

Teaser Memorandum

PWG Genetics Korea, Ltd.

December 2007

Executive Summary

Established in 2001, PWG Genetics Korea, Ltd. ("PWG" or "the Company") is a market leader of the specific pathogen-free (SPF) laboratory animal industry to assist biomedical research and bio artificial organ research with state of the art technology in the fields of genetics and molecular breeding technology. PWG has various business portfolios to supply SPF Micro-pig®, CRO services for GLP studies using Micro-pig®, development of specific disease models, and bioproducts such as artificial organs and cells. PWG established a joint company with Singapore and has a global network for marketing. PWG has plans to penetrate into foreign markets through joint ventures and its own marketing network with its excellent technology and animal models.

PWG's R&D center was created in March 2004, and leads developments and commercializations of new technologies, performing preclinical and clinical experiments in medical technology development processes together with medical schools and research centers in the USA, Canada, Singapore and other countries. PWG's R&D center certifies the SPF condition of Micro-pig® and has developed the biomedical products originated from Micro-pig®. All research conforms with the guidelines of the OECD, Japanese Ministry of Health and Welfare, Canadian Ministry of Health and Welfare, as well as the United States FDA.

PWG intends to enter into a technology transfer or licensing transaction with respect to Micro-pig® ('the Transaction'). 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

□ Strict SPF barrier systems

Micro-pig®s are raised under strict SPF barrier systems and microbiologically well defined conditions in order to follow modern developments in laboratory animal science. Micro-pig® has the following features:

- Downsized and customized as a laboratory animal model
- Purpose-based breeding system
- Microbiologically defined SPF animal

□ Broad application

Micro-pig® can be applied in various kinds of biomedical research such as xenotransplantation study, dental study, dermal study, laparoscopy study, pharmacology and toxicology for cell tissue organs research, new materials research (biomedical care), genomic research, bio-medical research, clinical research, functional materials (aging-inhibitors, immunopotent obesity-inhibitors) research, and stem cell research.

□ Patent protection

PWG filed the technology with respect to Micro-pig® with KIPO (the Korean Intellectual Property Office) on July 4, 2005 and the patent application was registered on September 20, 2006 as Patent Number KR 10-0628700.

Company Description:

- CEO: Jin-Woo Kim
- Established: July 2001
- No. of Employees:
- Capital: US\$ 5.6 Million
- Joint venture: PWG Genetics Pte. Ltd. in Singapore

Company History:

2001.03	Created nuclei of SPF Micro-pig®s
2001.07	Company established
2003.11	Completed construction of research center/production facilities, started to sell disease model Micro-pig®, and built technology research institute
2004.03	Established R&D Center
2005.01	Completed the development of separation technology for pancreatic islet cells in Micro-pig®s
2005.04	First Korean company to export large volumes of SPF Micro-pig®s to Biopolis in Singapore
2005.08	Established joint company with Singapore (PWG owning 70% of shares)
2006.05	Extracted Micro-pig®s cells for the first time in Korea and completed the construction of transplant laboratory (in Asan Medical Center)
2006.08	Completed construction of KGLP/KGMP based on the standard of the Korea Food & Drug Administration
2006.09	Acquired patent for the mass production technology for pathogen-free pigs (patent no. 10-0628700)
2006.10	Agreed to develop the world's first atlas of pathogen-free pigs for biomedical use (BSF, Biopolis in Singapore)
2007.01	MOU with BSF of A*STAR to co-develop a Micro-pig® histological atlas
2007.02	MOU with M.D. Anderson Cancer Center to Co-Develop a Micro-pig cancer model
2007.02	MOU with NSRRC and RADIL (which are funded by NIH) to register a Micro-pig

Technology Overview

Micro-pig®s are raised under strictly controlled conditions. For this purpose, PWG follows FDA guidelines and maintains SPF herds with a strict barrier system. Therefore, all Micro-pig®s are raised to a high health status and in SPF facilities. The environment (that is, temperature and humidity), housing, HEPA filtered airflow, water supply (reverse osmosis system) and food consumption are strictly monitored and enforced by professional staff, and their health monitoring is systematically carried out by professional veterinarians. Furthermore, PWG combines advanced technologies and refined selection standards to continue improving the hereditary characteristics of Micro-pig® and to meet applicable medical research demands.

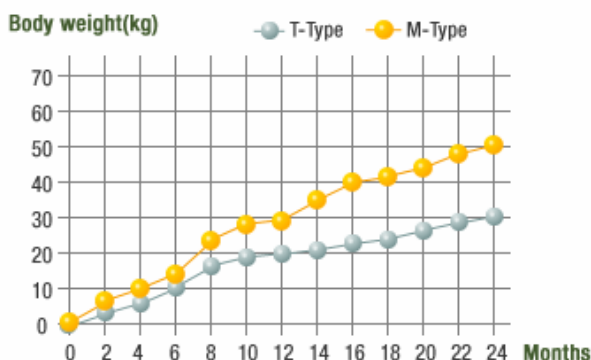
Physiological features of Micro-pig® are as follow.

Figure 1: Physiological Features of Micro-pig®

Item	T-Type	M-Type
Birth Weight	0.2~0.4kg	0.4~0.6 kg
24month weight	25~35 kg	45~55 kg
Lift span	10~15 years	
Gestation Period	111~114 days	
Litter Number	6~7 heads	7~9 heads
Weaning	28~35 days	
Maturity	4~6 months	4~6 months
Reproduction	6~8 months	6~8months

(Source: Company)

Figure 2: Growth Rate of Micro-pig®



(Source: Company)

Micro-pig® has great advantages such as i) similarity with the biological structure of humans, ii) adaptability to experimental environments, iii) possibility of mass production for experimental purposes, and iv) ease of identifying the backgrounds for hereditary research.

R&D Resources

PWG's R&D center has on its roster several leading domestic and foreign scientists specializing in biotechnology, medical engineering, microbiology, and other medical services.

Table 1: R&D Resources

Name	Task	Education & Career Background
Song Cheol Kim M.D.	Xenotransplantation	Professor, College of Medicine, Ulsan Univ. Xenotransplantation Center, Asan Medical Center Research Professor, Medical School, Minnesota Univ. MD, College of Medicine, Seoul National Univ.
Sun Kyung M.D.	Tissue Engineering	Director, Thoracic & Cardiovascular Surgery Department, Medical Center, Korea Univ. Korea Artificial Organ Center Ph.D., Medical College, Korea Univ.
Matthew Wheeler Ph.D.	Transgenic Model	Professor, Univ. of Illinois at Urbana-Champaign Director, Biotechnology Center, Univ. of Illinois at Urbana-Champaign Chief Researcher, NIH Ph.D., Univ. of Colorado
Augustine Yonghwy Kim Ph.D.	Technology Planning	Professor, Biotechnology Department, College of Engineering, Sejong Univ. R&D Group Leader of Biotechnology, International Flavor and Fragrances Inc. Research Microbiologist, The United States Department of Agriculture Ph.D., Univ. of Illinois Urbana-Champaign
Jason Lee Ph.D.	Project Planning & Management	Research Professor, College of Dentistry Yonsei Univ. Ph.D., Seoul National Univ.
Chester D. Solis DVM	Veterinary / Medical Assistance	DVM, Univ. of Philippines M.S., Nagoya Univ.

(Source: Company)

Contact Point

KHIDI (Korea Health Industry Development Institute) is currently receiving inquiries from parties interested in this transaction. If you are interested, please contact any of the KHIDI professionals below:

Researcher	Young-Kyun Jung	jyktop@khidi.or.kr
#2		
#3		

Responsibility statement

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