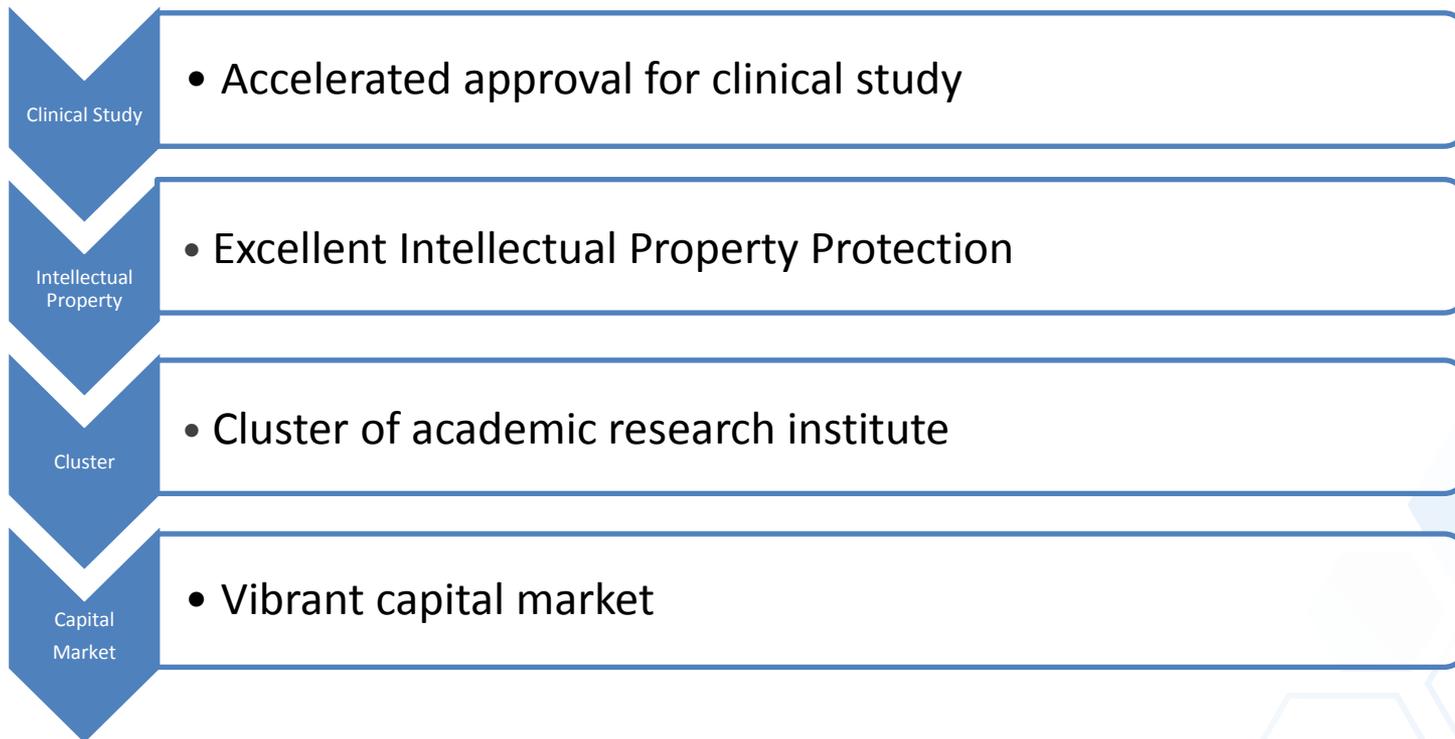
--Regulatory



Make it easier for drug development company to be listed

Change tax code to allow Tax loss transfer

# Success factors for Hong Kong to become a Center of Drug Development in Asia





@ Can Hong Kong be a center for Drug development?

-----Yes

@ But Actions for government are needed to make it happened



Thank You

