

Teaser Memorandum

ForHuman Tech Ltd.

February 2006

Executive Summary

ForHuman Tech (the 'Company'), established in 2000, is a Korean biotechnology firm that develops and manufactures human therapeutic applications.

The technology developed by the Company can be categorized into the following industry and research sectors: Biotechnology > Human Therapeutics > Immunosuppressants. The technology and related products are not only the most advanced among the ones in the pipeline of the Company, but also superior compared to those of competitors and the industry. One such product has been patented domestically while many others are under review for international patents (PCT).

Although many different types of protein transduction domains ('PTD') have been developed within the industry, the majority are virus composites or proteins derived from drosophilae. ForHuman Tech's PTDs are human-based and boast higher transduction efficiency with no side-effects to date. The Company's PTD-related products target autoimmune diseases through a variety of delivery techniques. One such immunosuppressant has been packaged and named "FHT-CT4," a PTD conjugated with a recombinant bacterial protein that is shown to be effective with almost all autoimmune disorders, including asthma, rheumatoid arthritis and atopic dermatitis.

Another of the Company's products, "FHT-401", is a novel non-toxic therapeutic agent that uses combination therapy with Methotrexate and the Hph-1 PTD. FHT-401 targets rheumatoid arthritis through transdermal induction and is currently undergoing preclinical trials in Korea.

ForHuman Tech intends to enter into a technology transfer transaction ('the Transaction') with respect to select PTD technology, developed and used by the Company. Terms of the Transaction are not set, and interested parties may further discuss the parameters should they wish to enter into an agreement.

Key Technology Highlights

□ Higher Efficiency of Delivery

The Company's technology has created a product that is more effective and can be used in lower doses than other products on the market. The technology results in transduction efficiency that far exceeds those of competitive technologies and is proven to be target specific, showing proficient delivery to internal organs as well as the brain.

□ Variety of Delivery Methods

Whether it is used transdermally, inhaled, used through intraocular, intravenous or intra-peritoneal delivery, ForHuman Tech's technology can be customized to the target and configured accordingly. The delivery method depends on the target disease and the most efficient path to its treatment. For example, asthma is treated using the inhaled form of the technology, while arthritis is treated by transdermal application.

□ Range of Applicable Drugs & Therapeutic Areas

The Company's main focus is on the delivery of drugs for autoimmune diseases such as atopic dermatitis, psoriasis, asthma, rheumatoid arthritis and organ transplant rejection therapy. However the technology can be used to deliver a variety of bio-molecules, such as proteins, peptides, DNA and undeliverable chemical compounds to target an even greater selection of therapeutic diseases.

■ Key Information Summary

Business Fields:

Biotechnology research & development, development of human therapeutic products and treatments

Company Description:

- CEO: Seung-Kyou Lee Ph.D.
- Established: Oct. 26, 2000
- No. of Employees: 14
- Capital: KRW 912 mil.
- Main Products: FHT-CT4, FHT-401
- Website: www.forhumantech.com
- Affiliated Organizations: Yonsei University, KAIST (Korea Advanced Institute of Science & Technology), Ewha Women's Univ. College of Pharmacy, Genexin, ViroMed

Company History:

2000. 10	ForHuman Tech established
2001.04	Presented 'Innovative Technology Development' award by Small & Medium Business Administration
2001.08	SK Life Science equity financing
2002.08	Received ISO 9001, ISO 14001 certification
2002.08	Published article in the 'Proceedings of the National Academy of Sciences' on the use of immunosuppressants (IS-1)
2003.12	Neo Flux equity financing
2004.04	Named 'Agricultural Technology Development Business' by the Ministry of Agriculture & Forestry
2005.10	Selected as 'Industry Technology Development Mid-sized Business' by the Ministry of Commerce, Industry & Energy

Major Shareholders:

Seung-Kyou Lee Ph.D. (14.9%)
 Sang-Kyou Lee Ph.D. (12.4%)
 Dong-Ho Lee (3.3%)
 Byung-Hyun Yoon (2.1%)
 Duk-Jong Hahn (2.0%)

Key Technology Highlights (cont'd)

□ Lower Production Costs

Whereas most products on the market are derived from antibodies, which are expensive to mass produce, ForHuman Tech's FHT-CT4 is a PTD conjugated with a recombinant bacterial protein, which ultimately results in reduced production costs.

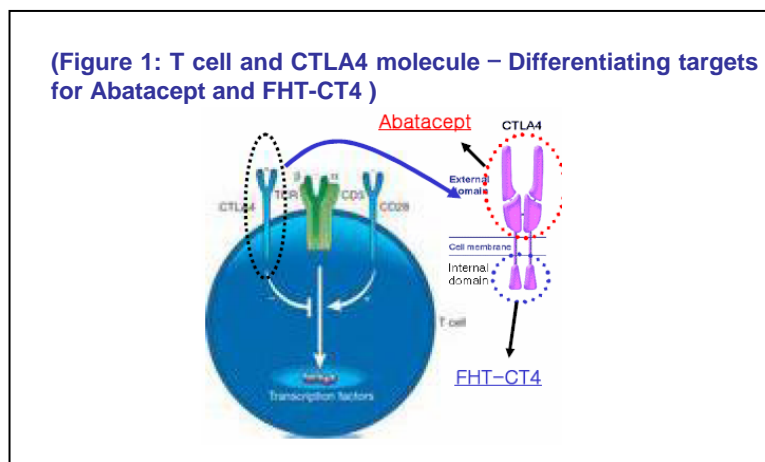
□ Lower Dosage with Better Results

The efficacy of the Company's technology far exceeds that of Abatacept, Bristol-Myers Squibb's market leading drug for rheumatoid arthritis. Merely 0.1 mg/kg of the Company's product FHT-CT4 is needed to produce the same results as 2mg/kg of Abatacept. Furthermore, FHT-CT4 is effective for both acute and chronic diseases, while Abatacept is only used with acute illnesses.

Technology Overview

ForHuman Tech specializes in the development of biotechnology and related therapeutic agents. The Company has recently completed initial development of its PTD technology and has conjugated it with a recombinant bacterial protein that is used for the therapeutic treatment of autoimmune diseases such as atopic dermatitis, psoriasis, asthma, rheumatoid arthritis and organ transplant rejection therapy. The end-product, 'FHT-CT4,' is a never before seen immunosuppressive protein drug that can be customized to the target disease and made into a variety of application forms.

FHT-CT4 is a PTD conjugated with a recombinant protein drug that engages CTLA4, the co-stimulation molecule of T cells. T cell over-activation plays a central role in the inflammatory cascade characteristic of rheumatoid arthritis and other T cell-mediated diseases. The cytokines secreted by activated T cells are thought to both initiate and propagate the immunologically driven inflammation associated with rheumatoid arthritis, asthma and a host of other autoimmune diseases.

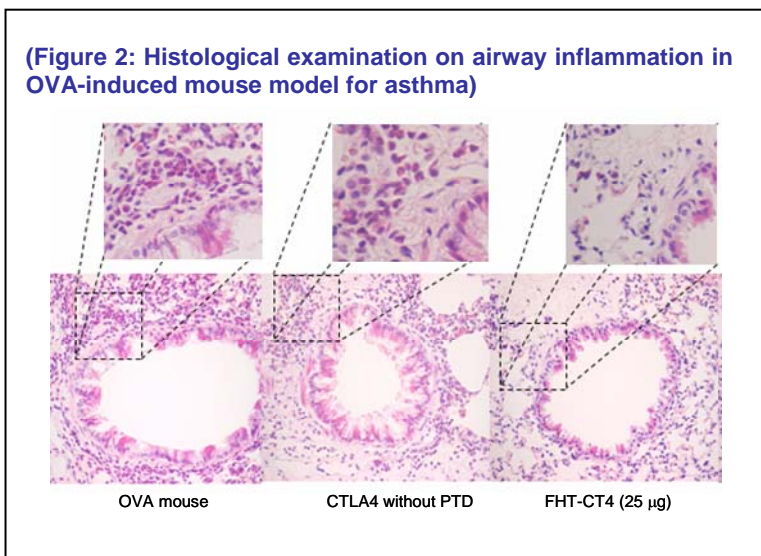


(Source: Company)

□ Efficacy & Delivery of FHT-CT4

- **Asthma** – In an asthma-induced mouse model, a single spray of 25 µg/mouse dosage resulted in complete recovery. The findings showed efficient suppression of inflammation-inducing cytokines and its infiltration.
- **Rheumatoid Arthritis** – FHT-CT4 resulted in considerable improvement of the arthritis index in rheumatoid arthritis-induced mice, when administered an injection of between 0.4 ~ 4 µg/mouse dosage over 4 weeks. The arthritis index was based on analysis of edema of joints and histological examinations.
- **Atopic Dermatitis** – The skin score, based on degree of inflammation after transdermal delivery, and moisture volatility in atopic dermatitis models showed scores that almost returned to normal.

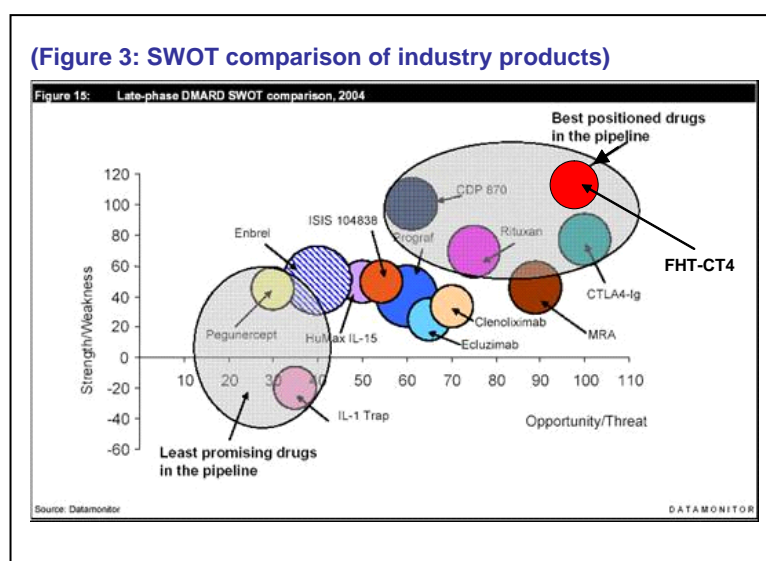
According to an article published in Immunity magazine in 2004, targeting T cells is effective for the treatment of almost all autoimmune diseases. Unlike Abatacept, a T-cell co-stimulation modulator developed by Bristol-Myers Squibb, which selectively modulates a co-stimulatory signal by targeting the external domain of CTLA4, ForHuman Tech's FHT-CT4 binds to the cytoplasmic domain of the cell marker.



(Source: Company)

□ Market Potential

- The market size of **asthma** therapeutics is estimated at US\$ 15.4 billion and has been growing at a rate of 18% CAGR since 2001. The market is expected to continue growing at a similar rate and reach US\$ 25 billion by 2010. The 3rd fastest growing therapeutic area behind oncology and blood/blood forming organs, asthma related products sales, by delivery route, is divided between inhaled (91%) and oral (9%) products.
- The worldwide **rheumatoid arthritis** (RA) market is estimated at approximately US\$ 10 billion. With annual growth of the number of patients at 1.2% CAGR, the market is anticipated to consistently grow alongside the RA population.
- The market for **atopic dermatitis**, which currently lacks an effective market-leading treatment, has been estimated at US\$ 2 billion. Whereas the patient population is growing at a rate of 2.4% CAGR, the market size is expected to grow at an even higher rate of 5.7% CAGR and reach US\$ 2.8 billion by 2008.



(CDP 870 is a recombinant bacterial protein;
CTLA4-Ig is a T cell target molecule)

(Source: Company)

□ Competition & Competitive Advantage

The majority of autoimmune diseases are currently treated with Enbrel (Amgen), Remicade (Johnson & Johnson) and Humira (Abbott Laboratories), all three of which are derived from the antibody for the protein TNF- α . Enbrel recorded approximately US\$ 1.9 billion in sales in 2004 alone, an increase of 46% from the previous year, which demonstrates the potential of the market. Recently, biotechnology firms have been focusing research efforts on different targets and have developed products that may conceivably cut into the market share of the above products. In particular, Bristol-Myers Squibb's Abatacept was approved by the FDA in 2005 and is anticipated to earn US\$ 1.2 billion in sales in 2006.

ForHuman Tech's FHT-CT4 takes advantage of all opportunities currently available in the market, namely in efficacy and cost-efficiency.

1. The current market trend to pursue different characteristics of autoimmune diseases is supported in FHT-CT4's targeting of T cells. This has been shown to be more effective than current products on the market and Abatacept has taken advantage of the opportunity. However Company takes FHT-CT4 one step further and targets the cytoplasmic domain of T cells, which is more effective than the targeting of the external domain of CTLA4, the key feature of Abatacept.
2. Presently, autoimmune therapeutic products are produced through hybridoma cell lines, a costly production process that cultures monoclonal antibodies.. FHT-CT4 utilizes a recombinant bacterial protein, which is less expensive to produce, providing cost-efficiency as well as cost-effectiveness.

□ Current Status

Development of FHT-CT4 started in February of 2003 once the Company's PTD technology had been tested and proven effective. In early 2004, a method for recombination and conjugation of the related bacteria was systematized and in vitro efficacy tests were started. Most recently, animal tests for asthma, rheumatoid arthritis and atopic dermatitis were completed with exceptional results. FHT-CT4 now awaits entry to preclinical trials.

Patents

Forhuman Tech has filed a provisional patent application in the US regarding the Transaction's technology.

Description	Status	Application No.
Methods for Fusion Polypeptide Delivery into a Cell	Filed	60/733,183

Concerning the Company's PTD technology in general, the Company also has one patent registered in Korea and has filed four international patent (PCT) applications currently being reviewed in Europe, Japan and the US.

Description	Status	Application No.
A Vector for CD8-FAS Fusion Protein Expressed in Eucaryotes	Registered	KR 0253912
Biomolecule Transduction Motif SIM-2-BTM and The Use Thereof	Filed	PCT/KR03/00121
Biomolecule Transduction Motif MPH-1- BTM and The Use Thereof	Filed	PCT/KR03/00122
DNA/RNA Transduction Technology and its Clinical and Basic Application	Filed	PCT/KR03/02425
Pharmaceutical Composition Transdermal Delivery	Filed	PCT/KR05/003698

R&D Capability

The Company boasts an experienced team of professionals with extensive expertise and know-how in the field of microbiology and biotechnology.

Name	Title	Education	Experience
Seung-Kyou Lee Ph.D.	CEO	M.S. Yonsei University Ph.D. Yonsei University	<ul style="list-style-type: none"> Editing director of Korean Bio Venture Association
Sang-Kyou Lee Ph.D.	CTO	M.S. Univ. of Michigan, Ann Arbor Ph.D. Yale Univ. School of Medicine	<ul style="list-style-type: none"> Postdoctoral Fellow Harvard Medical School Lecturer/Research Associate Harvard Medical School
Duk-Jong Hahn M.D.	Director	M.S. Seoul National University Ph.D. Seoul National University	<ul style="list-style-type: none"> Organ Transplant Department Head, Seoul Asan Medical Center Head of Department of Surgery, Seoul Asan Medical Center

Contact Point

Samjong KPMG FAS Inc. is currently receiving inquiries from interested parties in this transaction. If you are interested, please contact any of the KPMG professionals below:

Director	Dong-Hoon Lee	Tel: 822-2112-0777	donghoonlee@kr.kpmg.com
Associate Manager	Howard Hahn	Tel: 822-2112-0735	hhahn@kr.kpmg.com
Analyst	Kevin Kong	Tel: 822-2112-7735 Fax: 822-2112-0702	soohyungkong@kr.kpmg.com

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