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AGREEMENT TO COMMERCIALISE KIDNEY DISEASE DIAGNOSTIC IN CHINA POTENTIALLY WORTH UP TO \$312m ANNUALLY

Highlights

- **PIQ recently validated a new, next generation diagnostic test for the early diagnosis of Diabetic Kidney Disease.**
- **PIQ has finalised an agreement with major Chinese bio-pharmaceutical company New Summit Biopharma Co. to commercial its diagnostic test in China.**
- **This is the first commercial agreement for PIQ's kidney disease diagnostic.**
- **This is also the first-ever proteomics derived In-Vitro Diagnostic to enter the massive Chinese market.**
- **The Agreement has potential to be worth up to A\$312m per annum in China alone.**
- **PIQ is currently undertaking an IPO to list on the ASX, scheduled to close on Friday 27 February.**

Emerging life science company Proteomics International Laboratories Ltd (proposed ASX: PIQ) is pleased to announce that it has finalised an Agreement with major Chinese bio-pharmaceutical company New Summit Biopharma Co. (New Summit Bio), to commercialise PIQ's diagnostic test for diabetic kidney disease in China.

The agreement is a significant milestone for the Company, which has the potential to be worth up to A\$312 million per annum in the Chinese market alone.

PIQ has validated a new, next generation diagnostic test for the early diagnosis of Diabetic Kidney Disease, and this agreement is the first commercial agreement for the test. It is also the first-ever proteomics derived In-Vitro Diagnostic (IVD) to enter the massive Chinese market.

Under the Agreement, PIQ will collaborate with New Summit Bio to raise funds and seek licensing partners to further develop the IVD and commercialise the test in the Chinese market. New Summit Bio will initially commit \$1.1 million to the project.

China represents a key market for PIQ's new diagnostic test. The incidence of diabetes in China has increased dramatically in recent years, and chronic kidney disease is one of its major complications.

World Health Organisation figures indicate that 120 million Chinese have diabetes and are at risk of kidney disease. Based on a conservative, 10%, uptake of people taking PIQ's diabetic kidney disease diagnostic test each year, and with the unit price of the test in China expected to be ~A\$26 (US\$20), the potential annual revenues are massive. These figures are based on a standard industry model.

The establishment of the test in the Chinese market will provide PIQ with a fully commercialised test for the early diagnosis of diabetic kidney disease which could also be used in major Western health care markets, which would generate substantial additional revenues.

PIQ is an established revenue generating company focused on the field of proteomics – the industrial scale mapping of the structure and function of proteins. It is currently undertaking an IPO to list on the ASX. The IPO is scheduled to close on Friday 27 February.

New Summit Bio is a leading Chinese drug development business based in Shanghai. It has around 415 employees and its core focus is to provide professional technology services for new drug research and development. The business was established in 2001 and has successfully achieved more than 24 new Investigational New Drug (IND) approvals on behalf of clients. As at the end of 2013, New Summit Bio had been involved in around 450 projects for new drugs and medical devices.

New Summit Bio seeks to establish strategic collaboration with international pharmaceutical companies. It provides service for these partners by helping their new drug projects enter the China market.

Proteomics International Laboratories Managing Director Dr Richard Lipscombe said:

"We are excited to partner with New Summit Bio to develop and commercialise our next generation diabetic kidney disease test for the Chinese market. We see them as the right partner for us as we enter the Chinese market, and their strong presence will be invaluable as we seek to commercialise our kidney disease diagnostic test."

New Summit Bio Chief Executive Officer Mr Jun Ren said:

"We are committed to working with Proteomics International in raising funds, and coordinating technology transfer and licensing to expedite development of the DKD diagnostic. We believe In-Vitro Diagnostics is one of the most active areas of hi-tech clusters and is expected to be a strategic pillar of growth in the world economy and particularly in China."

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What is proteomics?

Proteomics is the industrial scale mapping of the structure and function of proteins. The protein make-up in our bodies differs from cell to cell and changes considerably over time. For example, a cancerous cell will have significantly different proteins to a healthy cell. Understanding proteomics can speed up diagnosis and the identification of drugs that can be used to treat diseases.

As recently as 12-15 years ago, identifying a single protein (a process called sequencing) took 24 hours, and required comparatively large amounts of highly purified sample. Today, PIQ can identify a protein in 10 seconds and complex mixtures can be quickly and accurately analysed. This drives the Company's business model across its areas of operation.