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Chi-Med in £89m deal with Astra

By Peter Ranscombe

CHI-MED, the Chinese medicine firm run by Scots-born chief executive Christian Hogg, yesterday, sealed a \$140 million (£89m) deal with global pharmaceutical giant AstraZeneca.

The pair will join forces to develop and sell a cancer drug, called Volitinib, which is expected to begin clinical trials in Australia in the New Year.

Aim-quoted Chi-Med, which is based in Hong Kong, will receive an upfront payment of \$20m from AstraZeneca and then a further \$120m as development milestones are reached. Under the deal, Chi-Med will continue to pay for the development of the drug in China, while AstraZeneca will meet the cost of taking the drug worldwide.

Hogg said: "Our collaboration will support the development and commercialisation of this novel cancer innovation, discovered in China, to the global market on an accelerated basis, something we could not have done alone."

Shares in Chi-Med - which is majority-owned by Hutchison Whampoa, the Hong Kong-listed conglomerate that runs the Three mobile phone network and is chaired by billionaire investor Li Ka-shing - closed up 22 per cent or 57p at 320p.