
Hua Medicine Lands \$50 Million in a Series C Funding

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Shanghai's Hua Medicine has closed a \$50 million Series C funding round led by Harvest Investments of China. Hua's leading program is a 4th-generation glucokinase activator (GKA) for Type 2 diabetes that will finish China Phase II trials by mid-year and announce top-line results before the end of 2016. Hua, which describes itself as focused on first-in-class and best-in-class therapies for China and the global market, said the C round drew high levels of interest and was more than 3X-oversubscribed.

In the latest funding, Frontline BioVentures led the participation from existing investors, which included ARCH, Venrock, Fidelity (now Eight Roads and F-Prime Capital), WuXi Ventures, SAIL, Ally Bridge Group and TF Capital. The round combined US dollar and China RMB-denominated investments.

Hua will use the new capital for accelerated Phase III development of HMS5552, the GKA treatment for Type 2 diabetes, as well as support for other novel assets in its pipeline. The company has also conducted a Phase I trial of the diabetes treatment in the US.

In early 2015, Hua reported strong results from the China Phase I trial of HMS5552 (sinogliatin). It showed 24-hour glucose control of both fasting plasma glucose (FPG) and post-meal glucose (PMG) levels. According to the company, a single oral medication cannot usually provide satisfactory data in both categories. In addition, sinogliatin promoted glucose-stimulated insulin release (GSIR), and sustained dose-proportional glucose lowering with very low risk of hypoglycemia, which can sometimes be a problem with earlier generation GKA products.

"Hua Medicine is one of the most innovative healthcare companies in Asia. It has the first new biological mechanism, first-in-class diabetes drug to be developed entirely in China - from preclinical to late-stage clinical trials," said Raymond Qiu, CEO of Harvest Investments. "With ongoing studies in both Asia and the US, the company is also well positioned to make an impact in the broader international markets."

"Having supported the company since inception, Hua Medicine has proven to be exceptionally efficient in its development, achieving clinical success within record regulatory approval times. This demonstrates the quality of the management team and its ability in execution," said Leon Chen, Managing Partner of Frontline BioVentures.

In addition, Hua has completed four Phase I clinical trials for HMS5552. These include single- and multiple-ascending dose trials (NCT01952535 and CT02077452), a four-week Phase Ic mechanistic and preliminary pharmacodynamic efficacy study (NCT02386982), and a recent Phase Id study of MS5552 in combination with metformin completed in the US (NCT02597400).

"We are very impressed by the world class management team of Hua Medicine and the true innovation and potential breakthrough in diabetes care that the company is exploring" added Kevin Xie, Managing Director and co-founder of China Renaissance Group, "We believe that Hua Medicine will become one of the most successful biopharmaceutical companies in China, and are pleased to assist them in completing this round of financing successfully."

"We were fortunate to attract significant investor interest during this round," noted Hua's CEO Li Chen, "Our team is very pleased to see the market's recognition of HMS5552's promising clinical profile and its potential to help treat many of the 422 million diabetes patients worldwide."

Hua Medicine is a comparatively young biopharma. It came into being in 2011 with \$50 million in startup capital (see [story](#)), and soon after the company announced it had in-licensed global rights to Roche's (SIX: ROG) glucokinase activator program.

Hua was co-founded by Dr. Chen and Dr. Ge Li, the founder/CEO of WuXi PharmaTech, which has also provided funding for the company. In January 2015, Hua raised \$25 million in a B round. The company focuses on diabetes treatments and CNS disorders. Its anti-depressant candidate is in preclinical development.

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Disclosure: none.

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