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China's CBC reaches major milestones across healthcare investment platforms

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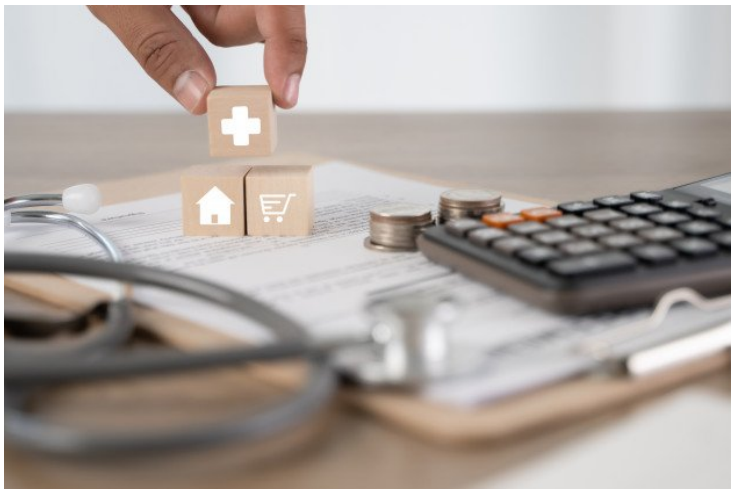
NiKang Therapeutics and Lu Daopei Medical Group successfully completed financing rounds; I-Mab announces strategic partnership and private placement



CBC Group, a healthcare-dedicated investment firm, on 15 Sep 2020 announced three major milestones across three of its healthcare investment platforms in September, underscoring CBC's strong momentum amid an evolving market. This includes NiKang Therapeutics' ("NiKang") US$50 million Series B financing, I-Mab's US$3 billion partnership with AbbVie and US$418 million private placement agreement and Lu Daopei Medical Group's over RMB100 million (approximately US$14.6 million) Series B+ funding round.

"We are incredibly proud of the continuous positive progress across our portfolio companies," said Fu Wei, Chief Executive Officer of CBC Group. "In the increasingly competitive healthcare space in China, the support we have garnered from major institutional and industry players demonstrates the market's recognition of the impactful healthcare platforms CBC has built, validating the strength of our investment strategy and industry leading capabilities. We will continue to empower the growth of our portfolio companies as we evolve with China's fast developing healthcare sector."

On September 14, NiKang Therapeutics, a biotech company incubated by CBC Group, announced the completion of a US$50 million Series B funding round. NiKang is focused on discovering and developing innovative small molecule medicines to help patients with unmet medical needs. CBC Group founded NiKang in late 2017 and actively provides strategic direction, operational assistance, and financial support to the company. NiKang has made remarkable progress identifying development candidates for some of the most difficult-to-drug targets.

This round of financing was led by RTW Investments with additional support from new investors including Lilly Asia Ventures, Casdin Capital, HBM Healthcare Investments, Matrix Partners China and Octagon Capital. CBC Group also participated. NiKang will use the proceeds to support the preclinical and clinical development of several promising oncology programs and further enhance the company's drug discovery pipeline.

On September 4, I-Mab (IMAB.Nasdaq), a clinical stage biopharmaceutical company that was co-founded by CBC, entered into a global partnership agreement with AbbVie (ABBV.US), a world-renowned research biopharmaceutical company, for the

development and commercialization of lemzoparlimab (also known as TJC4), an innovative anti-CD47 monoclonal antibody internally discovered and developed by I-Mab for the treatment of various cancers. The potential price tag of the deal is close to US$3 billion, setting a new record for the transfer of interests in new innovative drug products.

I-Mab also separately announced it had entered into definitive subscription agreements with a consortium of institutional investors led by Hillhouse Capital and GIC, raising approximately US$418 million (approximately RMB2.86 billion) through a private placement transaction. This is one of the largest private placement deals seen in the biotech industry in recent years. CBC Group remains I-Mab's largest and most committed institutional investor and has made three consecutive rounds of investment to support I-Mab's product pipeline, management structuring and ultimate listing in the US.

In the medical services sector, Lu Daopei Medical Group ("Daopei"), China's largest and most reputable privately owned hematology hospital group, recently announced the completion of its Series B+ funding round of over RMB100 million (approximately US$14.6 million). The funding round was led by IN Capital with participation from China Merchants Securities, Softbank China Venture Capital, Partner Capital, and existing investor Park Road Medical Investment. Daopei completed a round of Series B financing at RMB500 million in July this year, which was led by Singaporean state-owned fund Temasek Holdings, and joined by Investcorp.

CBC Group first invested in Daopei in 2017 and became the main investor and a key strategic partner for the hospital group, providing operational value-add through supporting the expansion framework of its hospitals, as well as fostering key industry collaboration and partnerships. Daopei currently owns four profitable hematology hospitals, comprising an area of 100,000 square meters, with more than 1,200 beds and 108 laminar wards.

CBC has long been committed to the R&D and commercialization of innovative drugs, as well as investment into leading medical and services companies. Founded with an entrepreneurial vision and drive to build, grow and transform healthcare businesses, CBC plays an active role in the management and operations within its portfolio companies to formulate strategies that create long-term value. The recent milestones achieved by NiKang, I-Mab and Lu Daopei Medical Group are a testament to CBC's successful investor-operator approach as it looks to build and foster innovative and resilient healthcare platforms.