

British Government yields \$1.3b in Chinese Funds for its Biotech Firms

07 February 2018 | News

Future Planet Capital and Eight Great Technologies signed the memorandums of understanding with Chinese investment firms, which was witnessed by Liam Fox, Secretary of State for International Trade, which will invest the funds in Britain's most innovative biotech, medicine and life sciences companies.



Looking at China's increasing zeal for improving biotechnology and medical services, the British government has managed to yield 8 billion yuan (US \$1.3 billion) in Chinese funds for British biotech and life sciences companies during Prime Minister Theresa May's three-day visit in China last week.

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"There is a strong pipeline of deals emerging from British innovation and the renowned scientists backing Eight Great Technologies will increase that number," Douglas Hansen-Luke, executive chairman of Future Planet, told the South China Morning Post. "These agreements are just the beginning of a long process to ensure that investments are made profitably."

Shenzhen Qianhai Sunflower Financial Service and Jian Xin Tian Ran Investment Management, an offshoot of China Construction Bank, pledged to invest an initial 3 billion yuan in health care innovation and biotechnology, part of the 8 billion yuan funding commitment.

May's visit to China heightened expectations of a stronger Sino-UK economic relationship. London, especially with Brexit looming, is scouting for Chinese investors and capital to buoy its growth.

"Investment deals of this kind are of mutual benefit to both countries," said Shao Yu, chief economist of Orient Securities. "Chinese investors are grappling with difficulties in landing investment deals in key technologies in the United States and Britain sees China as an important funding source after Brexit."

The Chinese government and investors are ramping up to improving biotech and medical businesses amid people's rising awareness on health.

With the medical examination market in China estimated at more than 100 billion yuan, Chinese investors are actively scouting the latest gene and cell technologies around the world to expand businesses as a way of catering to mainlanders' growing desire to safeguard their health.

Future Planet has a series of partnerships with top universities including Oxford and Cambridge in the UK to invest in early-stage companies with research innovations.

Hansen-Luke said Future Planet, chaired by Lord Norman Foster, will help Chinese funds to invest in Sino-British-linked companies in a "measured and responsible process."

"It is certainly true that the UK government's support for innovation and entrepreneurship provides the context and energy to allow such deals to happen more quickly," said Hansen-Luke.

The stock exchanges in London and Shanghai are also working on a connection scheme that will link the two bourses and allow investors to buy shares on each other's markets.