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Singapore: TaiGen Biotechnology and Zhejiang Medicine have signed an exclusive agreement to manufacture and commercialize nemonoxacin, a novel broad-spectrum antibiotic, in China (excluding Hong Kong, and Macau). Nemonoxacin is a novel broad-spectrum non-fluorinated quinolone antibiotic under development for respiratory infections.

TaiGen will be responsible for completing the phase III clinical trial for community acquired pneumonia in China. Zhejiang Medicine will be responsible for manufacturing, sales and marketing of nemonoxacin in China through its wholly-owned subsidiary XinChang Pharmaceuticals. TaiGen will retain full development and commercialization rights outside the licensed territory including Taiwan, the US, European Union and Japan. Under the terms of the agreement, TaiGen will receive an upfront payment of $8 million from Zhejiang Medicine and will receive additional milestones as well as royalties on product sales. The term of the agreement is 20 years.

Nemonoxacin has demonstrated efficacy and safety in community acquired pneumonia and diabetic foot infection in multinational and multi-center clinical trials conducted by TaiGen. In particular, nemonoxacin has excellent activity against drug-resistant bacteria such as methicillin-resistant Staphylococcus aureus (MRSA) and quinolone-resistant MRSA. Nemonoxacin is taken once-a-day and available in both oral and intravenous formulations. Currently, TaiGen is completing a phase III community acquired pneumonia trial with more than 500 patients from Taiwan and mainland China and expects to file new drug applications in Taiwan and mainland China simultaneously in early 2013.

China is one of the major antibiotic markets in the world. According to IMS, the sales of antibiotics in 2011 were approximately $11 billion (RMB 68 billion) and account for almost 20 percent of the total pharmaceuticals sales. Rate of antibiotic resistant infections in China is among the highest in the world.

Mr Li Chun Bo, chairman of the Zhejiang Medicine, commented, "We are impressed with nemonoxacin's broad spectrum activity towards drug-resistant bacteria, in particular, MRSA, and excellent safety profile. We are excited to establish this

partnership with TaiGen because of its reputation as a premier research-based biotech company in Asia. This partnership will break new ground for cross-strait collaboration in the pharmaceutical industry. Nemonoxacin will be a major addition to ZMC's antibiotic product line and significant profit driver".

Dr Ming-Chu Hsu, president and chief executive officer of TaiGen, said, "China is the world's fastest growing pharmaceutical market. It is poised to overtake Japan as the second largest pharmaceutical market. We are extremely please to establish our nemonoxacin partnership with Zhejian."