

Executive Summary:

The need for this business arises because in developed countries animal testing is becoming an expensive option and moreover animal right groups in the western countries has more influence than ever on public. Large pharmaceutical companies constantly needs to test their existing drugs and newly developed drugs as per the FDA regulations in USA. Preclinical test involving animals model tests though legal in USA is considered exorbitantly an expensive but a “must perform” alternative. So there is constantly a need for these large pharmaceuticals companies to reduce costs at the same time not compromising on the quality of tests. The cost of developing one successful drug is more than one billion dollars. We have now developed a business model where it is possible to provide these preclinical tests for these US Pharmaceuticals companies in China at very competitive prices which will offer more value in terms of pricing to them.

Our market research shows that big pharmaceutical companies in the USA spends approximately US\$ 10 billion dollar annually for pre-clinical test out of which 30% is contracted out. Moreover this market is increasing at annual rate of 11% ~ 13%. The cost of these preclinical tests if done in the USA is 5 times more expensive then what it will take to do it in China. We will offer comparative costs value to our US client.

This business requires highly qualified scientists. Our business plan now has on board full time renowned scientist like Dr. Jian Zhang, he was the scientist at Duke University Medical College in the department of Animal testing and Dr. Chuan Qin, who is a pathologist and is a director of Beijing Union Medical College. In terms of Human capital we feel we have the right people who not only understand preclinical tests business but also understand the USA consumer needs.

Even though China’s preclinical tests market requirement is also growing at the rate of 11% we prefer for the first two years to concentrate in the USA market and then once this position is cemented we then would like to expand our business in China for the Chinese pharmaceutical companies.

Against our competitor in China we have more value proposition. We plan to apply for Intellectual property rights for our leading technology wherever possible. We provide unique animal models test plan for life threatening diseases like cancer, AIDS, SARS etc. which our competitor presently cannot offer. At present such complete business model is not provided by anyone in China.

In order to set up proper lab we have done financial costing and we feel we would need an investment of USD 2 million to start up. As per our analysis we are confident to achieve break-even in 19 months. The IRR is targeted at 124% as per our forecasted analysis

For Exit strategy our after 5 years of successful operation we wither plan to be acquired or go public.

Thank you!