

ChinaBio Today

ShanghaiBio Plans US IPO in 2008

publication date: Dec 5, 2007



publication date: Dec 5, 2007 | author/source: Richard Daverman, PhD

ShanghaiBio Corporation, a maker of diagnostic tools that is getting into the CRO business, said it expects to make its IPO sometime during the next year. The announcement was made by Dr. Jason (Gang) Jin, the head of ShanghaiBio's American subsidiary, MaxyBio, in an interview published in Investor's Daily.

ShanghaiBio said an IPO in the US will serve as a bridge between the two countries. It will certainly enhance the ability of ShanghaiBio to secure business in the US by making the company seem less foreign.

To start at the top, ShanghaiBio, also known as Shanghai Biochip, claims to be one of the largest biotech companies in China. Established in 2001, the company has 200,000 square feet of research space spread over a 10 acre campus in the Zhangjiang Hi-Tech Park in Shanghai. The company has been the beneficiary of \$45 million of start-up capital, raised from government grants and ten shareholders. The shareholders include VC investors, large biopharma, research institutes and hospitals.

SBC started by making biochips. In fact, the company is the National Engineering Center for biochip design and engineering in Shanghai. Now, SBC is branching out into the CRO business, primarily in the pre-clinical area, and revenues for this division, though still small, are on the upswing. SBC says it collaborates with all of the top ten big pharmas of the world. It expects just \$3 million in sales from the CRO business this year, but \$10 million is anticipated in 2008 and \$20 million the year after. By comparison, WuXi PharmaTech (NYSE: WX), the China CRO that made a very successful IPO in August, projects revenues of \$133 million in 2007. At this point, ShanghaiBio has not released its overall revenues.

The US subsidiary of SBC is MaxyBio, located in New Jersey. The company offers its parent's biochips along with CRO services. In addition, the company expects to serve as a go-between for Western biopharma companies and China, offering to find partners for research, outsourcing, manufacturing and distribution.