

Press Cutting

Citigate
Dewe Rogerson

Client: Chi-Med


Publication: StockMarketWire

Date: 18 December 2013



Chi-Med in JV with Sinopharm

18 December 2013 | **09:13am**


StockMarketWire.com - Pharmaceutical and healthcare company Hutchison China MedTech and Sinopharm have formed a China drug [distribution](#)  and marketing joint venture.

Sinopharm is the largest distributor of pharmaceutical and healthcare products and a leading value added supply chain service provider in China.

The joint venture will provide distribution and marketing services to both related and third party pharmaceutical companies in China. Chi-Med will, through a wholly-owned subsidiary, invest approximately US\$9.8m in cash into Sinopharm Holding HuYong Pharmaceutical (Shanghai) Co. (Huyong) for 51% of the equity in the enlarged share capital of Huyong, which will mean that Huyong will be consolidated as a Chi-Med subsidiary.

The Chi-Med investment will be largely deployed for expanding future commercial activities, particularly in the area of third party drug sales and marketing.

Sinopharm will hold the balance of 49% of the equity in Huyong.

Huyong is a 'Good Supply Practice' certified pharmaceutical and healthcare distribution and marketing [company](#)  that was originally established in 1993 and subsequently acquired by Sinopharm in 2010.

Huyong will be renamed as Hutchison Whampoa Sinopharm Pharmaceuticals (Shanghai) Company Limited (Hutchison Sinopharm).

Huyong's profit before tax for the year ended 31 December 2012 was US\$1.0m, and it had gross assets of US\$29.9m.

At 9:13am: [\[LON:HCM\]](#) Hutchison China Meditech Ltd share price was 0p at 610p

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