

Chinese Backer for Biotech Incubator

HEALTH CARE: Aims to develop products for China

A China-based biotechnology incubator and investor plans to launch a \$50 million Los Angeles version of its operations for startups in Southern California that aim to sell medical devices in China.

Jiangsu Crosslink Pharmatech Park Co., a biotech incubator based in Nanjing, will work with the **Southern California Biomedical Council**, the region's oldest biotech trade group, to form **CrossLinkBio Inc.**

The new biotech incubator and business accelerator is expected to open somewhere in the downtown area next month.

"Anything that we can do to bring more money and investment in early stage biosciences companies can go a long way in strengthening the bioscience cluster here," said **Ahmed Enany**, chief executive of SoCalBio, who founded the downtown trade group 23 years ago. "This will be the first Chinese project of its kind in Los Angeles."

CrossLinkBio would invest in startups from Los Angeles to Orange counties, focusing on companies that aim to develop medical products for sale in the vast-but-difficult China market, according to backers.

The incubator's incorporation – being filed in Delaware by attorneys from **Perkins Coie** in Century City – comes at a time of turbulent U.S.-China trade relations.

U.S. markets have been roiled in the wake of China's move to slap \$3 billion in tariffs on U.S. products in retaliation for U.S. tariffs on steel and aluminum.

CrossLinkBio nonetheless hopes to eventually establish a \$50 million fund to seed young Southern California-based biotech companies – with fundraising roughly split between investors in China and the U.S.

Jiangsu Crosslink, the primary backer of the incubator here, has raised \$7.5 million for the venture.

"It's a cross link between the U.S. and China in the biotech area," said **Yuanzan "Charles" Ye**, chief executive of Crosslink Pharma. "The Chinese market is huge. A lot of people want to go to China and have their products sold in China, but I haven't seen a lot of success."

Ye, who serves as chief executive of **Acesys Pharmatech Corp.**, of Fairfield, N.J., and Nanjing, is familiar with the biomedical markets of both nations.

He lived for two decades in the U.S., having served as chief executive of **Chemspec-API Inc.**, also of Fairfield, N.J., after earning an MBA in finance from **Rutgers, State University of New Jersey**, a master's degree in computer systems from **New Jersey Institute of Technology** and a master's degree in chemistry from **Stony Brook University**.

The American CrossLinkBio, he said, would serve as a conduit for funding,



Enany

licensing and marketing medical devices at hundreds of hospitals throughout China.

The incubator would start relatively small, at about 2,500 square feet of office space.

Research and development would be conducted at other biotech incubators throughout the region, including **LA BioMed** in Torrance and the **Pasadena Bio Collaborative Incubator**.

SoCalBio will serve as an advisor to help identify suitable startup candidates, who will then be featured at its fall biotechnology conference.

Ye is expected to serve as CrossLinkBio chairman. **Winn Hong** – co-founder and chief executive of **Varocto Inc.**, an Orange-based ophthalmic research and development company and a spin-off of Alfred E. Mann Institute at USC – would serve as treasurer and interim chief executive.

Plans call for a dozen or so U.S. startups to receive initial investment rounds of \$1 million each.

"What we want to do is set up joint ventures, a collaboration with them, or license their products," Ye said. "(But) we're not just an investment company – we're a one-stop resource for U.S. companies.

"The Chinese market is very big, with not many good medical tech products. We would like to bring these good products to China, to benefit the Chinese market and patients."

– Dana Bartholomew