

**Client:** Chi Med  
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## **Chi-Med expands OTC drug distribution**

Hutchison China MediTech has expanded the its drug distribution activities through an investment in a new company.

Chi-Med says this will enable it to sell third party drugs for the first time, as well as its existing portfolio of drugs.

Hutchison Whampoa Guangzhou Baiyunshan Chinese Medicine Co - one of the three companies which comprise Chi-Med's China healthcare division - will invest approximately US\$3.2m for a 60% equity interest in a 'good supply practice' drug distribution company, Nanyang Baiyunshan Hutchison Whampoa Guanbao Pharmaceutical Co.

The investment will be largely used as working capital to expand future commercial activities.

In return for the balance of 40% equity interest in NBHG, the minority partner will inject an existing GSP licence and business which recorded unaudited sales of over US\$40m in 2010.

Until now the national over-the-counter drug commercial team of HBYS has been limited by its business licence to only selling products manufactured by HBYS.

The establishment of NBHG changes this and enables the HBYS commercial team to also sell third party products in all provinces in China.

At 8:30am: (LON:HCM) share price was +10p at 447.5p

Story provided by StockMarketWire.com