

13 JUN 2003

PENANG-INSULIN

PENANG TO HAVE ASIA'S FIRST HUMAN INSULIN PLANT

PENANG, June 13 (Bernama) -- GeneMedix Plc, a British-based bio-generic company involved in the development and manufacturing of drugs made from genetic engineering, will set up Asia's first human insulin plant here with an investment of RM129.2 million.

Chief Minister Tan Sri Dr Koh Tsu Koon said if everything goes as scheduled, the company will start its production by the middle of 2005.

"This is a major breakthrough for Malaysia in its bid to move into bio-technology and bio-pharmaceutical development and production at a high level," he said in a press statement released here today.

Yesterday, GeneMedix announced in London that it had signed a letter of intent with the Penang Development Corporation (PDC) under which the two parties will work together to set up a company here for the development, manufacturing and commercialisation of human insulin.

"The anticipated total investment of RM129.2 million is expected to be funded by a mixture of development loans, grants and an issue of equity in the newly formed company to local investors," Koh said.

GeneMedix is listed on both the London and Singapore stock exchanges and its chairman is Malaysian-born biotech entrepreneur Dr Kim Tan.

The annual human insulin demand has now exceeded RM19 billion (US\$5 billion), making it one of the fastest growing sectors due to an increase in diabetes patients.

Koh said PDC would make industrial land available and assist in getting access to the development loans on attractive commercial terms and other fundings.

"Both parties will work together to bring in local investors to the project, a process that is already well underway. GeneMedix will out-license its insulin know-how to the newly formed company in return for an up-front payment and royalty fees payable on bulk sales," he added.

According to Koh, he has received a letter from GeneMedix's chief executive officer Paul Edward early this week confirming the British firm's decision to pick Penang because of its good infrastructure, manufacturing base and full support from the PDC.

"While we are honoured to be chosen over other Asian cities, there is still a lot hard work ahead of us to ensure that the proper infrastructure, incentive, expertise and human resource are in place for a successful implementation of this world class project," he said.

Koh said he had informed Prime Minister Datuk Seri Dr Mahathir Mohamad and Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi about GeneMedix's decision.

-- BERNAMA

AZE TJK