

SLAUGHTER AND MAY

## Our Biotechnology Practice

Hong Kong



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# Listing biotechnology companies on the Hong Kong Stock Exchange /

The Hong Kong Stock Exchange (HKSE) has recently announced proposed rule changes to allow biotech companies to list in Hong Kong on a pre-revenue basis. It is expected that a new chapter to the Main Board Listing Rules (the Biotech Chapter) will be implemented as soon as late April, and biotech companies meeting the required criteria will be able to list under the Biotech chapter from the summer of 2018. This is an exciting time for Hong Kong's equity capital markets, and at Slaughter and May we are uniquely equipped to help biotech companies and their sponsors prepare for and successfully list on the HKSE.

Our biotech equity capital markets team consists of:

- senior lawyers who have extensive experience advising biotech companies on all aspects of their businesses, including those with graduate and postgraduate degrees in biochemistry, and career experience of biochemical research projects;
- senior lawyers who have extensive knowledge of listings in Hong Kong under the new rules and procedures and who have strong relationships with the key regulators; and
- an experienced team who have been closely monitoring the new rules and their implications so that timely and practical advice can be given to the biotech applicant and its sponsor in relation to the applicant's listing application pursuant to the new Biotech Chapter.

## The new rules

The applicant should have developed at least one core product beyond the concept stage:

- If the core product is a pharmaceutical product, the applicant should have completed Phase I clinical trials or, in the case where the core product is based on a previously approved pharmaceutical product, the applicant should have successfully completed at least one clinical trial on human subjects.
  - If the core product is a biologic product, the applicant should have completed Phase I clinical trials or, in the case where the core product is a biosimilar product, the applicant should have successfully completed at least one clinical trial on human subjects.
  - If the core product is a medical device (including diagnostics), the applicant should demonstrate that the device is a Class II or above medical device and the applicant should have successfully completed at least one clinical trial on human subjects.
  - The HKSE has also indicated that it will consider other biotech products that do not fall into the above categories on a case-by-case basis.
- In addition, other listing requirements under the Biotech Chapter include:
    - the applicant must have a minimum market capitalisation of HK\$1.5 billion at the time of listing;
    - the applicant must have engaged in the R&D of its core product(s) for a minimum of 12 months;
    - the applicant must hold the patents for its core product(s);
    - the applicant must have a pipeline of potential products if it is engaged in the R&D of pharmaceutical products or biologic products;
    - the applicant must have at least one sophisticated investor six months before the listing;
    - the applicant must meet enhanced working capital requirements, *i.e.*, 125% of the applicant's current requirements over the next 12 months; and
    - the applicant must have operated in its current line of business for at least two years before listing.

# Our biotechnology experience /

We advise investors, companies, emergent biotechnology ventures and research institutions in the biotechnology industry. This blend of activity provides us with an unparalleled perspective of this sector.

We have extensive experience advising on initial public offerings (IPOs), block trades, rights offerings, mergers and acquisitions, and joint ventures in this sector. We also deal with a wide range of commercial agreements, including licensing, collaboration and research and development agreements, and we provide strategic advice in managing and commercialising patent and trade mark portfolios.

This experience allows us to understand fully the applicant's business, advise on fulfilment of the listing criteria and draft a prospectus that is fully tailored to the applicant's business.

## Our clients

GlaxoSmithKline	Thermo Fisher	BOC Edwards
Oxford Nanopore Technologies	Shire plc	GE Healthcare Life Sciences Limited
Reckitt Benckiser	Stem Cells Inc	Covidien plc
LGC Science Holdings	Getinge AG	Biovail Corporation

## Our experience

We have advised:

- **CICC** on the US\$215 million IPO and listing on the Main Board of the HKSE of YiChang HEC ChangJiang Pharmaceutical
- **Credit Suisse**, as placing agent, in relation to the placing of 45 million existing shares in Genscript Biotech Corporation held by KPCB China Fund and KPCB China Founders Fund. The net proceeds of the placing were HK\$1.27 billion
- **Morgan Stanley**, as placing agent, in relation to the placing of 300 million existing shares in Century Sunshine Ecological Technology Holdings Limited (Century) held by Alpha Sino International Limited and the subsequent partial top-up subscription of 250 million new shares in Century. The net proceeds of the partial top-up placing were US\$71 million
- **Immunocore**, the world's leading T-cell receptor (TCR) company developing biological drugs to treat cancer, infectious diseases and autoimmune diseases, on a collaboration with the Bill & Melinda Gates Foundation
- **LGC Science Holdings** on the financing of its acquisition of Biosearch Technologies, Inc., a global leader in the genomics and life sciences industries
- **Golden Throat Holdings Group Company Limited** on its US\$100 million IPO and listing on the Main Board of the HKSE
- **Thermo Fisher:**
  - on its agreement to sell its cell culture (sera and media), gene modulation and magnetic beads businesses to GE Healthcare, a subsidiary of General Electric Company, for US\$1.06 billion
  - on competition aspects of its US\$13.6 billion acquisition of Life Technologies, combining two world-leading laboratory and life sciences companies
  - on the European competition law aspects of its US\$7.2 billion acquisition of Patheon N.V.
- **Oxford Nanopore Technologies**, the DNA sequencing company, on a range of matters and equity fund raisings
- **GlaxoSmithKline:**
  - on its major three part inter-conditional transaction with Novartis involving combining their consumer healthcare, oncology and vaccines businesses
  - on its strategic collaborations with the Aspen Group in Japan, South Africa and sub-Saharan Africa
  - on its agreement with Pfizer to create a new world-leading HIV company, ViiV Healthcare
- The **underwriter(s)** on the IPO and listing on the Main Board of the HKSE of a medical institution (ongoing)

- **Credit Suisse** on the US\$91 million initial public offering and listing on the Main Board of the HKSE of Union Medical Healthcare Limited
- **Getinge AG** one of the world's leading providers of equipment and systems to the healthcare industry, on its acquisition of Huntleigh Technology plc
- **Biovail Corporation** on its agreement to acquire worldwide development and commercialisation and IP rights of tetrabenazine products
- **Stem Cells Inc** in relation to a stem cell cross-licence between Stem Cells Inc and ReNeuron Limited and acquisition by Stem Cells Inc of an equity interest in ReNeuron Group plc
- **Cephalon** on its acquisition of all the outstanding share capital of Zeneus Holdings
- **Shire** on its acquisition of Transkaryotic Therapies, a US-based biopharmaceutical company
- the **placing agent**, a major international investment bank, in relation to the US\$272 million secondary placing and sale of shares in Lijun International Pharmaceutical (Holding) Co., Ltd., held by Prime United Industries Limited



# Our team /



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**Practice areas:**  
Capital Markets, Mergers and Acquisitions,  
Corporate and Commercial, Private Equity

Peter is the Deputy Chairman of the Listing Committee of the Main Board and Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. He is also a member of the Sponsor Due Diligence Standards Initiative Group of Law Firms drafting the guidelines for the industry on the Regulatory Regime for Sponsors.

Peter is an experienced capital markets lawyer, acting for both issuers and sponsors. He has been involved in many of Hong Kong's pioneering equity issues such as Asia's largest equity offering by the Hong Kong Government of its TraHK units.

Peter is listed in the elite Leading Lawyers section of the *Legal 500 Asia Pacific 2018's Guide to Outstanding Lawyers* in Asia Pacific for Corporate (including M&A). He is also recommended in the *Legal 500 Asia Pacific 2018* for Corporate (including M&A) in Hong Kong, and listed as an expert in the 2018 edition of *International Who's Who Legal 2018: Mergers and Acquisitions, Hong Kong* and the 2018 edition of *Who's Who Legal Capital Markets: Structured Finance* in Hong Kong. He is admitted as a solicitor in England and Wales, and in Hong Kong.

Peter's experience advising on fundraisings and equity capital market transactions includes advising:

- Oxford Nanopore Technologies, the DNA sequencing company, on a range of matters and equity fund raisings
- China Reinsurance on its US\$2 billion IPO and listing on the Main Board of the HKSE, which was one of the largest IPOs in Hong Kong in 2015
- Golden Throat Holdings Group Company Limited on its US\$100 million IPO and listing on the Main Board of the HKSE
- China's first airline privatisation, China Eastern Airlines, as well as subsequently acting on a number of other Chinese state-owned enterprise share offerings, including Beijing Datang Power and China Unicom
- Eesti Energia on the proposed privatisation and dual listing of Estonia's electricity industry and its eurobond financing

- HM Treasury on a number of aspects of HM Government's bank recovery plan, including the injection of capital into RBS and Lloyds TSB/HBOS
- underwriters and issuers in numerous equity and debt capital market transactions including in one of Asia's largest equity offerings by the Hong Kong Government of its TraHK units and Temasek's first exchangeable bond into Singapore Telecommunications
- on many GDR listings including for Indian state-owned companies and technology companies in Taiwan and Korea.



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**Practice areas:**  
Capital Markets, Mergers and Acquisitions,  
Corporate and Commercial, Financing

Benita has a wealth of experience in bringing PRC and foreign corporates to market and has worked on a number of ground-breaking capital markets transactions, including advising:

- the issuers on the listings of China Hengshi Foundation Company Limited, China Reinsurance (Group) Corporation, Golden Throat Holdings Group Company Limited, Chinalco Mining, Prada S.p.A, Metallurgical Corporation of China, Dongfeng Motor Group Company, China National Building Material Company, Semiconductor Manufacturing International Corporation (SMIC), Prudential and MTR Corporation (Hong Kong's first and to date only privatisation); and
- the sponsors and underwriters on the listings of YiChang HEC ChangJiang Pharmaceutical, Union Medical Healthcare, The People's Insurance Company (Group) of China Limited (PICC), New China Life Insurance, China Pacific Insurance, Alibaba.com, Bank of Communications Company Limited, Fosun International, and the dual/triple listings and global offerings of Sinopec, China Unicom, Aluminum Corporation of China (Chalco) and China Telecom.

Benita is listed as a leading lawyer in the *IFLR1000 Asia-Pacific 2018* for Capital Markets: Equity and Private Equity in Hong Kong and in the elite Leading Lawyers section of the *Legal 500 Asia Pacific 2018's Guide to Outstanding Lawyers* in Asia Pacific for Capital Markets (Equity). She is also listed as a leading lawyer for Capital Markets: Equity (International Firms), China and Corporate/M&A: Hong Kong-based (International Firms), China in *Chambers Asia-Pacific 2018*. In the 2018 edition of *Who's Who Legal Corporate: Merger & Acquisition* in Hong Kong, Benita is referred to as a "top-rate" lawyer whom clients praise for her "expert handling of complex and sophisticated transactions" and in the 2018 edition of *Who's Who Legal Corporate: Corporate Governance* she is referred to as a "trusted adviser" who serves as counsel to many overseas corporations and PRC state-owned enterprises". Benita was awarded 'Best in capital markets' by *Euromoney Legal Media Group's Asia Women in Business Law Awards 2013*.

Benita is a member of the Takeovers and Mergers Panel, the Takeovers Appeal Committee and the SFC (HKEC Listing) Committee of the SFC in Hong Kong and is a member of the Technical Panel and chairs the Company Law Interest Group of the Institute of Chartered Secretaries. She was a member of the Standing Committee on Company Law Reform of the HKSAR Government. Benita read law at Oxford University. She is admitted as a solicitor in England and Wales, and in Hong Kong. She speaks fluent English, Mandarin and Cantonese.



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**Practice areas:**  
Capital Markets, Mergers and  
Acquisitions, Corporate, Private Equity

John leads our US law offering and represents investment banks, corporations and private equity funds on high value and complex securities transactions.

John acted as Deputy Chairman of the Listing Committee of the HKSE from 2009 to 2012 and was a member from 2008 to 2012. He also spent a number of years as a senior in-house counsel at Goldman Sachs with primary legal coverage responsibility for its investment banking division in Asia ex-Japan, covering the division's full range of products, notably capital markets transactions including SEC-registered, Rule 144A/Regulation S and Rule 144 offerings, as well as M&A transactions.

John's experience advising on fundraisings and equity capital markets transactions includes advising:

- CICC on the US\$215 million IPO and listing on the Main Board of the HKSE of YiChang HEC ChangJiang Pharmaceutical
- Credit Suisse, as placing agent, in relation to the placing of 45 million existing shares in Genscript Biotech Corporation held by KPCB China Fund and KPCB China Founders Fund. The net proceeds of the placing were HK\$1.27 billion
- Golden Throat Holdings Group Company Limited on its US\$100 million IPO and listing on the Main Board of the HKSE
- Credit Suisse on the US\$91 million IPO and listing on the Main Board of the HKSE of Union Medical Healthcare Limited
- China Reinsurance on its US\$2 billion IPO and listing on the Main Board of the HKSE, which was one of the largest IPOs in Hong Kong in 2015
- the placing agent, a major international investment bank, in relation to the US\$272 million secondary placing and sale of shares in Lijun International Pharmaceutical (Holding) Co., Ltd., held by Prime United Industries Limited.

John is listed in the elite Leading Lawyers section of the *Legal 500 Asia Pacific 2018's Guide to Outstanding Lawyers in Asia Pacific* for Capital Markets (Equity). He is also listed as a leading lawyer in the *IFLR1000 Asia-Pacific 2018* for Capital Markets (Equity) in Hong Kong, and in *Chambers Asia-Pacific 2018* for Capital Markets: Equity (International Firms), China.



**Natalie Yeung**  
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**Practice areas:**  
Competition, Competition Litigation

Natalie is an experienced competition and regulatory lawyer who read Natural Sciences at Pembroke College, Cambridge University, specialising in Biochemistry. Natalie's key clients include global biotech and life sciences businesses, and she is well versed in various technical aspects of the biotech market.

Her recent experience includes advising:

- GlaxoSmithKline on the competition aspects of its joint venture with Verily Life Sciences (formerly Google Life Sciences), a subsidiary of Alphabet Inc., to form Galvani Bioelectronics to enable the research, development and commercialisation of innovative bioelectronic medicines, which aim to tackle a wide range of chronic diseases using miniaturised, implantable devices that can modify electronic signals that pass along nerves in the body
- Thermo Fisher Scientific, a leading player in the development of biotechnology and scientific laboratory products and equipment, on the competition aspects of various transactions in the biotech and life sciences sector, including the US\$7.2 billion acquisition of Patheon N.V., a leading player in providing high-quality drug development and delivery solutions to the biopharma and pharmaceutical sector; the US\$13.6 billion acquisition of Life Technologies, a leading player in various laboratory and life sciences businesses; and the US\$1.06 billion sale of its cell culture (sera and media), gene modulation and magnetic beads businesses to GE Healthcare, a unit of General Electric Company.

Natalie currently acts as a Non-Governmental Adviser to the Hong Kong Competition Commission in the International Competition Network. She is listed as a leading lawyer in *Chambers Asia-Pacific 2018* for Competition/Antitrust (International Firms), China and as a highly regarded lawyer in the *IFLR1000 Asia-Pacific 2018* for Competition in Hong Kong. She is listed in the elite Leading Lawyers section of the *Legal 500 Asia Pacific 2018's Guide to Outstanding Lawyers in Asia Pacific* for Antitrust and Competition and as an expert in the 2018 edition of *Who's Who Legal Competition: Lawyers, Who's Who Legal Thought Leaders - Competition: Lawyers* and *Who's Who Legal Competition: Future Leaders - Partners*.

In the 2016 edition of *Who's Who Legal Competition: Lawyers*, Natalie was referred to as “one of the standout lawyers in Hong Kong” and “one of the world’s foremost experts on Hong Kong’s competition legislation”. Natalie has also been named as the youngest lawyer in Global Competition Review’s “40 under 40” in 2015 and, in 2016, was included in their list of Top 100 “Women in Antitrust 2016: Private Practitioners”.

Natalie speaks Chinese and English, and divides her time between the Hong Kong and Beijing offices. She is admitted as a solicitor in England and Wales, and in Hong Kong.



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**Practice areas:**  
Capital Markets, Corporate and  
Commercial Financing

Before becoming a capital markets lawyer, Jianhao worked as a research assistant at the University of Pennsylvania from 1998 to 2001 and as a research analyst at Unilever from 2001 to 2006. Jianhao's study mainly focused on the composition and structure of complex biochemical molecules, such as proteins and DNA, and the role they play in certain human diseases, including viral infections and cancer. Jianhao was involved in several research projects funded by the US National Science Foundation, including the investigation of the structures and functions of virus-surface receptor-binding proteins and their interactions with host cell receptors.

Jianhao is now an experienced capital markets lawyer and has advised:

- Credit Suisse on the US\$91 million IPO and listing on the Main Board of the HKSE of Union Medical Healthcare Limited
- Credit Suisse, as placing agent, in relation to the placing of 45 million existing shares in Genscript Biotech Corporation held by KPCB China Fund and KPCB China Founders Fund. The net proceeds of the placing were HK\$1.27 billion
- China Reinsurance on its US\$2 billion IPO and listing on the Main Board of the HKSE, which was one of the largest IPOs in Hong Kong in 2015
- CICC on the US\$215 million IPO and listing on the Main Board of the HKSE of YiChang HEC ChangJiang Pharmaceutical.

Jianhao read law at Fordham Law School and is qualified to practise New York law.



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**Practice areas:**  
Intellectual Property, Pharmaceuticals,  
Biotechnology and Healthcare

Susie has a Bachelor of Science degree (Genetics and Biological Sciences) and a Bachelor of Law degree, both from the University of Sydney. She has considerable experience in acting for clients in the pharmaceutical, biotechnology and healthcare fields on a range of transactions and contentious matters.

Susie is Head of our Intellectual Property practice and Co-Head of our Pharmaceuticals, Biotechnology and Healthcare practice.

Susie is listed as a leading individual for Intellectual Property in *Chambers UK 2018*. She is recommended for her expertise in areas including patent litigation (*Legal 500 UK 2018*) and is listed in the 2015 *London Super Lawyers*. Susie is a member of the Intellectual Property Advisory Committee and a member of the Editorial Board of the *Bio-Science Law Review*.



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