



# BUTTON

Every Person Deserves the Chance To Live a Healthy,  
Productive Life

**BUTTON**

**BUTTOn Healthcare Cross-Border Partnering Summit**

**From Globe to Asia@JPM**

January 13, 2020

Julia Morgan Ballroom @ The Merchants Exchange  
465 California Street, 15th Floor  
San Francisco

The banner features a grid of 45 small portrait photos of attendees, a stylized city skyline with a sailboat, and silhouettes of people running on a path.

## JANUARY

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Keynote: Building Strategic Global Partnerships with California

KEYNOTE SPEAKER



Joseph Panetta

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Biocom 

President and CEO of Biocom

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 [BIOCOMCEO](#)

## 1. Building Strategic Global Partnerships with California

### A. Overview of California's life science economy

- 1) California is an enormous place of great capital, great industry and discovery place where many of the foremost innovations in healthcare have been researched and developed.
- 2) California is also an enormous home for all kinds of innovation.

### B. How Biocom builds global partnerships

- 1) About Biocom: the mission is to accelerate the success of our life science community here in California across the globe. Biocom has been taking a great responsibility for serving as the leader in California, creating active networks that connect the scientists, policy makers, business development executives, CEOs, academics and international partners to work all together.
- 2) Biocom's footprints in Japan started a few years ago, and the partnerships and deals with Japanese life science industry have been growing at a rapid pace. Now, Biocom also has consulting services (covering all aspects) for US companies who are doing business in Japan.
- 3) Biocom's footprints in UK & France & Australia include (but not limited to) One Nucleus (UK), Eurobiomed (France), Australian Biotech Association (Australia). Biocom is taking similar approaches as in Japan, trying to help biotech companies from every aspect (tax structure, IP protection, regulatory obstacle and so on).

## C. Biocom's ties with China

- 1) Biocom has been very interested in working in China – just like the other countries just mentioned. Especially in the past few years, the life science industry in China has underwent a huge change, and Biocom would like to explore more partnerships with Chinese companies.
- 2) Many US companies have been very interested in China, especially for the big pharma/biotechnology companies, their revenues in China have exploded and China is already taking up a considerable part in their revenues. But for small and mid-size companies, due to their limited knowledge and experience in China, most of them have not made much progress in landing in China (except for the big leading companies like Lilly and Pfizer). Biocom encourages more Chinese companies to come to US, and the optimism towards China has been growing among many US/European companies and organizations (One good example: AstraZeneca).
- 3) On the other hand, concerns in China are also noticed, such as academic freedom and integrity. Therefore, Biocom has been careful. But overall speaking, Biocom is still very optimistic in China and would love to partner with excellent players like Button Capital in China.

## D. Politics and regulatory system

- 1) Biocom has tremendous allies in politics in California and Washington, as well as closely working with FDA, NIH and other organizations.

- 2) Biocom is working towards to deal with many challenges and problems (drug price, import control, tax plans, insurance reimbursement, legislation and so on), under the circumstances that we are undergoing an era with unprecedented innovation and development power of technology and products.



Keynote: Nordic Life Science Landscape

KEYNOTE SPEAKER



**Helena Strigård**

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SwedenBIO

CEO of SwedenBIO

## 2. Nordic Life Science Landscape

### A. Legacy of life science sector in Sweden

Long tradition of entrepreneurship and innovation, #1 competitive economy in Europe, #2 Innovative country in the world, with world renowned Alfred Nobel, Anders Celsius, Jöns Jacob Berzelius, AstraZeneca and so on.

### B. Ecosystem

- 1) Life science is a prominent industry sector in Sweden, comprised of 5 major clusters with 3000 companies (1900 companies are engaged in R&D activities), 42000 employees. Life science industry drives 8-10% of Sweden's net export.
- 2) On the government side, the Swedish government mainly appoints 4 strategic areas: digital transformation, health & life science, climate change, competence & lifelong learning.
- 3) Sweden is very strong in manufacturing and thus is manufacturing home to many world-class companies - classic examples include: AstraZeneca, GE Healthcare, Pfizer, Cobra.
- 4) The stock market in Sweden is also an excellent choice to invest: Sweden has several local stock exchanges – lots of expertise in investment bank, public fund, analyst and so on.

### C. The Nordics: A perfect setting for partnerships and investments

- 1) Finland: Finland has 100% real world data – a hidden gem for health data.
- 2) Iceland: Front-runner in sustainability of life science.

- 3) Denmark: Very solution-oriented, and Denmark is #1 in terms of clinical trials per capita in Europe.
- 4) Norway: Norway is very technology savvy, both developers and adopters. Especially strong in precision medicine and oncology.
- 5) Sweden: Born to be innovators, has a vibrant start-up scene and ecosystem.

## D. SwedenBIO

- 1) SwedenBIO represents the leading life science companies in Sweden. SwedenBIO builds up professional networks, shares knowledge and thus represents the industry.
- 2) SwedenBIO holds its annual event: Nordic Life Science Days

## E. Collaboration between SwedenBIO and Button Capital

SwedenBIO has been working with Button Capital for a while, and both parties have shown great interests in continuing this partnership. We are also witnessing more Chinese investment in Sweden, so SwedenBIO is looking forward to more collaboration in the future.



Keynote: Enabling Genomics in Healthcare for Global Population  
through Chinese Innovations

KEYNOTE SPEAKER



**Yongwei Zhang**

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BGI Americas

CEO of BGI Americas and Group VP of BGI

## 3. Enabling Genomics in Healthcare for Global Population through Chinese Innovations

### A. Genomic researches in BGI

About BGI: a public company in China, with more than 6000 employees, along with a brief retrospection of BGI's history – BGI has been working on human genomics for over 20 years. BGI values both Chinese and global partners, and has worked out feasible and profitable business models through their genomic researches.

### B. Innovation in sequencing technologies and platforms

- 1) Shake the stereotype that China cannot innovate.
- 2) BGI acquired Complete Genomics, a public company in Silicon Valley – a significant example of BGI's cross border footprints.
- 3) BGI has made great progress in innovation and has been focusing on solving the major pain point of sequencing industry: cost. Similar to Moore's Law, the cost for sequencing has been decreasing rapidly, and BGI believes the cost can continue to decrease with BGI's competition with Illumina (breaking down the monopoly of Illumina).
- 4) BGI has developed global footprints in various countries, in terms of partnerships and customers, including US (joined FDA sequencing control phase II), UK (Biobank), Sweden (Karolinska Institute), Thailand, Australia, Japan, South Africa.

- 5) BGI has also worked out globally, vertically-integrated consumables supply chain

## C. Enabling high quality and low cost for global population

- 1) During the keynote, Yongwei revealed the most updated product of BGI: BGI has developed non-invasive prenatal testing (NIPT) universal tests for global population, with significant lower cost (almost zero cost) and superior accuracy. BGI can also make this NIPT test in large scale, meaning that this test can work for all pregnant women in this world.
- 2) BGI has been promoting reproductive precision medicine, and Shenzhen (headquarter city of BGI) has been a leader in this area.
- 3) Currently, BGI is also supporting a comprehensive genome program in Abu Dhabi.



Keynote: Navigating and Cross Pollinating Between Academia  
and Biotech

KEYNOTE SPEAKER



**Robert Tjian**

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Howard Hughes Medical Institute

Former President of Howard Hughes Medical Institute

Professor of University of California, Berkeley

Member of National Academy of Sciences

## 4. Navigating and Cross Pollinating Between Academia and Biotech

### A. Howard Hughes Medical Institute

- 1) Howard Hughes Medical Institute (HHMI) is a fully independent philanthropy, spending over \$1B annually on research
- 2) It has always been on debate about whether to pick project or people. At Howard Hughes, they decide to pick people – find excellent scientists, provide them full support, followed by the most rigorous tests (so called Deletion Test) every 5-7 years. HHMI is leaning towards a “high risk, high reward” experiments – accepts failures, but highly encourages bold thinking and always seeks for revolutionary science.
- 3) As a non-profit organization, HHMI does not own IP of all these breakthroughs – the universities own these IPs.
- 4) HHMI is also unique in that it is always trying to develop novel platform – even in some cases, the platform has no specific application at the beginning.

### B. Scientific breakthrough in biomedical/drug discovery field

- 1) A revolution led by Eric Betzig in cellular microscopy: beating the diffraction limit via single molecule localization – allowing people to follow the movement of cells and molecules in biological system.
- 2) Eikon is developing high throughput live cell assays to drug “undruggable” targets – mainly focuses on single molecule tracking to understand the biological

mechanisms of pathological diseases, thus it will revolutionize our ability to manipulate the dynamic movements of molecules in biological systems.

Academia has lots of talents and is capable enough to identify these great minds, but does not know how to turn edge-cutting technology into a product – so working closely with industry is necessary and very helpful.



Panel Discussion: Why Is Chinese Healthcare Booming? Why  
Could Partnering with Chinese Players in Healthcare Industry  
Matter to You?

MODERATOR



**Alan Seem**, Jones Day

Partner of Jones Day

PANEL SPEAKERS



**Qingxi Wang**, CSPC Pharmaceutical Group Ltd

President and Executive President, International Division  
and Executive Director of the Board of CSPC  
Pharmaceutical Group Ltd (1093:HK)



**Cherry Lu**, Redhill Capital

Founding & Managing Partner of Redhill Capital  
Venture Partner of Sequoia Capital China



**James Huang**, KPCB China

Managing Partner of KPCB China  
Managing Partner of Panacea Venture

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## 5. Why Is Chinese Healthcare Booming? Why Could Partnering with Chinese Players in Healthcare Industry Matter to You?

### A. Why is Chinese Healthcare Booming?

#### **Alan Seem:**

Why is the Chinese healthcare industry developing so fast, and why should we cooperate with Chinese healthcare companies?

#### **James Huang:**

I am mainly engaged in BD. When I started to raise my own funds, I was thinking about how to link China with the United States. Then I found out that in China, there was no way to obtain approval for US drugs. Therefore, many US companies often avoid the Chinese market. So, ten years ago, we invested in some companies that can grow on their own and bring more new medicines to China to treat more people. We provided labs and offices for those companies that we incubated. Five years ago, when we first took our drugs to China, it took us three years to convince the CFDA to accept our plan and technology. Now our company has developed into a fully home-grown company, and we are also exploring the global market – we are doing clinical trials in Europe, and are in talks with the US FDA. Nowadays in China, there are just so many opportunities for biotech/pharmaceutical companies. There has also been much more interaction between Chinese companies and US/European companies with advanced technologies.

The major driving forces for this boom are the rapid increase in local innovation in

China and much lower costs. The cost of conducting clinical research in China is relatively low, and many of our companies conduct clinical research in China. Patient costs are about 200,000 RMB in the United States, and about 70,000 RMB in China, and the cost is constantly falling. At the same time, the time required to obtain approvals in China is getting faster and faster.

## **Qingxi Wang:**

Dr. Wang worked in both China and the United States, and also involved in drug research and development. The main points are as follows:

- 1) The overall macroeconomic environment: The rise of China's middle class has resulted in increased demand for quality healthcare. In addition, China has 40 million cancer patients each year, which also brings huge medical care needs.
- 2) Policy factors, especially China's innovation policy. More and more innovators are pushing the policy forward. The "4 + 7" policy has caused China's medicine prices to continue to fall. And the approval speed in China is getting faster and faster, which also promotes the development of the pharmaceutical industry.
- 3) As China has more and more innovation opportunities, more overseas high-tech talents will return to China to start businesses. CSPC has 6 subsidiaries and R&D bases in the United States, and also cooperates with many companies. CSPC is also working on collaborations with US top universities

and institutions, such as Harvard, Columbia, UC Berkeley and so on, for innovation and development.

- 4) At the same time, ensure the company has local partners in China to respond to policy and regulatory issues, establish commercial platforms and local sales models, and complete registration. It is very difficult to sell into the Chinese medical market. You need a partner to deal with the market and the approval of the CFDA.

## **Cherry Lu:**

Many Chinese companies didn't know how the capital market worked. Until 15 years ago, they started to understand the operation of the capital market. A lot of money has been invested in the Healthcare system, and the government did the same thing. All these funds are raised from government, individual investors, overseas investors, and social capital and has been pushing the upgrade of Chinese healthcare market and the development of those enterprises. Another trend is the upgrade of consumption and aging of the population. There are over 200 million people being elderly in China and much more in the future which drives the demand for quality medical care.

## **B. Leveraging China's resources**

### **Alan Seem:**

As a venture capitalist, how to make your US portfolio companies grow in China?

What specifically are you looking for if you are taking a US company to China?

What types of arrangement would you consider when bringing US companies to China?

**James Huang:**

We have been working closely with US academia to find the technology to bring to China – both pharmaceuticals and devices. On the other hand, commercialization is extremely hard, so we have focused a lot on how to build relationships with Chinese partners and what kind of partners we need. This is all related to the development stage of the company. We usually incubate a company for 3-5 years. We have been working on licensing deals, a model that we found to be very effective to build companies.

**Qingxi Wang:**

Speaking of licensing deals, I think for US companies, you need to consider your ultimate goals: whether you are interested in the long-term revenue or short-term cash business – whether to build up the whole business operations and expand in the Chinese market or just get cash through licensing deals. If it is for long-term business, you should conduct clinical trials and registrations with more Chinese clinical testing institutions, enter into exclusive distribution arrangements, and slowly establish more relationships within China. Another way is to set up a joint venture and learn from partners how to commercialize and sell. After learning from

them, you can buy back the company's equity or start another company. Don't be overwhelmed by IP issues. Partners should respect your intellectual property, because only on this basis can long-term cooperative relationships be established. If you are cooperating through a joint venture model, you are actually a Chinese company and you will be protected from IP infringement issues. It is also worth noting that the Chinese government has been carrying out policies and new laws to enforce IP protection, and the Chinese government treats Chinese and foreign companies equally on the issue of IP protection.

**Cherry Lu:**

The current Chinese medical market is different from the past. In the past, as long as you had a good product, you could find an opportunity to get a market in China. However, it is now intensifying competition. You need to understand the local market dynamic and government issues better to fight for a market position, thus you need a good local partner. In 2018, we helped a biomedical company based in Silicon Valley to land in China and helped them find the right place — different provinces, cities or incubators in China have different preferential policies. We must understand the situation and make appropriate choices. If we choose the right place, then our registration approval and development might become faster. We helped the Silicon Valley company land in Guangzhou, cooperate with various business partners and got the government's green channel. A good local partner needs to understand or has resources on local CRO, CMO, government relations, distribution

channels, talent pool and capital market, etc.

## C. Differences between China market and US

### **Alan Seem:**

How is China different from the US in terms of drug commercialization?

### **Qingxi Wang:**

There are lots of middle men in China's healthcare system. As a result, there are too many steps between manufacturing and patients in China – there is a lot of complexity in China's supply chain and it is very different from the US. In the process of commercialization of products for the Chinese market, there will be many middlemen, including with hospitals and doctors, so there are many steps in the process of commercializing the final product. You need to carefully analyze and agree the profit share percentage with all marketing/distribution parties. Besides that, there are Chinese policies, and NDRC/PDRC approvals. In addition to provincial-level approvals, there are other approvals that are required. You must know how to enter the hospital's procurement catalog. Therefore, as we mentioned previously, picking good partners in China is very important. Take one of my successful experiences with CSPC for example: CSPC once worked with a US company through joint venture model, and we laid out the responsibilities for each party very clearly – and CSPC was able to help them with all their operations in China (regulatory registrations, distribution, marketing etc.). The system in China

is already there – all you need is to find the right people/team who knows how to navigate the system.

**James Huang:**

Besides the drug distribution system, the hospital system in China is also very complicated and not efficient enough - also it takes much effort to handle logistics and get the detailed work done (for instance: payment collections).

## D. Balance between US and China

**Alan Seem:**

It is important for US companies to find partners that are capable and trustworthy. For a US company, how do you balance your focus on your US business while still pursuing a China strategy?

**Cherry Lu:**

Searching for right partners takes lots of time and thus is a long process. I have seen many US companies that start this search and initial talks/meet-ups with potential partners. It usually takes 1-2 years to find a right partner. It is always necessary for US companies to continuously try to understand the Chinese market themselves, pay attention to relevant information, and talk to various Chinese business partners. In addition, I would like to add a little more about insurance payers: about 90% of people in China now have basic medical reimbursement. It is very important for the

drugs/medical products to enter the medical insurance catalog. Besides basic medical insurance, the trend of commercial health insurance is happening.

**Qingxi Wang:**

Speed is very important. If it takes 1-2 years to enter the market, you may lose the market opportunity. When CSPC was engaged in market cooperation at that time, we hired many lawyers to understand the local laws (US law, UK law, Chinese law, etc.), to ensure that the licenses and contracts will be valid. When establishing contracts with partners, you must ensure that the contract is well drafted and covers key points, including how to resolve disputes, how to terminate the contract, etc. You should make sure that when drafting the contract, include as many details as possible – otherwise, once both sides start to be too entangled in certain details and terms in the contract, the trust will be likely to erode and disappear. As for the current trade war between the US and China, I don't think that it should have much impact on your cooperation. As long as you abide by the relevant laws and regulations, retain excellent lawyers and pay attention to details, you should be fine.



Panel Discussion: How Have Asia-Global Cross-Border Partnerships and Investment Changed for Venture Groups and Strategists over the Past Few Years, and What Are the Future Trends?

## MODERATOR



**Shutian Liu**, Button

Founding Partner of Button

## PANEL SPEAKERS



**Ty Hu**, Woodside Medical Partners

Managing Partner of Woodside Medical Partners

Managing Director of InnoVenture Medical Accelerator



**Don Lin**, Guoqian VC

President of US Innovation Center and a Founding Partner of Guoqian VC



**Ken Petrilla**, Deloitte Tax LLP

U.S. Representative of The American Chamber of Commerce and Managing Director at ChinaVest, Former Executive Director of California-China Office of Trade and Investment



**Mary Wheeler**, BioRock Ventures

Founding Managing Director of BioRock Ventures



**Faz K. Bashi, MD**, Boston Millennia Partners

Venture Affiliate Partner at Boston Millennia Partners, Board Director of Angel Capital Association, Chair of screening committee of Life Science Angels

## 6. How Have Asia-Global Cross-Border Partnerships and Investment Changed for Venture Groups and Strategists over the Past Few Years, and What Are the Future Trends?

### A. Changes of cross-border collaboration

#### **Ty Hu:**

- 1) I have been primarily in medical device area for over 20 years. Based on my experience, we found that our major focus for early stage companies is about financial help and access to market.
- 2) I think for a small company, giving away China rights, at least in Medtech area, since it's a very short revenue cycle, it's not easy - it will create difficulty for exit.
- 3) But things are different for pharmaceutical companies - licensing is very ideal for pharmaceutical/biotech companies because it can generate lots of revenues, but also leading to more clinical trial data.

#### **Ken Petrilla:**

China's growing aging population and rising urbanization are expected to be the key drivers of growth for the country's healthcare market. These factors, coupled with rising wages and improving living conditions, are expected to continue driving healthcare moving forward. In addition, the government is directing an aggressive reform of the country's healthcare system as it seeks to expand access to care and improve the performance of the healthcare system.

China's healthcare sector has two significant issues. One is the shortage of doctors and the other issue is the excessive number of patients. China has about 3 million doctors to serve a total population of 1.4 billion.

There will never be enough doctors for the whole country so that the need is to scale capabilities in terms of technology, equipment and medicines as an infrastructure component of a cure.

In addition to the shortage of doctors, the increasing rates of chronic diseases, the newly developed middle class and growth of disposal income, and the aging population means opportunities for manufacturers of medical equipment and health care services.

There are excellent opportunities in healthcare and related services throughout China and especially in tier 2 cities. These cities and provinces are moving to satisfy the needs and demands of their citizens without first consulting with Beijing. In many second-tier cities, the local governors are making more decisions and their decision process (unlike the top-tier cities) is usually much faster – in China, more people are involved in decision making in policies and regulation.

**Don Lin:**

- 1) Government is trying to squeeze out many costs in the distribution channel.
- 2) We have been doing more licensing deals in the past year, which can solve some pain points in joint venture and minimize the influence from CFIUS and the tension between US and China.

- 3) The royalty fees from licensing can create a lot of revenues especially for small/mid-size companies in US, allowing them to explore Chinese market even if they don't know much about China yet.
- 4) US regulation and new policies (CFIUS and others) led to some changes of our business practice, especially from a legal corporate structure perspective.
- 5) China has a higher saving rate - so with the high cash flow in China, they will make investment anyway. If US investment has barriers, they are switching more focus to Japan and European countries.

**Faz Bashi:**

- 1) I have lots of experiences in venture capital education, and in the past year I have seen a significant increase in diversity of the Chinese people coming into our education programs in China through Venture Capital Institute - more women, more young adults.
- 2) I think there is always a hunger to know about the other side, so the education is necessary. I think the premise of using education as a way of building connections and learning about each other is really fundamental.

## B. Current status of Chinese investment in US

**Shutian Liu:**

In the past two years, oversea direct investment (ODI) comes down. What happened?

**Ty Hu:**

There are mainly two reasons:

- 1) Regulation from Chinese government in restricting money out (currency protection issues caused by economic downturn).
- 2) More investors want to focus on a later stage and they want to focus on the commercialization phase in China. This can also be explained by the lack of confidence in terms of managing the US companies from that far away (China).

But there are still many investments going on between China and US.

**Ken Petrilla:**

I also think this can be due to the currency concern. Yet I still have some optimism, but it should be admitted that deals are fewer and smaller.

**Don Lin**

In China, there is indeed limit and restriction for money flow to go out. With such big uncertainties, the oversea investment may shrink.



## Special Fireside Chat: Enabling Digital Foundation and Transformation for Cross-Border Healthcare Industry

### MODERATOR



**Trishan Arul**, Phase2 Health

Director, Phase2 Health

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### FIRESIDE CHAT GUESTS



**Ping Zhang**, DeepThink Health

DeepThink Health Founder and President



**Xander Wu**, China Mobile International

Business Head in China Mobile International and Advisor in Digital Transformation

 [xanderwu](#)

## 7. Enabling Digital Foundation and Transformation for Cross-Border Healthcare Industry

### A. Lessons from digital transformation in other industries

**Trishan Arul:**

What can you learn from the digital transformation in other industry in the past few years?

**Xander Wu:**

We have witnessed digital transformation in many industries, and I think the key take-away message here is: you should always be customer-centric, you should always think about what the consumers are thinking and what they care. Then you can start to make good products.

**Ping Zhang:**

Although it is challenging for healthcare digital transformation, yet it is absolutely possible and promising in the future. There are already some applications for doctors/physicians, as well as in health data management. This can be also be evidenced by big companies' moves (for example, Google).

### B. Feasibility and future

**Trishan Arul:**

Is it possible for healthcare digital transformation to occur, just like many other

industries already did?

**Xander Wu:**

Of course. I have been talking to many customers and people, and there are already many possibilities for healthcare digital transformation, such as online clinic between US and China. It is more convenient, and cost efficient.

**Ping Zhang:**

To me, it is not only possible, but also is already happening now. Consider telecommunication industry, the development is so rapid and just happened in the past 10 years. Now I notice that digital healthcare is going through the same trend.

## C. Significance of cross-border collaboration

**Trishan Arul:**

Why is cross-border collaboration so important?

**Ping Zhang:**

With the advent of precision medicine, the treatment of many diseases (for example, cancer) is more directed and differentiated to each individual – thus, it requires scientists, doctors and healthcare professionals from all over the world to work together. Therefore, cross-border collaboration is still very important, regardless of the current geopolitical situations. Especially for companies that are conducting

clinical trials, if you are only doing trials in your own country, it will narrow the population that your drug/device/test are targeting at. It will also be harder for you to find the exact sub-population of the patients that should receive your products as treatment. Therefore, if you expand your horizon into a global perspective, you will get more chances to find more “right” sub-population of patients, and thus more chances to get your products through clinical trials.

**Xander Wu:**

Nowadays, information and data in healthcare are created everywhere, and exchanging these information and data between countries will significantly boost and promote the progress for human’s knowledge, method and healthcare products to help people live a better life – that’s how cross-border collaboration is important.

**Trishan Arul:**

Can you talk about how to practically carry out digital cross-border? (for instance, the corporate strategies, infrastructure etc.)

**Ping Zhang:**

You need to put lots of attention of political issues and barriers, especially about the local policies, culture and custom.

**Xander Wu:**

In cross-border business, how to store information/data has been an important issue. Although many companies use Amazon's AWS service, there are many problems and restrictions when it comes to cross-border (let's say, from US to China). Also, the "supply chain" of AWS service is so long that for company users, they are actually paying extra money (AWS is actually using our technology and platform in cross-border cloud storage). Therefore, our team (China Mobile International) has been providing this cloud storage service, especially for cross-border companies – if you use our service directly (instead of buying this from Amazon), you can at least reduce your R&D cost by one third.

**Trishan Arul:**

Besides data transfer, any other technology that you think people should consider when they go cross-border?

**Ping Zhang:**

You need to watch out for different standards, data security restrictions in different countries – it can be complicated and trivial, but that's always something you need to watch out.



Fireside Chat: How Do the Reformed US Regulations Affect  
Healthcare Investment and Partnership? What Are the Future  
Directions of these Regulations?

## MODERATOR



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## 8. How Do the Reformed US Regulations Affect Healthcare Investment and Partnership? What Are the Future Directions of these Regulations?

### A. About CFIUS

1. CFIUS is an inter-agency panel, chaired by the Treasury Department, that is designed to review national security implications of foreign investments in U.S. companies. Ultimately the President of the United States is authorized to prohibit a transaction or force a foreign buyer to divest its interest in a U.S. business if the President identifies national security concerns. CFIUS has been around for a long time – it's not a new act. However, approximately 2 years ago, the United States Congress decided to make some changes to the laws governing CFIUS and to provide CFIUS more authorities. CFIUS is adopting some strategic changes that will impact the way investors structure deals related to foreign investments in US businesses.
2. The government has identified three new areas of focus:
  - 1) Critical technology - technology at a high level of export, such as military technology, nuclear & atomic energy. Based on what we have seen in the past year, most biotech companies are not affected.
  - 2) Critical infrastructure – related to the infrastructures of US, such as roads, dams, facilities, electrical grid.

- 3) Sensitive data – a little tricky. It relates to companies that are focused on getting a million person's personal information or any company that has access to genetic data without any type of qualifier.

To put it simple, if you are a foreign investor, especially with government background, you should always let US government know when you make this investment in US.

## B. How & why CFIUS matters to Chinese investors

- 1) CFIUS and FIRRMA are not particularly for Chinese investors, but for all foreign investors. It's just particularly complicated for Chinese investors because many Chinese investors have government fund background.
- 2) Like Justin said, so far, we have not seen many problems with biotech companies, and what we have been suggesting is that the client should do an assessment about CFIUS before they just make the deal.

## C. Specific case study about the scope of CFIUS regulation

### **Justin Huff:**

- 1) It's not about having more than 50% equity of a corporate, but about the ability to direct or determine important matters of the company's U.S. business.
- 2) If you're making a small investment in the US business (for instance, 4% equity), but you receive an observer board seat where you get access to some of the

technical information behind the scenes about what makes that company work.

You're no longer passive and this is subject to CFIUS jurisdiction now.

- 3) If you make an investment with small equity, no board seats, no observer board seats, no access to data other than the financials that comes out, then it should be okay under new the CFIUS rules. If you're a United States business entering into a licensing agreement with a Chinese entity, that's also okay. However, if you start into a joint venture with that same entity and the U.S. partner contributes what constitutes or what could be viewed as a U.S. business, then you are likely to be subject to CFIUS jurisdiction.

**Angel Huang:**

- 1) Taking control (over 50% equity) is usually the mentality of many Chinese investors, and this could create risks and concerns under the new CFIUS.
- 2) Talking to top-notch lawyers early (before the deal is in the planning stage) about this issue is very important, because you can assess the risks and also get the deal structure right before the deal happens.

**D. Definition of “US business” with case study**

**Justin Huff:**

- 1) It's a matter of what types of business activities you are doing in U.S. – whether these activities fit into the focus on CFIUS. If you are doing only sales in US,

while your R&D work is done in Europe, then it's fine. But if your R&D is based in US, the situation would be different.

- 2) US government is working out a list of “emerging and foundation technology” – it is currently under discussion and debate, and it is still not clear whether biotechnology will be on this list.
- 3) Everyone who makes an investment in a U.S. business with critical technology was a subject to the mandatory notification, if the critical technology designed for an identified pilot program industry. If a foreign person makes a 25% investment in a company that is part of U.S. critical infrastructure or has sensitive data, and they're backed by 49% or greater government money, it can be subject to a mandatory CFIUS notification.
- 4) As a foreign investor, where you will put your invested business is important – if it's too close to a military base, for example, there can be issues with CFIUS (may need to move to a different location).

**Angel Huang:**

- 1) According to our data, Chinese investment in US has dropped to the lowest point historically, and many Chinese investors are switching gears from US to other countries, with Germany as the most invested country by China. But US is still a major focus for Chinese investors, since US is still a main market.

## 2) Case study A:

- Client: Chinese leading energy investor
- Situation: They are planning to take a solar power target in California, and the issue is that it is very close to a military base.
- Decision: This investment was unlikely to pass CFIUS as we advised client from the beginning. After a few times of withdrawals and re-files, client decided to give up on the project.
- Key take-away: Any investment close to the US military base – the proximity to the sensitive territory means high risks of being rejected by CFIUS.

## 3) Case study B:

- Client: A Taiwanese listing company in testing machine manufacturing industry.
- Situation: The target is listed both in NASDAQ and Israeli Stock Exchange, with sales centers in US, but not substantial US presence or base.
- Decision: A voluntary CFIUS filing was made and passed by CFIUS without asking questions. However, a separate issue was raised due to the compliance issue re export control during CFIUS review of filing materials.
- Key take-away: CFIUS seems to make distinctions between Mainland Chinese and Taiwanese investors, so Taiwanese investors are exposed to lower risks in getting CFIUS scrutiny. In addition, while investors are focusing on dealing with CFIUS, export control should be considered in paralegal in the current environment.

## 4) Case study C:

- Client: A Chinese pharmaceutical company
- Situation: The client acquired a US medical device private company. The client will take merely minority stake.
- Decision: No CFIUS filing was made given the transaction didn't fall within the "covered transaction" category.

## 5) Case study D:

- Client: In US semi-conductor area
- Situation: Buyer was a private company in China, Client was trying to dispose its China business.
- Decision: CFIUS voluntary filing was made and CFIUS approved the transaction, there's no control issues.
- Key take-away: Lawyers should be involved as early as possible to structure the deals.

## E. How to balance and consider the "grey area" case

### **Justin Huff:**

- 1) First question to ask: Do I have to file CFIUS? Is it mandatory? If not, then it comes to the buyer - It's the buyer and the investor's decision to make that foreign direct investment and to make CFIUS as a condition of approval.

- 2) The long-term plan of the buyer matters a lot – whether it’s an acquisition, or a minority equity investment. Then, both sides need to consider whether they want to go through CFIUS together, because the CFIUS review process takes a long time (usually 4-6 months with comprehensive information and materials provided to CFIUS).

**Angel Huang:**

It is also important for the CFIUS counsel on the seller and buyer sides to discuss and form a view so the parties are on the same page.

## F. CFIUS review process and how business takes this into consideration

**Justin Huff:**

CFIUS will call you during their review process, and ask you questions regarding your deal. So, it’s best if you can consult your attorney beforehand and make sure you understand the complicated rules.

**Angel Huang:**

Plan ahead, get to know the timeline and structure of your deals.

## G. Future prospect about CFIUS

**Justin Huff:**

- 1) It's not clear at this point about whether there will be more changes of CFIUS regulation in biotech companies, but since genetic-related companies have been under CFIUS regulation, we should consider the definition of sensitive genetic data and what the concerns are for the government.
- 2) If the filing is mandatory, the penalty could be assessed on both the buyer and the seller up to the value of the transaction. So, a \$4 million investment may have turned into a \$12 million investment (with penalty).



## Panel Discussion: Should We Continue Pursuing Cross-Border Partnership Opportunities? How?

### MODERATOR



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## 9. Should We Continue Pursuing Cross-Border Partnership Opportunities? How?

### A. Current situation and opportunities of cross-border business

#### **Shao Yang:**

How do you think about the current opportunities? Considering your personal experiences, shall we pursue more opportunities and how?

#### **Jonas Ekstrand:**

- 1) Yes, of course. Everyone needs better treatment and medicines, so that's a global thing and of course people should go out of the borders and collaborate.
- 2) Sweden has a long tradition of bringing innovative technology and products.
- 3) SwedenBIO have been developing global connections and partners like Button Capital, which can help us understand what opportunities are there. We are also working with other Nordic countries to improve our presence and reputation globally.

#### **Ruchun Ji:**

- 1) We have seen lots of opportunities in the past 12-18 months, developing new structures and deals.
- 2) For instance, licensing and co-development model has been popular, instead of equity investment (due to CFIUS) – licensing deals do not have to go through

CFIUS. More and more companies are preferring to get the rights to use the technology, but not necessarily take the ownership of these technologies and IP.

- 3) I think people should still hold confidence in cross-border business deals and transactions, because from what we have seen in the past year, people are still doing deals – lots of people are successful and actively doing business in Asia-Pacific area. It's just a matter of following the rules and laws, give more emphasis on CFIUS risk assessment during due diligence. But regulation should not and will not be a barrier to impede science development, especially for biotech companies: it's all about curing diseases and making people's life better.

**Vivien Wang:**

- 1) We have seen a growing amount of licensing deal, collaboration and transactions in the past year. I have also worked on tons of joint venture deals. It is interesting to note that, in fact, US has become a tax heaven for biotech/life science companies. We actually see a popular model recently: licensing plus having IP on-shoring into the US.
- 2) For early stage companies' strategies, they might be more prone to maintaining more flexibility – that's something entrepreneurs should consider before they reach to a deal with investors.

**Michael Salgaller:**

- 1) The National Institutes of Health (NIH) actually has a lot of technology development activity with industry. We're primarily known as the largest basic biomedical research center, publishing a lot of papers, and being the largest government funder of basic research in the world. However, our commercial activities are not as well-known. Since we're not permitted to start companies or commercialized products ourselves, we must have a company partner. This partner is involved in either a direct license or collaboration leading to new intellectual property that they can subsequently license. We do a large amount of these activities - about six licenses a week – though there are a lot of potential partners unaware of this opportunity. Such arrangements benefit public health and the company; through our industry partners, we've had three product approvals in the last 12 months.
- 2) We can license and collaborate internationally – no restriction geographically. Our vision and mission are about simply improving people's life. Therefore, from a technology perspective, we do not have bias or preferences in terms of where our industry partners are located. Companies can also bring in their ideas to develop – in which case we are agnostic to where this technology/product comes from.
- 3) We are working with entrepreneurs and investors looking for their next company – as well as to bolster the pipeline of existing portfolio companies. We can be a referral source to service providers (such as law firms, accounting firms,

consulting companies, etc.) with healthcare clients. As a government health entity, NIH is a safe referral source with credibility.

**Patrick Burt:**

- 1) We observe that in the recent years, Chinese investors are more open to platform technologies, looking at the bigger opportunities – they want to understand the breadth of the technology opportunity and are looking for longer term and bigger picture.
- 2) Lots of changes are happening in China: the desire to elevate both from a domestic healthcare standpoint in China, but also looking at all the Chinese policy and how it intersects in evolution of IP protection - Actually, Chinese IP protection has made progress and needs to make more progress and Chinese investors care as much about the IP protection in China as the US entities do. Therefore, I think communication is very important to let both sides know the reality.
- 3) We have seen lots of opportunities, especially with the platform technology, you can spread out the range of its applications.

## B. About IP protection

**Jonas Ekstrand:**

IP protection is definitely very important. In Europe, we have organizations like European Patent Convention (EPC) to protect IP among European countries.

**Michael Salgaller:**

- 1) Negotiated very much upfront. Our licensing strategy is actually very straight forward because we're sort of freed by all the regulations – we bring all the terms and provision in the draft and discuss directly - let the licensee determine whether or not we're a good partner for them.
- 2) We have commercial evaluation option licenses. For certain institutes that we work with, they can get a violation license, so called “try before you buy” - you can exclusively take something into your pipeline, work with it for a year and it's only \$5,000. If you need to work over the second year (which is very common), it's only another \$5,000. Importantly, if there are any patent prosecution costs during this commercial evaluation option period, NIH covers it.

**Vivien Wang:**

For many start-up companies that want flexibility to attract cross-border investors, Cayman structure is still viable and probably the preferred structure. From tax perspective, we can treat that Cayman entity as a fund. As for IP, we can create a structure in which we bifurcate IP from ownership perspective. This creates a simple form of flexibility for investors.

**Ruchun Ji:**

A lot of the regulatory restrictions that have been put in place both from US and

Chinese government. However, the desire to collaborate globally from both sides are still strong, so I think people should not be discouraged by the current tension between US and China - keep eyes open, understand the risks and always seek for deals to be done.



Panel Discussion: The Models for Company Cross-Border Partnering:  
the Perspectives from Venture Capital, Corporate Strategic Investment,  
Investment Banks and Incubators

## MODERATOR



**Stanley Dong**, Huangpu River Capital  
Partner of Huangpu River Capital

## PANEL SPEAKERS



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## 10. The Models for Company Cross-Border Partnering: the Perspectives from Venture Capital, Corporate Strategic Investment, Investment Banks and Incubators

### A. Models of cross-border collaboration

#### **Stanley Dong:**

Over the past few years, what models have you seen in cross-border collaboration?

#### **James Zhang:**

I think the business model for healthcare companies is pretty similar to that of energy sector and some other areas. The normal models I have seen include: Joint venture, licensing. One example I dealt with is a company developing an online platform that connects doctors between US and China. It's basically leveraging the resources of doctors in US and the shortage of doctors and medical professionals in China. They used a joint venture model and it was a success.

#### **Barak Singer:**

In the past 2-3 years, we have seen Chinese partners mostly in financing side: investment. We're seeing more transaction, which involves strategic collaboration. One example in my experience is with a Chinese medical device company. They are interested in our company's device and we structured a transaction - not joint venture, but a corporation agreement. The Chinese company got the rights for China

and they are responsible for the clinical study, distribution and all support of the market. We also signed a manufacturing agreement with them, where we manufactured half of the device in China.

**Paul Kao:**

My experience has been a major focus on licensing deals, especially with synergy partnership between a small company and a big pharmaceutical company.

**David Uffer:**

- 1) Based on my observation, Chinese investors usually come in with a model with equity and strategic rights in certain areas (for instance, commercial rights).
- 2) Concern for many US companies is whether this relationship with Chinese investors that demand commercial rights will set limits on their future flexibility, especially when it comes to an exit. Therefore, I think there should be consideration and negotiation about these issues.

**Anders Möllstam:**

- 1) The model we often use is to find strong distributors in China and work with them in terms of marketing and sales. We usually find these partners through medical/healthcare related events and conferences.
- 2) The challenge is that whether you can build a relationship at a right pace - not too fast, not too slow. Try to understand each other and what you need.

## B. Motivation of cross-border partnership for early stage companies

### **Stanley Dong:**

What are the motivations for early stage companies to explore cross-border business?

Would it be too early for such companies to consider this?

### **Anders Möllstam:**

Regulation in Europe has been much harder and unfortunately the government didn't have sufficient auditing companies under the new standard. Therefore, European MedTech company have a hard time to get some access to the market. So, you just have to think about going outside Europe. Asia is of course a good option, especially China.

### **Barak Singer:**

- 1) In Israel, usually you need at least to be in clinical stage to find the route and cross-border partnership - normally not during the first year or second year after the company was founded.
- 2) Today in Israel, companies have been meeting more Chinese investors than American investors. Therefore, we have been seeing more activities in China, including investment and licensing. But with the huge differences between Israel and China, I think more communication and understanding are needed to better know each other.
- 3) I found that Chinese investors are pretty open to any geographic investment, which creates more possibilities.

**James Zhang:**

As an investor, we are different because we are aware of what's happening in China and thus, we are region agnostic. The nuances of the addressable markets in China that can differentiate investors.

## C. Bad examples/models for cross-border business

**David Uffer:**

If you had signed an agreement with a company that was going to use multiple chains of distribution to get the products, you are now locked out of those regions. We didn't see a pilot like this going too much further and I think there may be problems if you use multiple distributors in China.

## D. Major changes in Asia Pacific region

**James Zhang:**

One major change in Asia Pacific region is about the change in listing rules in Hong Kong that allow R&D stage biotech companies to go public without profit or revenue. I think China is also considering similar rules in Shanghai that would allow about companies to get listed in Shanghai as well.

**Barak Singer:**

I think M&A is one of the directions that we may see in the future, with all the investment and now we see more different types of transaction, such as licensing. I

would expect and hope more Chinese companies do more acquisition deal in the future. The other thing I would expect is more licensing deals. We may see that in the area of medical device, more Chinese companies would get involved in licensing deals.

**David Uffer:**

Previously, when we are looking at acquisitions in Asia Pacific region, we were typically put suited products for developed local market. Today, we are starting to see more innovation in China that will apply the technology into more applications and regions.

**Paul Kao:**

China has gone through a huge change in the past 20-30 years. Initially, the first stage was basically import technology. Now it's moving to different strategies: more innovation leads to export technology, and also "go there" - go international and build local R&D center and entity in US or Europe.

**Anders Möllstam:**

- 1) For many years, we have been transporting technology from outside China into China, and of course that stimulates R & D and further developments of Chinese local companies - not only in medical device, but also pharmaceutical projects.

- 2) We are on the way to start to project with Button Capital in China and hope that can be a small contribution to that situation.
- 3) Nowadays, a platform would be very helpful for cross-border collaboration and business.

## E. Advice for cross-border companies/entrepreneurs

### **Anders Möllstam:**

When you see an opportunity, don't be afraid, go for it. And don't focus on the different problems to potential problems in the deal. Focus on the positive things, the opportunities.

### **Paul Kao:**

For many Chinese companies and entrepreneurs, when you come to US/Europe for conferences or presentation, be prepared and don't be shy.

### **David Uffer:**

- 1) For investors, it's so important to be efficient and transparent what your interests are. Transparency and communication are the most important part.
- 2) For the innovators, always keep understanding the needs of different regions for diseases or conditions.

**Barak Singer:**

In China, it's more important to find the right partner and model - this is how it works. You need to find people/team with aligned interests, shared values, similar plan in China.

**James Zhang:**

- 1) It's never too early to think about the global market, even if you are an early stage startup.
- 2) Under the current geopolitical situation, make sure you know what the laws are and obey the laws - don't rush too much.



## Panel Discussion: How Can Late-Stage and Public Companies Benefit from Cross-Border Partnership? What Is the Best Practice?

### MODERATOR



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**Hong Zhao**, SciClone  
President and CEO of SciClone  
Former Senior VP of Novartis and Executive VP of Sincere

## 11. How Can Late-Stage and Public Companies Benefit from Cross-Border Partnership? What Is the Best Practice?

### A. Experience and practices in cross-border partnering

#### **Meinhard Schmidt:**

- 1) An open mindset in deal contracting process is important, and also expand your horizon into global market.
- 2) We were looking for partners and we got the entire range of institutional investors and strategic partners – it's all about mutual benefits. We worked with a company in a molecular diagnostics company in Shanghai with a great footprint already in China. There was unique opportunity for not just distribution partnership, but to extend this platform technology to various application for every solid tumor, through co-development. We are basically developing the company together.

#### **Dan Zhang:**

- 1) Example A:
  - Background & Situation: Our client is a US private company, and they're looking for global partnership, but their concern is the global development in China will damage their data quality in US.

- Solution: We helped the client do the due diligence of the potential Chinese partner – we reviewed SOP, people training and everything to make sure that they are in line with the US investor's expectation.
- Result: Right now, they are doing global trials together and so far, it has been a good collaboration.

## 2) Example B:

- Background & Situation: A US company is developing drug for Sarcoma – they need patients desperately.
- Solution: We managed to get a lot of patients in China for them in Sarcoma clinical trials.
- Result: The drug's NDA was approved.

Key take-away messages: US has much better regulatory system, but patients come from China - China's quality data are supporting US NDA and regulatory clearance. It would be very advantageous to combine US-China resources together. China has much more patients than US, and the cost is about one third of US cost per patient.

## Yi Liu:

- 1) I have some lots of experiences in digital healthcare. With the advent of smartphone era, along with the prevalence of mobile internet, all industries must sync. As a huge part of US GDP, healthcare will inevitably sync with digitalization trend as well – although it is still fairly new area at this moment. I

think digital healthcare is like Internet industry 30 years ago – with lots of potentials and start-ups, but the market is not occupied.

- 2) Now we have many technologies: IoT, big data, AI, 5G. But how do we use these technologies in healthcare? That's something we have been working on and will keep working on.

## **Hong Zhao:**

- 1) Based on my experience, I think for US/European companies, especially for middle size pharmaceutical companies, it is very crucial to select right partners. You should select the partner with insight and knowledge in the area, make sure they understand the languages, the rules, and know-how in the development, compliance or registration in China - China market is very complicated.
- 2) Our strategy is that we bring innovative assets to China for clinical trials, but we are still doing manufacturing in US/European (because most patients still believe in the quality of European/US manufacturing). I think it's a right approach for small or mid-size companies to grow faster.

## **B. Strategy and practice to enable cross-border business**

### **Dan Zhang:**

China has joined ICH in 2017 - that's a great news for all foreign pharmaceutical companies, and you should take advantages of this. On the other hand, for Chinese companies, I would predict more Chinese company would be "forced" to come to

US and Japan.

**Meinhard Schmidt:**

- 1) For many European companies, with the first step as an investment, more companies are moving more business to China, such as distribution, production and so on.
- 2) Also, the appetite for Chinese companies in acquisition also fits the situations of many European companies.
- 3) Starting from recent years, European companies are also more open to setting up joint venture with a Chinese company in China. It's a matter of high-quality product and cost saving.



Panel Discussion: How Can Early and Mid-Stage Companies Benefit from Cross-Border Partnership? What Is the Best Practice?

## MODERATOR



**Leroy Li**, BUTTON

Founding Partner of BUTTON

## PANEL SPEAKERS



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CEO of Symic Bio



**Amit Vohra**, Promaxo

President and CEO of Promaxo



**Tao Huang**, NeuCyte

President and CEO of NeuCyte, Venture Partner of Cenova Capital



**Nikolay Savchuk Ph.D.**, Torrey Pines Investment

Co-Founder and Managing Director of Torrey Pines Investment



**Reid Rubsamen**, Flow Pharma

Founder and CEO of Flow Pharma

## 12. How Can Early and Mid-Stage Companies Benefit from Cross-Border Partnership? What Is the Best Practice?

### A. Motivation for cross-border collaboration for early-stage companies

#### **Amit Vohra:**

One of the things is leveraging local capabilities in those markets (for instance, manufacturing, understand the market and commercialization process etc.). We've already integrated a deal in China. We are looking at India as well. In our past experiences, trying to go into global markets alone has been very tough to scale - so we need partners.

#### **Reid Rubsamen:**

- 1) High-quality clinical data starts with having the appropriate the number of patients in the study. We're focusing on studies that require very large numbers of patients - only China has high quality clinical sites that can enroll thousands of patients quickly across a handful of hospitals.
- 2) Australia currently is the fastest place to get first-in-man data because Australia doesn't have the same IND processes seen in China, US and Europe.
- 3) Norway, they have a very interesting cancer database. It's the oldest cancer database in the world with specific data that we need to efficiently identify subjects for our studies.

- 4) To summarize, we want to efficiently carry out clinical trials producing high quality data. This requires us to leverage global resources.

**Nikolay Savchuk:**

- 1) One of our portfolio companies in therapeutics recently finished a licensing deal in China. We see good vibe and markets in China, especially like Beijing, Hong Kong and Shanghai.
- 2) We also have partners in South Africa, Latin America and Russia.
- 3) As for medical devices, especially digital platforms which support medical services, we see that China is a great market place and huge opportunities.

**Huang Tao:**

One thing you need to consider: how to position your company and where your company's major focus will be located.

**Ken Horne:**

- 1) We've been working with a Chinese manufacturer there for four years, and the trust has been built up.
- 2) Besides, China has lots of resources with great potential in the healthcare industry - just like Japan 30 years ago.

## B. Challenges during cross-border collaboration

### **Reid Rubsamen:**

- 1) There are significant differences between US and China across many aspects of business. These range from the general lack of acceptance of signed documents electronically, requirements for opening bank accounts, special classes of stock required when creating a company among others.
- 2) It's a matter of who you partner with. If you find some partners like Button, who are supportive, then life can be easier.

### **Nikolay Savchuk:**

Building up aligned business road map and plan with right partners is hard.

### **Huang Tao:**

I think the major challenge is that, something we take for granted in China is not the way in US. So, you need to be careful and also plan your timeline according to the local situations.

### **Amit Vohra:**

When you look at the market, the challenge is that you have to understand the markets, understand your partner's business before you start doing a deal in the market - learning all these takes time and is never easy.

**Ken Horne:**

- 1) I think the lines between investors and pharmaceutical partner in China are significantly blurred compared to the US investors. In US, you have institutional investors, corporate investors and pharmaceutical partners and they're very distinct.
- 2) Because the lines are blurred between investors and pharmaceutical partners, the conversation and the expectation often go towards the direction that “we're going to commercialize these drugs”. Many Chinese investors are not thinking about selling the asset or even selling the company at a certain milestone, but to get the drugs all the way to the market and commercialization.

## C. Advice for early-stage cross-border companies and entrepreneurs

**Reid Rubsamen:**

You can explore different places to optimize your ability to push clinical trials forward. I would encourage people to go to places that look stable, with quality infrastructure and quality people with the best training - like China.

**Ken Horne:**

Do your homework on your potential investors: figure out the LPs behind the fund, and assess the real decision maker's situation and reliability. Make sure you find reliable investors like Button.

**Huang Tao:**

China is big, and there are huge cultural differences between south China and north China, and the government also varies in different regions of China - having a local team in China is very helpful.

**Nikolay Savchuk:**

- 1) We want our partners to be commercially minded. When you are doing deals like licensing, I think working with large pharmaceutical companies is better.
- 2) Not only you need to communicate with local Chinese companies/investors from a language perspective, but more importantly, you need someone to tell you "what's going on".

**Amit Vohra:**

Do your research about the local market that you will do cross-border business. The more facts you know, the better you can prepare.