

Hua Medicine closes \$50M round, looks to new diabetes target

by *Ben Adams* | Apr 25, 2016 8:28am

China biotech Hua Medicine has raised \$50 million in a Series C financing round as it looks to take its next-gen diabetes treatment into late-stage trials.

The biotech, which has bases in Shanghai and California, was boosted by funds from Harvest Investments, a private equity firm in China. Frontline BioVentures as well as ARCH, Eight Roads and F-Prime Capital, WuXi Ventures, and others helped fill the \$50 million bag in both US dollars and Chinese Renminbi. This builds on the \$25 million the biotech raised in a Series B round last year.

The cash will go toward speeding up its Phase III plans of HMS5552--a new, fourth-generation glucokinase activator (GKA) for Type 2 diabetes--as well as advancing other assets in its pipeline. HMS5552 (sinogliatin) is currently undergoing midstage studies.

The drug was in-licensed from Swiss major Roche (\$RHHBY) and belongs to a class of therapies that help the body better recognize glucose and thus produce more insulin, lowering baseline blood sugars. Similar therapies from Merck (\$MRK) and others never made it to market--but Hua believes its drug has a novel mechanism of action that sets it apart from its forebears in the space.

Hua will finish its multicenter, 12-week Phase II trial of HMS5552 by mid-year--with topline results set for release by the end of 2016.

The latest data--released last year from its Phase Ib trial--showed dose-proportional decreases of fasting plasma glucose and postmeal glucose levels, as well as 24-hour glucose levels with low risk of hypoglycemia.

“We were fortunate to attract significant investor interest during this round,” said 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.”

Raymond Qiu, CEO of Harvest Investments, added: “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. With ongoing studies in both Asia and the U.S., the company is also well positioned to make an impact in the broader international markets.”

The biotech also has a number of early-stage CNS assets.

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