



**Morningside and Can Fite BioPharma to Establish a Joint Venture to Develop and Commercialize Can-Fite's CF102 Drug for the Treatment of Liver Diseases**

- **Under the MOU signed today, Can-Fite will award the joint venture (JV) a license to develop and market the CF102 drug in China, Hong Kong, Macau and Taiwan**
- **In addition to contributing its expertise in drug development in China, Morningside shall make available to the JV the sum of US\$7.5M to advance the development of CF102 at least past Phase II.**

**Petah-Tikva, Israel, January 19, 2010: Can-Fite BioPharma Ltd (TASE:CFBI)**, a biopharmaceutical company, announced today the signing of a memorandum of understanding (MOU), with the Hong Kong based Morningside Asia Venture (HK) Limited. According to this MOU, Can-Fite and Morningside will establish a JV, which will receive an exclusive license to the Intellectual Property relating to CF102 in China, Hong Kong, Macau and Taiwan, and will be responsible for the clinical development of CF102 for these markets. The Morningside fund will provide all the required funding needed for the pre-clinical and clinical development plans up to the completion of phase II, in the amount of 7.5 million US dollars.

Can-Fite will also provide the JV with all the know how in its possession relevant for the development of CF102. In addition, Can-Fite will have full access to all the clinical and pre-clinical data to be generated by JV and will have the right to use it for regulatory purposes in other countries.

Morningside is managed by Dr. Gerald Chan, who identified the potential embodied in CF102, after becoming acquainted with the company and its technology platform and following its development for the last several years.

**Prof. Pnina Fishman, Can-Fite's CEO** said: "We are thrilled to start this exciting collaboration with a partner like Morningside. The CF102 drug has a very high marked potential in China given the need for efficacious drugs for the treatment of liver diseases which have a high prevalence in China. The broad experience of Morningside, a fund well known and experienced in the world of biotechnology, which invested and started tens of biotechnological companies, will be a great asset in advancing the development of CF102 for these lucrative indications in this premier pharmaceutical market".

**About Morningside**

**Morningside** ([www.morningside.com](http://www.morningside.com)) is a diversified investment group founded in 1986 by the Chan family of Hong Kong. It is engaged primarily in private equity and venture capital investments. The group has investments in North America, Europe, across Asia-Pacific, and since 1992, in Mainland China. Morningside was one of the earliest

institutional investors in China's internet industry and in recent years has been an active investor in China's emerging biotechnology sector.

### **About Can-Fite**

**CAN-FITE BIOPHARMA LTD CAN-FITE BIOPHARMA LTD** is a public company traded on the Tel Aviv Stock Exchange. The Company, which commenced business activity in 2000, was founded by Prof. Pnina Fishman, an investigator from Rabin Medical Center, and patent attorney Dr. Ilan Cohn, a senior partner at Reinhold Cohn Patent Attorneys. Prof. Pnina Fishman serves as the CEO of Can-Fite. The Company was founded on the basis of scientific findings made by Prof. Pnina Fishman and focuses on the development of small molecule-based drugs that bind to receptors of cancerous or inflammatory cells and inhibit their development. The leading drug of the company, CF101, is under advanced clinical development for inflammatory diseases and the second drug, CF102 is being developed for liver diseases, including liver cancer and viral Hepatitis C. Can-Fite has vast clinical experience. Thus far 700 patients participated in clinical trials done by the company.

### **For additional information:**

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