HUTCHISON CHINA MEDITECH

# 2015 Full Year Results

(AIM: HCM)

March 1, 2016

# Disclaimer

Nothing in this presentation or in any accompanying management discussion of this presentation ("**Presentation**") constitutes, nor is it intended to constitute or form any part of: (i) an invitation or inducement to engage in any investment activity, whether in the United Kingdom or in any other jurisdiction; (ii) any recommendation or advice in respect of any securities of Hutchison China MediTech Limited ("**Chi-Med**"); or (iii) any offer for the sale, purchase or subscription of any ordinary shares of Chi-Med.

The ordinary shares of Chi-Med are not registered under the US Securities Act of 1933 (as amended) ("**Securities Act**") and may not be offered, sold or transferred except pursuant to any exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any other applicable state securities laws.

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained herein. Neither Chi-Med, nor any of Chi-Med's advisors or representatives shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially.

The Presentation may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including terms "believes", "estimates", "anticipates", "projects", "expects", "intends", "may", "will", "seeks" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They include statements regarding Chi-Med's intentions, beliefs or current expectations concerning, amongst other things, Chi-Med's results of operations, financial conditions, research and clinical trials programmes, licensing programmes, liquidity, prospects, growth, strategies and the industries in which Chi-Med operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Chi-Med's actual results of operations, financial conditions and liquidity, the development of Chi-Med's research and clinical trials programmes and the development of the industry in which Chi-Med operates, may differ materially from those suggested or which may be implied by the forward-looking statements contained in the Presentation. In addition, even if Chi-Med's results of operations, financial conditions and liquidity, the development of Chi-Med's research and clinical trials programmes, and the development of the industry in which Chi-Med operates, are consistent with the forward-looking statements contained in the Presentation, those results or developments may not be indicative of results or developments in subsequent periods. Recipients of the Presentation are advised to read the admission document dated 10 May 2006 issued by Chi-Med and the other announcements and filings made by Chi-Med on AIM for a more complete discussion of the factors that could affect future performance and the industry in which Chi-Med operates. In light of those risks, uncertainties and assumptions, the events described in the forward-looking statements in the Presentation may not occur. Other than in accordance with Chi-Med's obligations under the AIM Rules, none of Chi-Med or the persons acting on Chi-Med's behalf including its advisors and representatives undertake any obligation to update or revise publicly any forward-looking statement, whether as a result of new information, future events or otherwise. All written and oral forward-looking statements attributable to Chi-Med or to the persons acting on Chi-Med's behalf including its advisors and representatives are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in the Presentation.

The Presentation should be read in conjunction with Chi-Med's final results for the year ended 31 December 2015, copies of which are available on Chi-Med's website (www.chi-med.com).

# Vision

## Two main platforms converging towards vision

**A globally-focused innovative biopharmaceutical company based in China**

### Innovation Platform

*small molecule targeted therapies in oncology & immunology*

- ✓ 7 clinical drug candidates in 19 studies worldwide.
- ✓ Many with global first-in-class or best-in-class as well as Breakthrough Therapy potential.
- ✓ First drug candidates targeted for possible NDA submissions late 2016.
- ✓ ›290-person R&D team.

### Commercial Platform

*an extensive commercial network in China pharma*

- ✓ Over 3,200-person China sales team - clear focus on Prescription Drugs business (~1,900 medical reps).
- ✓ Ready to rapidly commercialise Innovation Platform drugs once approved in China.
- ✓ Cash flow positive w/ net income attributable to Chi-Med equity holders of ›$25m in 2015.

# 2015 Financial Results

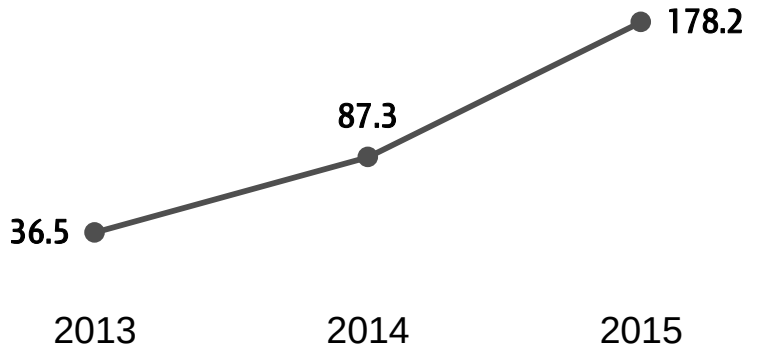
## Net Profit on operations – despite ~$64 million in clinical investment

### Statement of Operations Summary

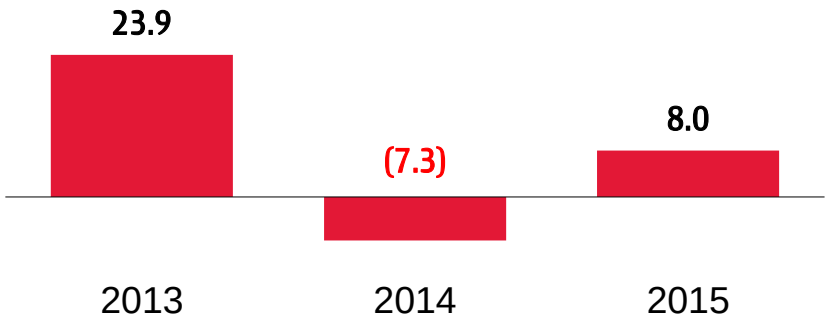
| | 2013 | 2014 | 2015 | Change 13-14 | Change 14-15 |
|---|---|---|---|---|---|
| **Revenues** | 36.5 | 87.3 | 178.2 | 139% | 104% |
| *Unconsolidated JV Revenues* | *385.8* | *398.4* | *392.7* | | |
| **Net Income/(Loss)** [1] | | | | | |
| **Innovation Platform** | 15.5 | (22.2) | (3.8) | n/a | n/a |
| *Base HMP Operations* | *24.3* | *(13.8)* | *(0.0)* | | |
| *50% share of Nestle JV (NSP)* [2] | *(8.8)* | *(8.4)* | *(3.8)* | | |
| **Commercial Platform (Con't. Operations)** | 18.2 | 22.8 | 25.2 | 26% | 10% |
| *Prescription Drugs Business* | *11.2* | *13.2* | *15.9* | | |
| *Consumer Health Business* | *7.0* | *9.6* | *9.3* | | |
| **Chi-Med Group Costs** | (8.4) | (9.0) | (13.4) | 8% | 49% |
| *Head office overheads/expenses* | *(6.1)* | *(6.4)* | *(10.9)* | | |
| *Interest/tax* | *(2.3)* | *(2.6)* | *(2.5)* | | |
| **Discontinued Operations** | (1.4) | 1.0 | - | n/a | n/a |
| **Net Income/(Loss) on Ops. Attrib. to Chi-Med** | 23.9 | (7.3) | 8.0 | n/a | n/a |
| **EPS Attrib. to Company (Basic)** | 0.46 | (0.14) | 0.15 | n/a | n/a |
| *Accretion per share on redeemable non-controlling interests (Mitsui) - NON-CASH* [3] | - | *(0.48)* | *(0.79)* | | |
| EPS Attrib. to Ordinary Shareholders (Basic)[4] | 0.46 | (0.62) | (0.64) | n/a | n/a |

### Group Results

#### Revenues




#### Net Income/(Loss)[1]




[1] Net Income/(Loss) = Net income/(Loss) attributable to Chi-Med; [2] NSP = Nutrition Science Partners Limited; [3] Non-cash accretion relates to increased estimated value of Mitsui's share in Innovation Platform, which was exchanged for Chi-Med shares in July 2015; [4] Including adjustment for accretion on redeemable non-controlling interests.

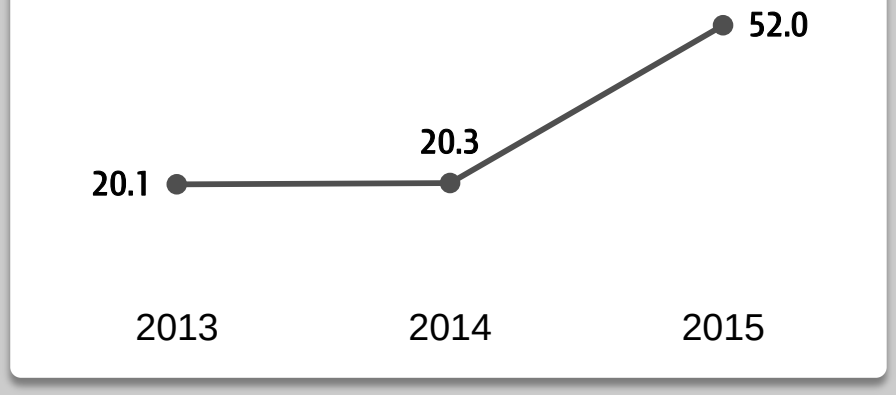
*(US$ millions)*
*(US GAAP)*

# Financial performance of main platforms

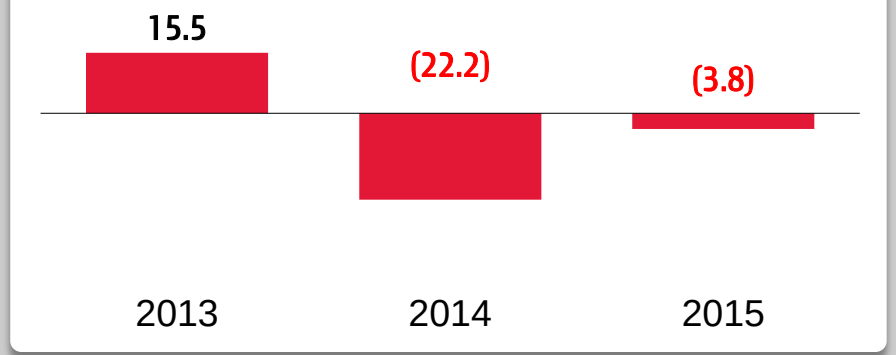
## Sustainable biotech business model – >$90 million available cash[1]

### Innovation Platform

#### Revenues

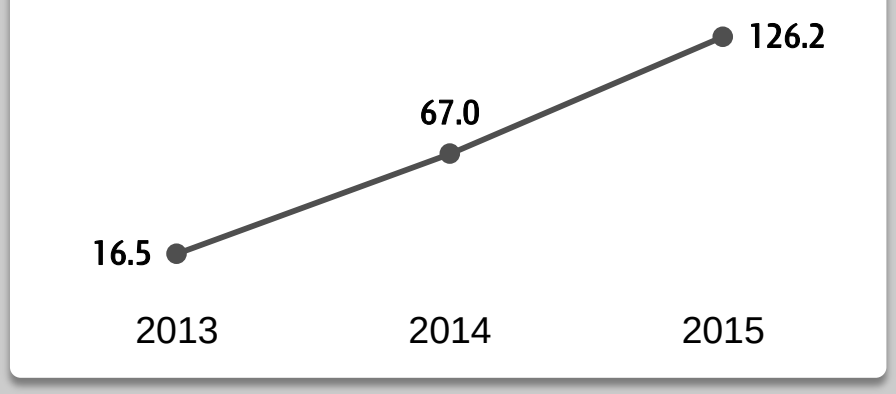



#### Net Income/(Loss) [3]

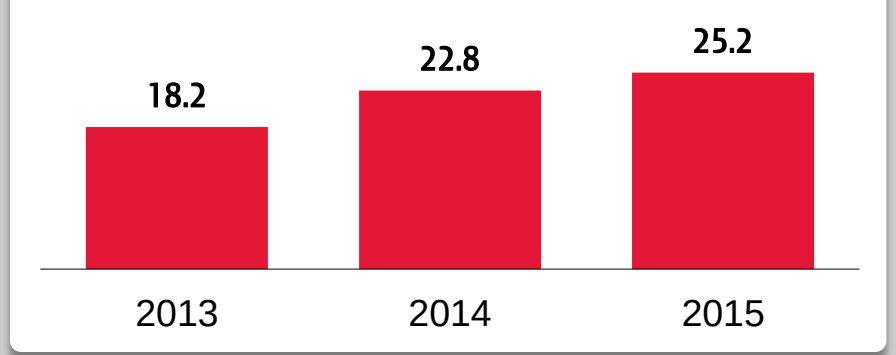



### Commercial Platform

#### Revenues [2]

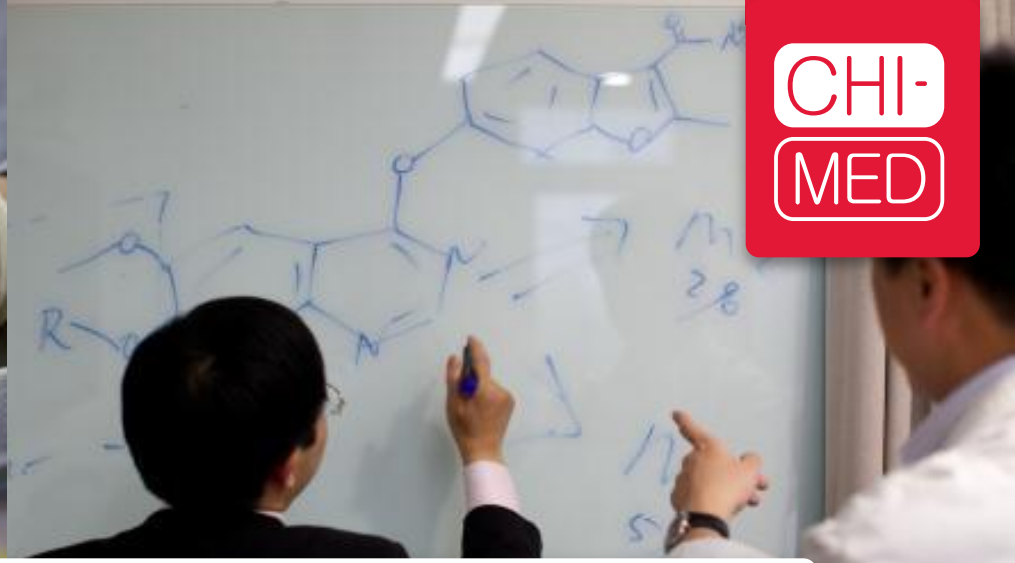



#### Net Income [3] [4]




[1] Cash and cash equivalents and unutilized banking facilities;
[2] Only includes revenues of subsidiaries for Prescription Drugs and Consumer Health businesses - excludes joint ventures;
[3] Net Income/(Loss) = Net Income/(Loss) attributable to Chi-Med; [4] Continuing Operations.

*(US$ millions)*
*(US GAAP)*



# Innovation Platform

*Near term: Driving for first product launches*

*Mid-longer term: Building a pipeline for future growth*

# Chemistry is our edge

## Superior small molecules w/ global first-in-class or best-in-class potential

CHI-MED

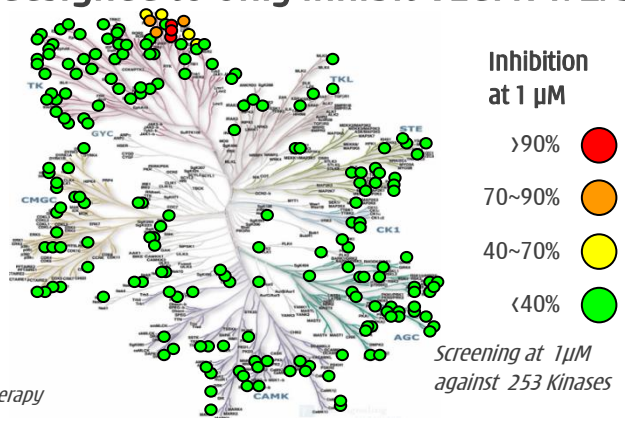
## Focus on kinase selectivity

- No off-target kinase inhibition means compound is more potent, attains **better target coverage** and is **less toxic**.
- Combinability - clean compounds **allow for combinations** with other TKIs, immuno-therapy and chemotherapy agents.

## Fragment-based design of NCEs[1]

- We have **internally created/designed** all our drug candidates.

## E.g. fruquintinib: designed to only inhibit VEGFR 1/2/3



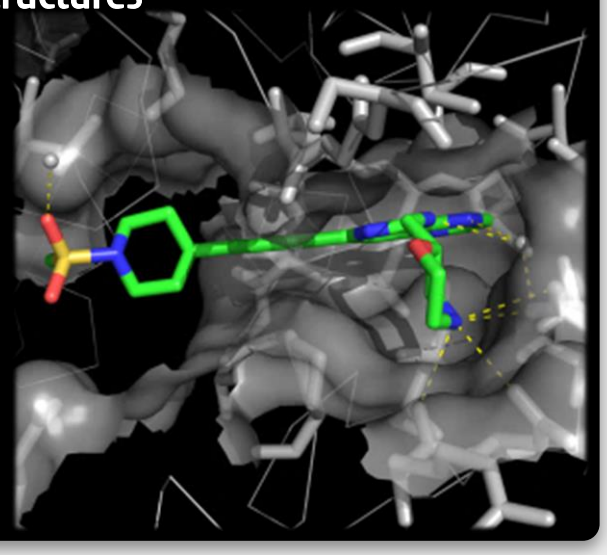

*Screening at 1μM against 253 Kinases*

*Source: Sun et al., Cancer Biology & Therapy 15:12, 1635--1645; December 2014.*

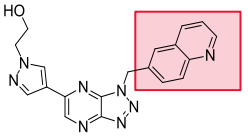
## E.g. Use of co-crystal structures

Focus on small molecules interactions with kinases

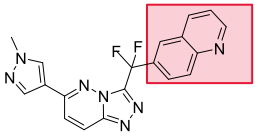
- ✓ Optimize binding to on-target protein, for potency.
- ✓ Minimize binding to off-target proteins for selectivity.



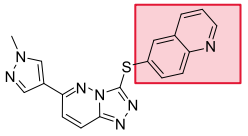
## E.g. savolitinib: designed to eliminate potential kidney tox.



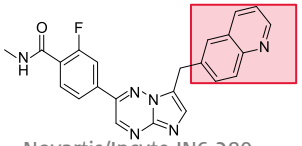
Pfizer PF-04217903



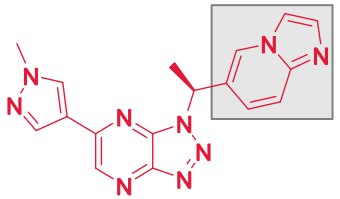
Janssen JNJ-38877605



Lilly SGX-523



Novartis/Incyte INC-280



savolitinib

*2-quinolinone metabolite in humans in 1st gen c-Met compounds has dramatically reduced solubility and appeared to crystallize in the kidney resulting in obstructive toxicity.* [2]



[1] Novel Chemical Entities [2] Diamond, S.; et. al.: Species-specific metabolism of SGX523 by aldehyde oxidase, *Drug Metabolism and Disposition*, 2010, 38, 1277-85.

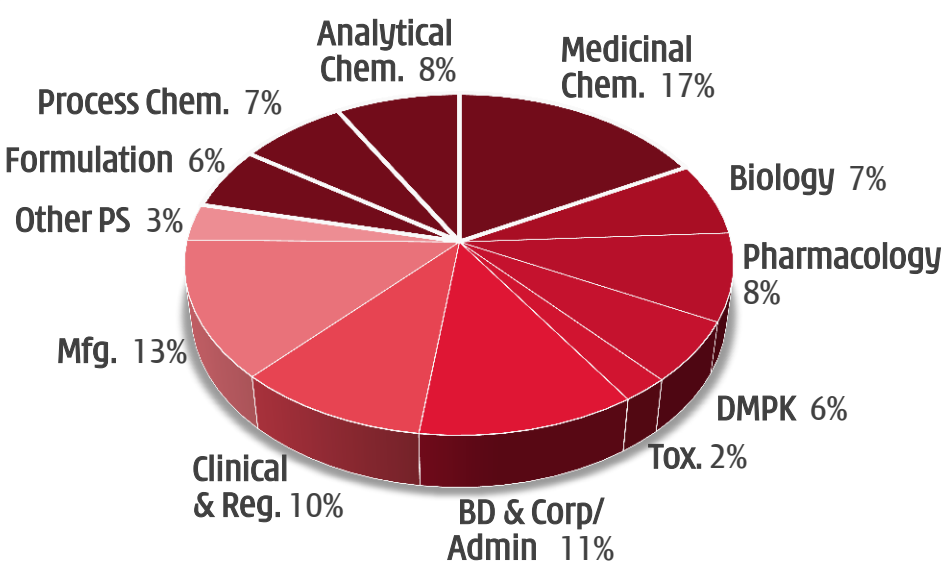
# Exceptional scale for pre-approval biotech

## 15 years with approx. $330m invested to-date

## One of the leading China-based innovators in oncology & immunology

### 290 SCIENTISTS & STAFF[1]

- ✓ 183 with advanced technical degrees
- ✓ 21 M.D.s
- ✓ 48 doctorate degrees




### OUR ADVANTAGES

- ✓ **Large-scale fully integrated in house platform**
  chemistry, biology, pharmacology, DMPK, tox., CMC, C&R, and translational organizations working together seamlessly and continuously.
- ✓ **China clinical speed**
  major unmet medical needs (3.3 million new cancer patients / year[2]), rapid development and regulatory support. Allows for study of multiple indications, PoC in China.
- ✓ **Competitive costs**
  overall clinical costs, particularly pre-PoC, a fraction of US or Europe.
- ✓ **Constancy of purpose**
  15 years with continuous financial support.



[1] Headcount as of 31 January 2016; Chem. = Chemistry; Pharmac. = Pharmacology; DMPK = Drug, Metabolism, & Pharmacokinetics; Tox. = Drug Safety Evaluation; PS = Pharmaceutical Science (CMC); Mfg = Manufacturing; Reg. = Regulatory; BD = Business Development.; [2] Frost & Sullivan.

# 25 clinical trials by mid-2016

## 15 possible Breakthrough Therapy indications and 8 combination studies

| Program | Target | Partner | Study number/Indication | Status | Line | Target patient | Combo therapy | Site | Preclin. | Ph.I | Proof-of-concept | Ph.III |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Savolitinib (AZD6094 / volitinib) | c-Met | AstraZeneca | 1. Papillary renal cell carcinoma (A) | report interim data Q2 2016 | 1st | All | | Global | | | * | |
| | | | 2. Papillary renal cell carcinoma (P) | start Ph. Ib Q1 2016 | - | All | **immunotherapy** | UK | | | * | |
| | | | 3. Clear cell renal cell carcinoma (P) | start Ph. Ib Q1 2016 | 2nd | VEGF TKI ref. | | UK | | | * | |
| | | | 4. Clear cell renal cell carcinoma (P) | start Ph. Ib Q1 2016 | 2nd | VEGF TKI ref. | **immunotherapy** | UK | | | * | |
| | | | 5. Non-small cell lung cancer (A) | enrolling | 2nd | EGFR TKI ref. | **Tagrisso®** (T790M) | Global | | | * | |
| | | | 6. Non-small cell lung cancer (A) | enrolling | 3rd | EGFR/T790M TKI | **Tagrisso®** (T790M) | Global | | | * | |
| | | | 7. Non-small cell lung cancer (A) | enrolling | 2nd | EGFR TKI ref. | **Iressa®** (EGFR) | China | | | * | |
| | | | 8. Non-small cell lung cancer (A) | enrolling | 1st | c-Met O/E | | China | | | * | |
| | | | 9. Gastric cancer (A) | enrolling | - | c-Met+ | | China | | | * | |
| | | | 10. Gastric cancer (A) | enrolling | - | c-Met O/E | | China | | | * | |
| | | | 11. Gastric cancer (A) | enrolling | - | c-Met+ | **docetaxel** (chemo) | China | | | * | |
| | | | 12. Gastric cancer (A) | enrolling | - | c-Met O/E | **docetaxel** (chemo) | China | | | * | |
| Fruquintinib[1] | VEGFR 1/2/3 | Lilly | 14. Colorectal cancer (A) | enrolling | 3rd | All | | China | | | | * |
| | | | 15. Non-small cell lung cancer (A) | enrolling | 3rd | All | | China | | | n/a | * |
| | | | 16. Gastric cancer (A) | enrolling | 2nd | All | **paclitaxel** (chemo) | China | | | | * |
| Sulfatinib | VEGFR/ FGFR1 | | 17. Neuroendocrine tumors (A) | Ph. Ib/II enrol. complete | 1st | All | | China | | | | * |
| | | | 17a. Pancreatic NET (P) | start Ph. III Q1 2016 | 1st | All | | China | | | | * |
| | | | 17b. Non-pancreatic NET (A) | enrolling | 1st | All | | China | | | | * |
| | | | 18. Neuroendocrine tumors (A) | enrolling | 2nd | All | | US | | | * | |
| | | | 19. Thyroid cancer (P) | start Ph. II Q1 2016 | 2nd | Radiotherapy ref. | | China | | | | * |
| HMPL-523 | Syk | | 20. RA, MS, lupus (A) | Ph. I complete | - | All | | Aus | | | | * |
| | | | 21. Hematological cancers (A) | enrolling | 2nd/3rd | All | | Aus | | | * | |
| Epitinib | EGFRm+ | | 22. Non-small cell lung cancer (A) | enrolling | 1st | EGFRm+ brain mets | | China | | | * | |
| Theliatinib | EGFR WT | | 23. Esophageal, solid tumors (A) | enrolling | 1st | EGFR wild-type | | China | | | | * |
| HMPL-689 | PI3Kδ | | 24. Hematological cancers (P) | start Ph. I Q1 2016 | 2nd/3rd | All | | Aus | | | | * |
| HMPL-004 | NF-κB (TNF-α, etc) | Nestlé Health Science | Ulcerative colitis (Mild-mod. induction) | under internal review | 2nd | 5ASA ref. | **5ASA** | Global | | | n/a | * |
| | | | Ulcerative colitis (Mild-mod. mainten.) | under internal review | 2nd | 5ASA ref. | **5ASA** | Global | | | n/a | * |
| | | | Crohn's disease | under internal review | 1st | All | | Global | | | n/a | * |
| HMPL-453 | FGFR1/2/3 | | Solid tumors | IND submitted | 1st | All | | - | | | * | |
| Research | Novel | | Inflammation | ongoing | 1st | All | | - | | | | * |

Oncology | Immunology

Notes: (A) = active clinical trial; (P) = planned clinical trial; * = when an NDA submission is possible based on the receipt of favorable clinical data; Proof-of-concept = Phase Ib/II study (the dashed lines delineate the start and end of Phase Ib); combo = in combination with; brain mets = brain metastasis; VEGF = vascular endothelial growth factor; TKI = tyrosine kinase inhibitor; EGFR = epidermal growth factor receptor; NET = neuroendocrine tumors; ref = refractory, which means resistant to prior treatment; T90M= EGFR resistance mutation; EGFRm+ = epidermal growth factor receptor activating mutations; EGFR wild-type = epidermal growth factor receptor wild-type; 5ASA = 5-aminosalicyclic acids; chemo = chemotherapy; c-Met+ = c-Met gene amplification; c-Met O/E = c-Met over-expression; MS = Multiple Sclerosis; RA = Rheumatoid Arthritis; US = United States; EU = Europe; Global = ›1 country; Aus = Australia.
[1] Clinical study #13 is omitted because it has been recently completed.

# Savolitinib (AZD6094)

## Global first-in-class c-Met inhibitor – 2016 year of key catalysts

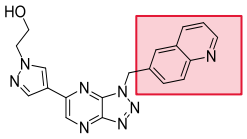
AstraZeneca

CHI-MED

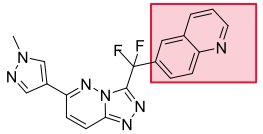
## 1. Summary:

- **Clear clinical efficacy in c-Met+ patients[1] across multiple solid tumors.** Lung, gastric, colorectal and kidney cancer.
- **Highest ever response rate in PRCC[2](Phase I ORR[3] 38%)** versus previous high of 13.5% for foretinib (GSK) in PRCC Phase II 2012.
- Currently **testing in 12 parallel PoC studies (9 active and 3 to start by Q1 2016)** as mono and combo therapy.

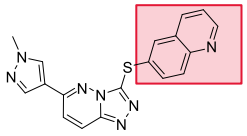
## 2. Design has eliminated kidney toxicity encountered by first wave of c-Met inhibitors.



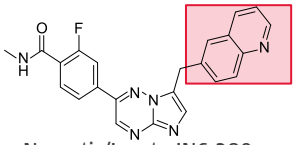
Pfizer PF-04217903



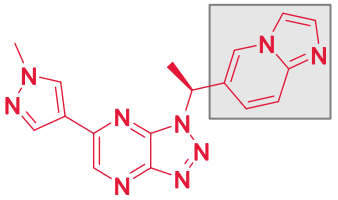
Janssen JNJ-38877605



Lilly SGX-523



Novartis/Incyte INC-280



savolitinib

*2-quinolinone metabolite in humans in 1st gen c-Met compounds has dramatically reduced solubility and appeared to crystallize in the kidney resulting in obstructive toxicity.* [2]

## 3. c-Met is aberrant in many tumor settings.

| Indication | c-Met | | | New Cases (2015) | |
|---|---|---|---|---|---|
| | Amplification | Mutation | Over-Expression | Global | China |
| Gastric | 10% | 1% | 41% | 1,034,000 | 454,000 |
| Lung (Non-small cell) | 8-10%[4] | 8% | 67% | 1,690,000 | 623,000 |
| Head & Neck | | 11% | 46% | 740,000 | 90,000 |
| Colorectal | 10% | | 65% | 1,477,000 | 283,000 |
| Renal cell Carcinoma (Papillary) | 40-70% | 100%[5] | | 50,000 | 7,800 |
| Renal cell Carcinoma (Clear cell) | | | 79% | 270,000 | 54,000 |
| Esophagus | 8% | | 92% | 496,000 | 251,000 |

*Source: Frost & Sullivan*

## 4. Substantial market potential for c-Met inhibitor:

- The market potential of the **EGFRm+ TKI resistant NSCLC patient population c-Met amplification is substantial**.
- Sizable kidney (PRCC alone) & gastric market potential.
- Further market potential as savolitinib could provide benefit in many tumor types - mono. or combo. w/ chemo/TKIs/mAbs/PD-L1.



[1] c-Met+ = c-Met amplification; [2] PRCC = Papillary renal cell carcinoma (~14% of kidney cancers); [3] Objective Response Rate "ORR" = percent of patients with >30% tumor diameter shrinkage; [4] Range includes (i) approximately 4% of c-Met+ naïve non-small cell lung cancer patients and (ii) 10 - 30% of EGFRm+ non-small cell lung cancer patients, which 15 to 20% develop EGFRm+ tyrosine kinase inhibitor resistance pathway as c-Met+; [5] Hereditary papillary renal cell carcinoma only.

# Savolitinib (AZD6094)

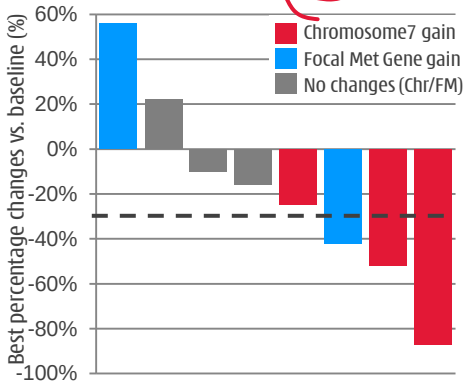
## Highest ever response rate seen in c-Met+ patients[1]

AstraZeneca

CHI-MED

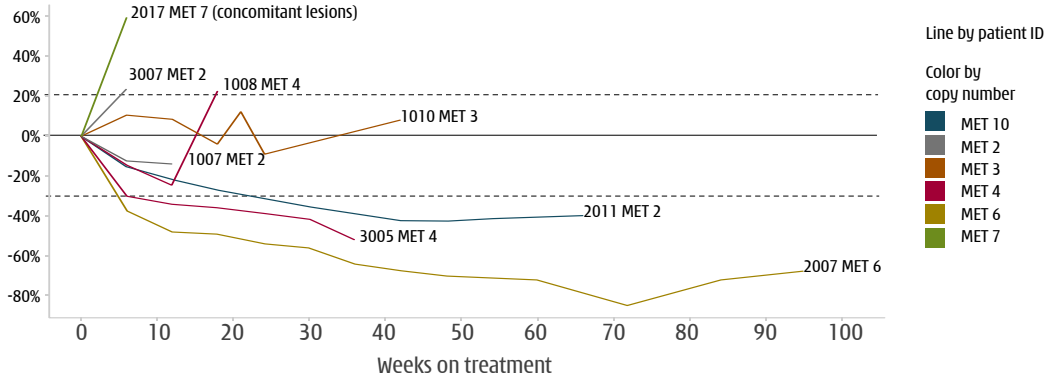
### 5. Kidney cancer -- Papillary Renal Cell Carcinoma (PRCC).

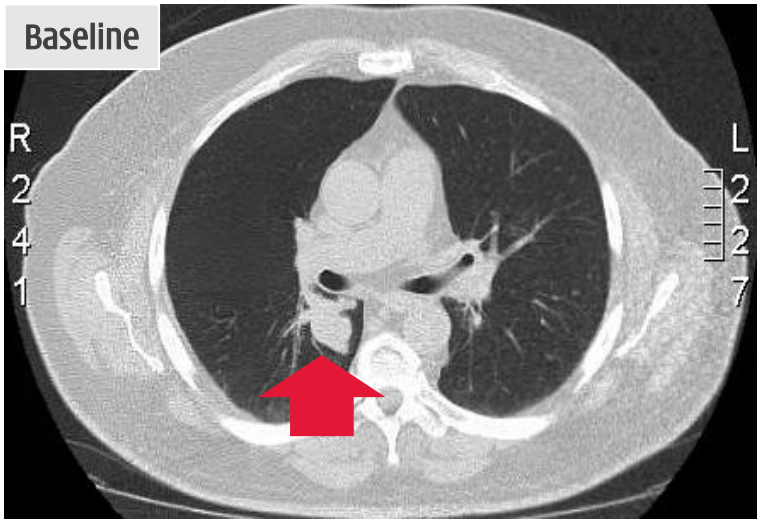
**Objective Response Rate[2]:** 38%
**Disease Control Rate[3]:** 75%

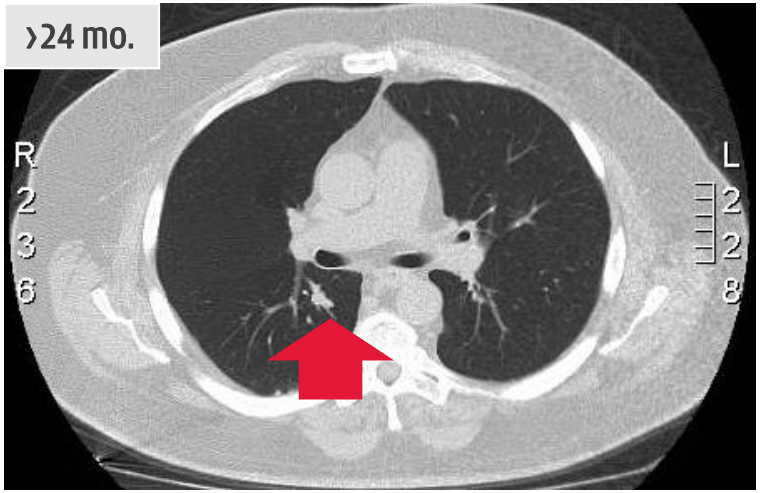



- PRCC is ~14% of ~356,000/yr. new kidney cancer cases.
- There are **no current approved treatments for PRCC**.
- Global Phase II PRCC study started May 2014. **Completed enrollment in Oct 2015.**
- Chance for **US NDA submission** by end of 2016, subject to supportive Phase II data and potential Breakthrough Therapy designation.

### 6. Phase I data gradual & durable response in c-Met+ patients.






[1] c-Met+ = c-Met amplification; [2] ORR = percent of patients with ›30% tumor diameter shrinkage; [3] DCR = percent of patients with tumor diameter growth ‹20%..

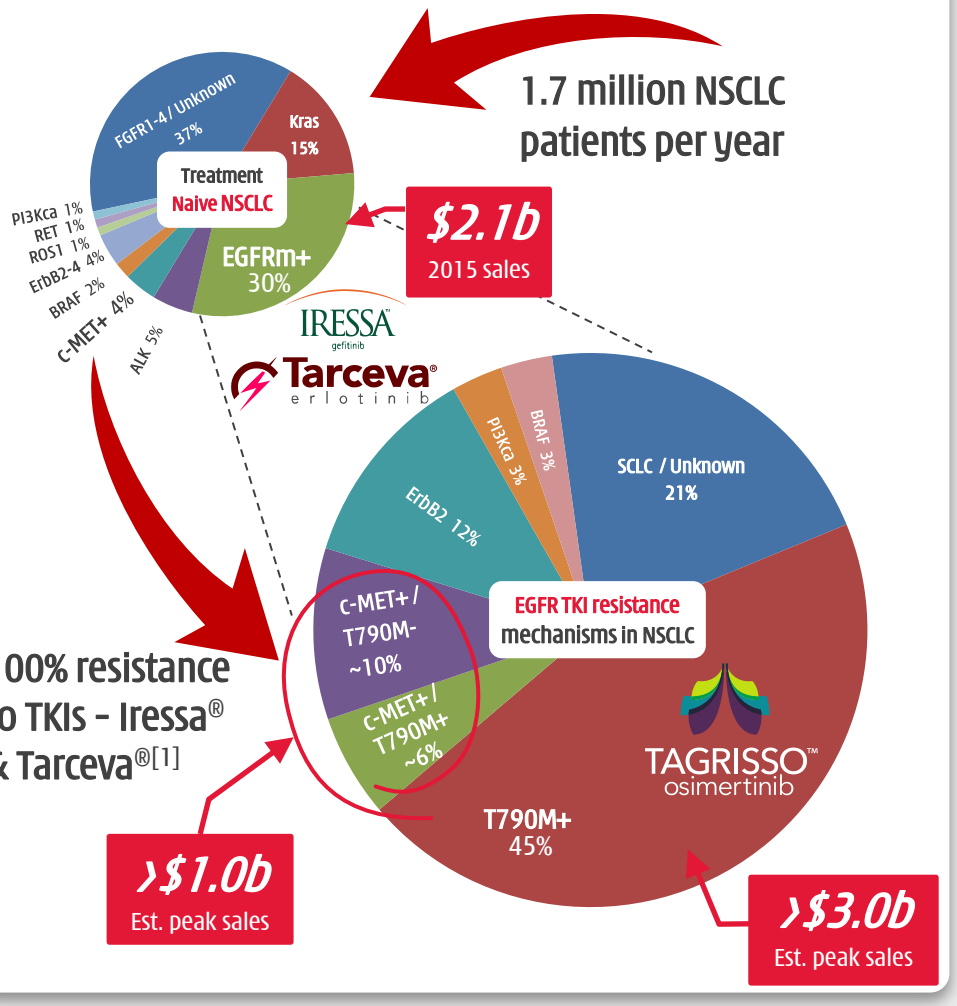
# Savolitinib (AZD6094)

## Combinations likely the answer. >$1 billion in c-Met+ NSCLC

AstraZeneca

CHI-MED

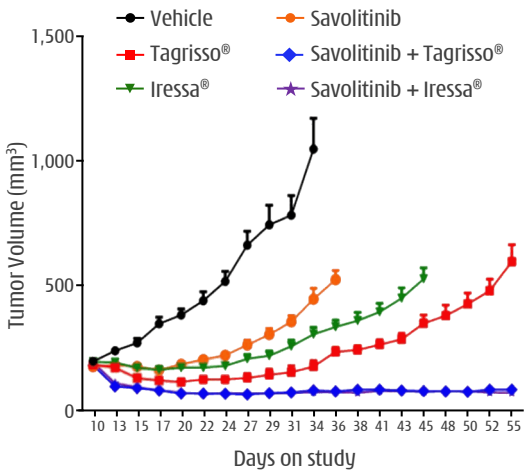
### 7. EGFRm+ TKI[1] resistant NSCLC[2][3].




### 8. Clear pre-clinical data shows combination potential in EGFR TKI resistant NSCLC.

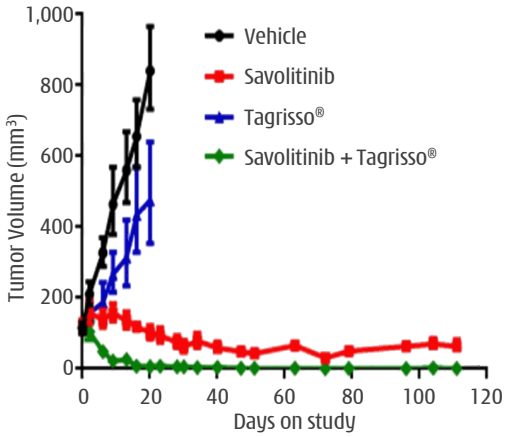
**EGFR TKI RESISTANT, T790M-, C-MET+**

- Prolonged **tumor growth suppression** via combining savolitinib with Iressa® (gefitinib) or Tagrisso® (AZD9291).




**EGFR TKI RESISTANT, T790M+, C-MET+**

- Prolonged and **total tumor growth suppression** via combining savolitinib & Tagrisso®.






[1] EGFR TKIs = Epidermal Growth Factor Receptor Tyrosine Kinase Inhibitors including gefitinib = Iressa®; erlotinib = Tarceva®; AZD9291/osimertinib = Tagrisso®;
[2] NSCLC = Non-small cell lung cancer (~85% of all lung cancer); [3] Frost & Sullivan.

*(US$ millions unless otherwise stated)*

# Savolitinib (AZD6094)

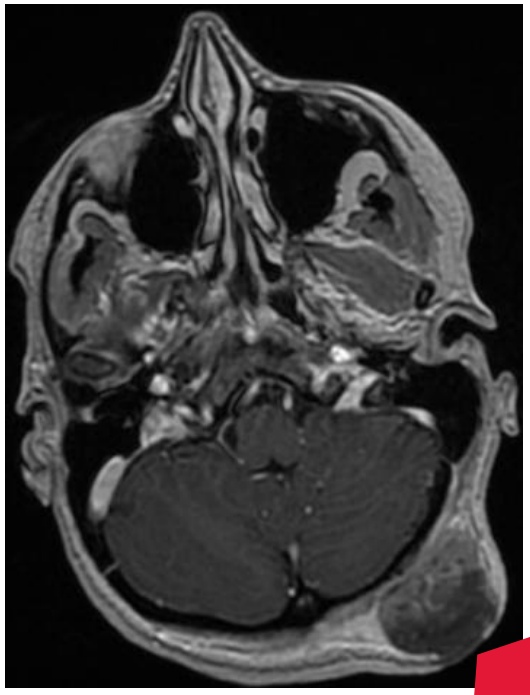
## Clear anti-tumor effect in T790M- / c-Met+ NSCLC patients

AstraZeneca

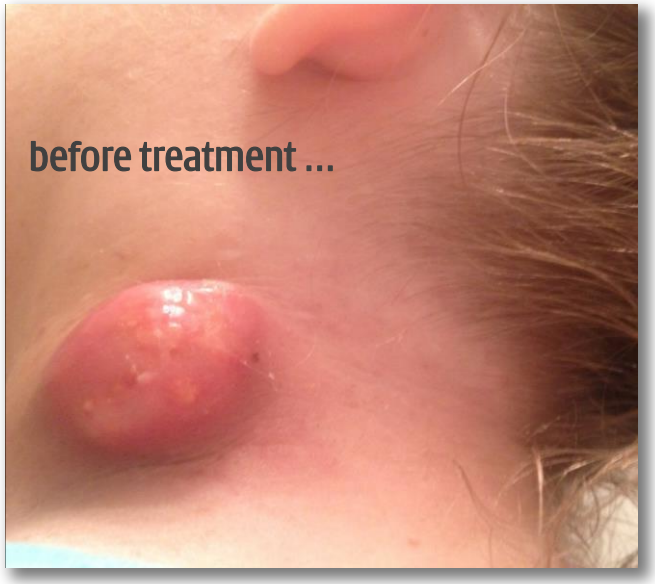
CHI-MED

### 9. 32 yr. old female NSCLC patient w/ c-Met+ & T790M-.

- ✓ Rapidly progressing bone & lung metastasis. Major solid tumor.
- ✓ Primary progression on previous EGFR TKI (i.e. Tarceva resistant).
- ✓ Brief response to platinum doublet.



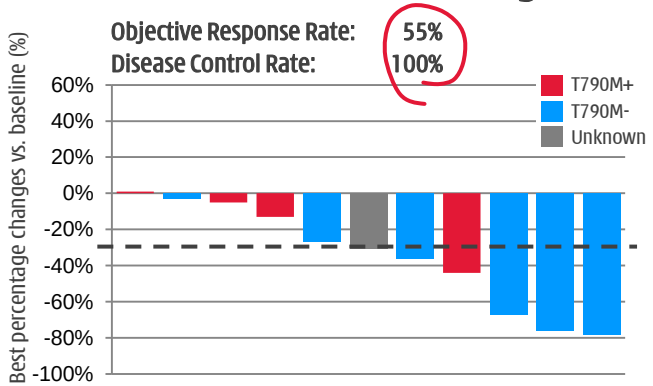
### 10. visible solid tumor...treated w/ 800mg savolitinib & 80mg Tagrisso® daily.





### 11. TATTON study - savolitinib is safe & effective in combination with Tagrisso®.

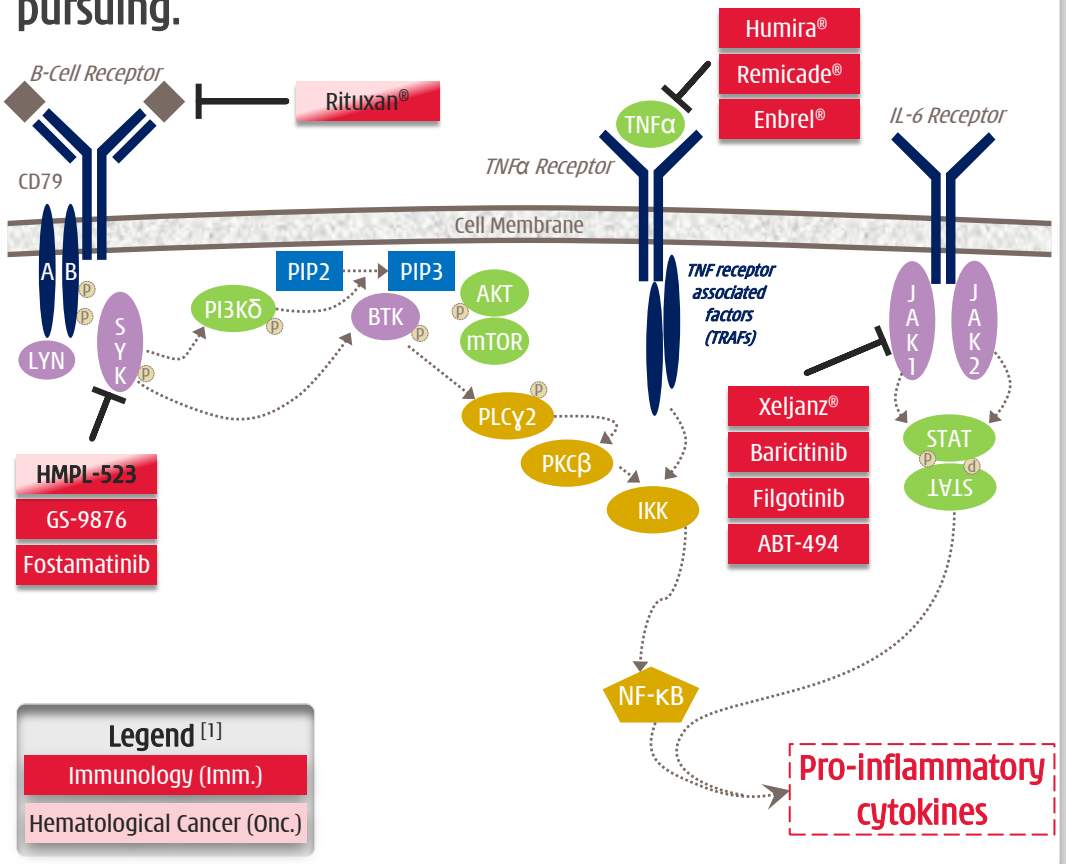
| Number of events, n | 600mg (n = 6) | | 800mg (n = 6) | |
|---|---|---|---|---|
| *Adverse Event occurring in over three instances at any dose* | Any Gr. | Gr.≥ 3 | Any Gr. | Gr.≥ 3 |
| Vomiting | 7 | 0 | 3 | 0 |
| Nausea | 3 | 0 | 6 | 1 |
| Rash | 4 | 0 | 3 | 0 |
| Pyrexia | 3 | 0 | 3 | 0 |
| White blood cell count decreased | 4 | 0 | 1 | 1 |
| Decreased appetite | 1 | 0 | 3 | 0 |



# HMPL-523

## Potential first-in-class Syk inhibitor in immunology – Phase II in planning

### 1. Syk, the most upstream B-cell pathway kinase target, is clinically validated in rheumatoid arthritis ("RA"), but currently Chi-Med & Gilead are the only companies pursuing.




### 2. RA expected to be a $45 billion market in 2020 with B-cell pathway; anti-TNF; & JAK the main focus.

| *(Methotrexate-IR: placebo adjusted)* | ACR20 | ACR50 | ACR70 | 2014 Sales ($billion) [2] |
|---|---|---|---|---|
| **B-Cell receptor -- mAbs** | | | | |
| Rituxan® (24-Week) | 33% | 21% | 11% | 1.4 |
| **Anti-TNFα/NF-κB -- mAbs** | | | | |
| Humira® (24-Week) | 33% | 29% | 18% | 12.5 |
| Remicade® (24-Week) | 30% | 22% | 8% | 9.2 |
| Enbrel® (24-Week) | 44% | 36% | 15% | 8.5 |
| **JAK Inhibitors -- Small molecules** | | | | |
| Xeljanz® (24-Week) | 25% | 23% | 13% | 0.3 |
| Xeljanz® (12-Week) | 28% | 21% | 8% | |
| baricitinib 4mg QD (12-Week) | 30% | 28% | 14% | n/a |
| filgotinib 100mg BID (12-Week) | 35% | 40% | 23% | n/a |
| ABT-494 24mg QD (12-Week) | 32% | 24% | 18% | n/a |
| **Syk Inhibitor -- Small molecule** | | | | |
| fostamatinib 100mg BID (24-Week) | 32% | 24% | 18% | n/a |

### 3. Substantial market potential remains in RA.

- mAbs intravenous administration and shut down immune system for 4-6 weeks – high infection / lymphoma risks.
- First-in-class JAKs in RA limited by compound-related toxicity.
- Syk inhibition shown to benefit patients – but fostamatinib failed due to major off-target toxicity.

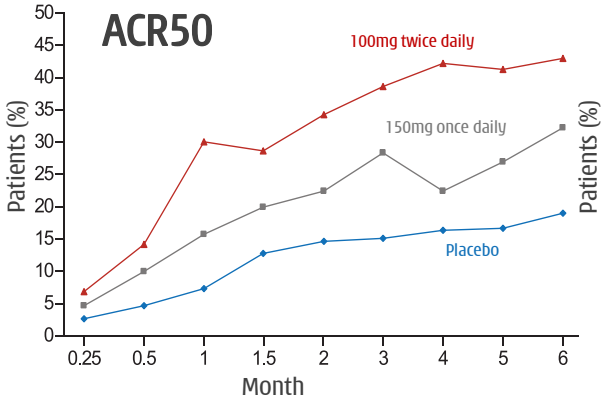


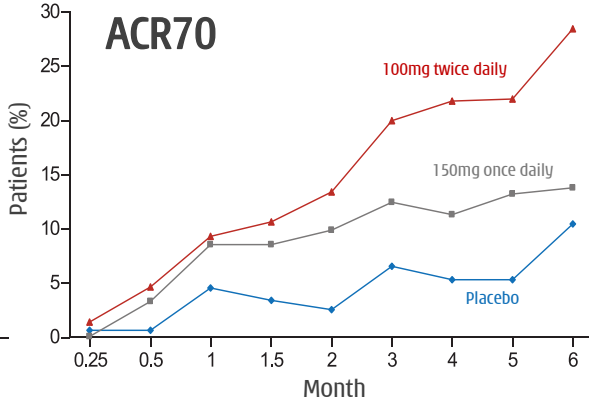
[1] Approved drug = ®; All other clinical candidates: mAb = antibody (extracellular); small molecule (intracellular); [2] 2014 sales in immunology only.

# HMPL-523

## Superior selectivity, better target coverage & efficacy vs. fostamatinib

### 1. Fostamatinib good Phase II[3] RA dose response… …but GI toxicity, infection & 23% put on antihypertensives.



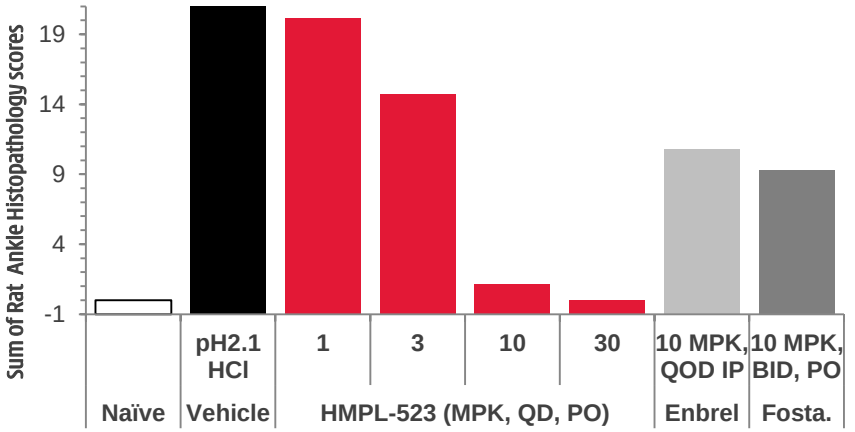




| *Percent of patients* | Placebo (n = 153) | 150mg QD (n = 152) | 100mg BID (n = 152) |
|---|---|---|---|
| Diarrhea | 3.0% | 11.8% † | 19.1% † |
| Upper respiratory infection | 7.1 | 7.2 | 14.5 † |
| Urinary tract infection | 4.6 | 3.3 | 5.9 |
| Nausea | 4.6 | 5.9 | 4.6 |
| Neutropenia | 0.7 | 6.6 † | 5.9 † |
| Headache | 5.2 | 6.6 | 5.9 |
| Abdominal pain | 2.6 | 6.6 † | 5.9 † |
| ALT ›3x ULN | 2.0 | 3.9 | 3.9 |
| Dizziness | 2.0 | 2.6 | 4.6 |
| Hypothyroidism | 2.6 | 2.6 | 3.3 |
| Cough | 2.6 | 2.0 | 3.3 |

† P ‹ 0.05 for comparison with placebo group; ALT = alanine aminotransferase.

### 2. HMPL-523 – far superior selectivity to fostamatinib…….and very strong efficacy in preclinical RA models.

| Selectivity | HMPL-523 $IC_{50}$ (nM) | fostamatinib $IC_{50}$ (nM) |
|---|---|---|
| Syk enzyme | 25 ± 5 (n=10)* | 54 ± 16 (n=10)* |
| JAK 1,2,3 enzyme | ›300, ›300, ›300* | 120, 30, 480* |
| FGFR 1,2,3 | ›3,000, ›3,000, ›3,000 | 89, 22, 32* |
| FLT3 enzyme | 63* | 9* |
| LYN enzyme | 921* | 160* |
| Ret enzyme | ›3,000* | 5** |
| KDR enzyme | 390 ± 38 (n=3)* | 61 ± 2 (n=3)* |
| KDR cell | 5,501 ± 1,607 (n=3)* | 422 ± 126 (n=3)* |





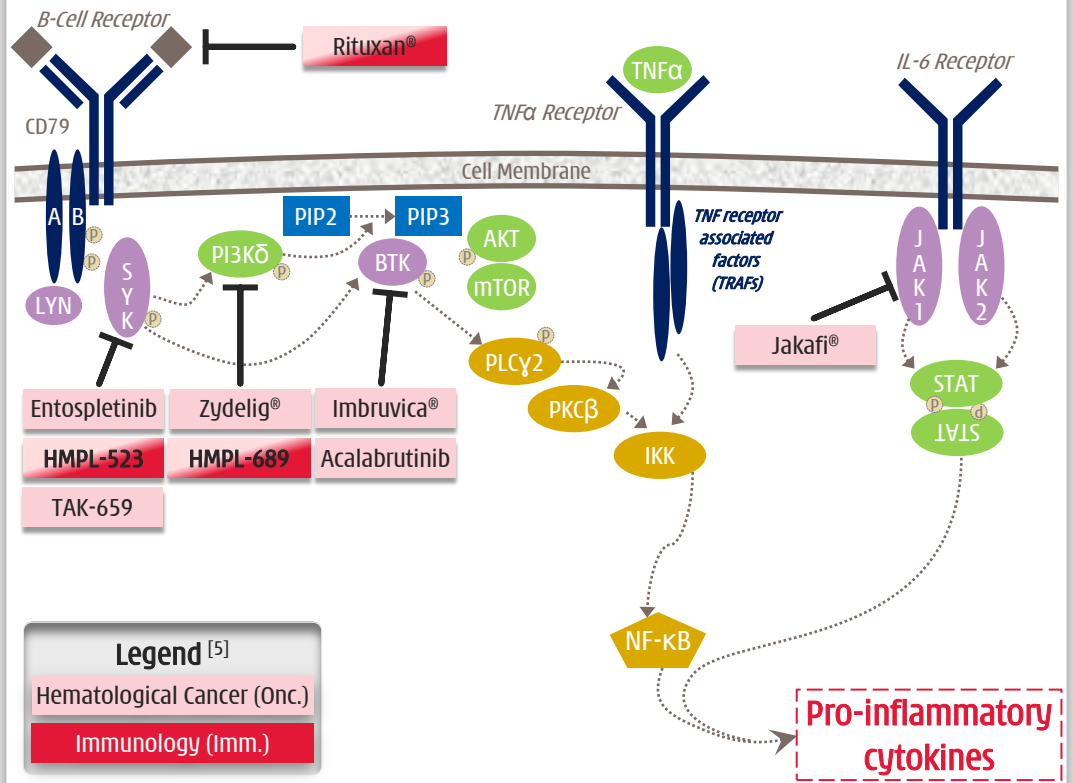

[1] RA = Rheumatoid Arthritis; [2] QD = one dose per day; BID = two doses per day; QOD = one dose every other day; PO = by mouth (i.e. orally); IP = by Intraperitoneal injection; Naïve = model score without induced arthritis; [3] Fostamatinib is a prodrug of the SYK inhibitor R406 Phase II study N ENGL J MED 363;14; *: HMPL data and Eun-ho Lee, 2011; ** Birth Defects Research (Part A) 2009, 85: 130-6.

# HMPL-523

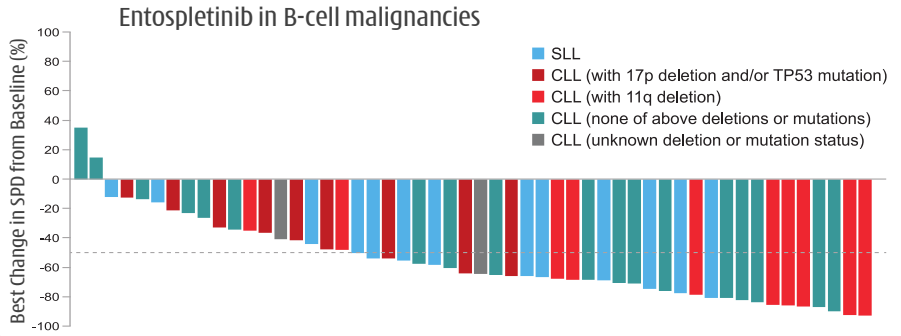
## Syk exciting target emerging in oncology – Lymphoma Phase I ongoing

### 1. The B-cell signaling is critical in hematological cancer with three breakthrough therapies recently approved.

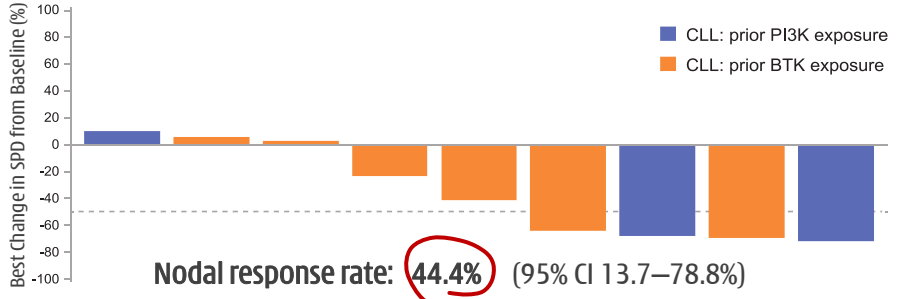
- Sales in 2015 of Imbruvica® were $1.3 billion; Zydelig® $0.1 billion; Jakafi® $0.6 billion; & Rituxan® $5.9 billion[2].




### 2. Entospletinib ASH[1] Dec 2015 data – 65% Nodal Response Rate in CLL & SLL[3].




### 3. Entospletinib potential for overcoming resistance to Zydelig® (PI3Kδ) & Imbruvica® (BTK).




### 4. Entospletinib not a perfect compound.

- Poor solubility/oral absorption & high variation in drug exposure.
- Some CYP[4] inhibition & increased risk of drug-drug interaction.



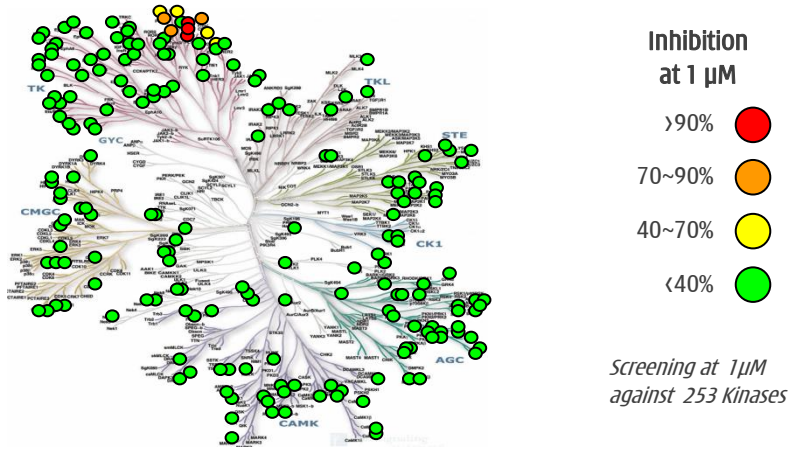
[1] ASH = American Society of Hematology; [2] Rituxan® 2015 sales in oncology only; [3] chronic lymphocytic leukemia ("CLL") & small lymphocytic lymphoma ("SLL"); [4] CYP3A4, CYP2D6 and CYP 1A2; [5] Approved Drug = ®; All others are clinical candidates.

Sharman et al, "*Phase 2 Trial of Entospletinib, a Selective Syk Inhibitor, in Chronic Lymphocytic Leukemia and Small Lymphocytic Lymphoma*" and "*Clinical Activity of Entospletinib, a Selective Syk Inhibitor, in Patients With Chronic Lymphocytic Leukemia Previously Treated With an Inhibitor of B-Cell Receptor Pathway Signaling*", ASH Meeting 2015.

# Fruquintinib

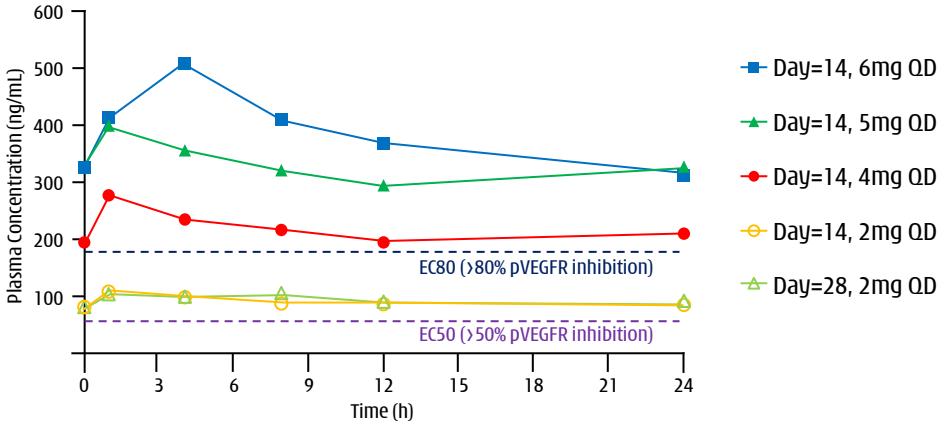
## The most selective VEGFR inhibitor in clinical trials globally[1]

### 1. Designed to only inhibit VEGFR 1,2, 3...




*Screening at 1μM against 253 Kinases*

### ...limits off-target toxicity & allows for full & sustained target inhibition.




### 2. Selectivity and potency superior to competitor drugs.

| | Sutent® (sunitinib) | Nexavar® (sorafenib) | Stivarga® (regorafenib) | Fruquintinib |
|---|---|---|---|---|
| Kinase profile | VEGFR1,2,3, PDGFRb, FLT3, CSF-1R, c-Kit, Ret | RAF, VEGFR2, PDGFRb, Flt3, c-Kit, FGFR1 | VEGFR1,2,3, Raf, Ret, c-Kit, PDGFR | VEGFR1,2,3 |
| AUC at ED50/ED60 in mouse (ng/mL*hr) | 2,058 | 25,473 | na | 898 |
| MTD in human (mg/day) | 50, qd | 400, bid | 160, qd | 4, qd; 6, 3wk/1wk |
| AUC, 0~24h at Steady state MTD (ng/mL*hr) | 592 | 47,780 x2 (D28) | 58,270 (D21) | 5,000~6,000 (D28) |
| Efficacy in Phase I:<br>Partial Response (PR); Disease Control Rate (DCR) | 22 patients<br>PR: 4 (18%), DCR: 27% | 45 patients (≥100 mg bid)<br>PR: 1 (2%), DCR: 58% | 53 patients<br>PR: 3 (6%), DCR: 66% | 34 evaluable patients<br>PR: 13 (38%), DCR: 82% |

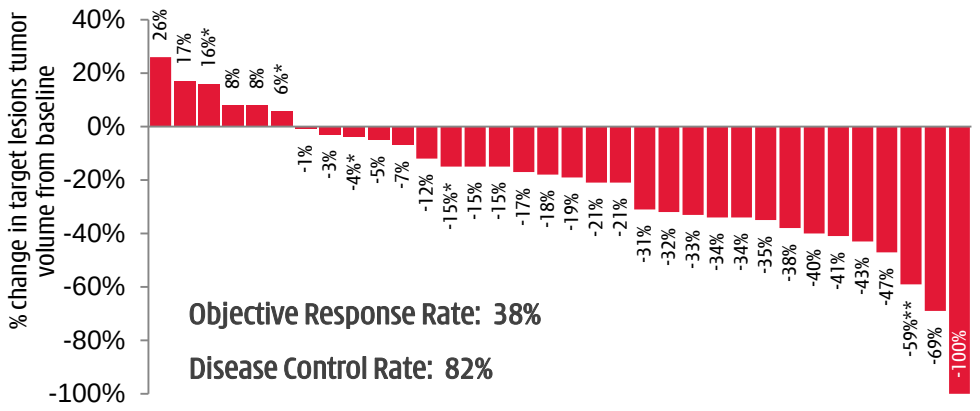


[1] among small molecule tyrosine kinase inhibitors and to the best of Chi-Med's knowledge.

# Fruquintinib

## Best-in-class VEGFR inhibitor

### 3. Leading to outstanding Phase Ia tumor response ...




### ...across multiple solid tumor types.

| Population | No. of Patients | PR (pts.) | SD (pts.) | ORR[1] | DCR[2] |
|---|---|---|---|---|---|
| Intent to Treat population (ITT) | 40 | 13 | 15 | 33% | 70% |
| Evaluable patients | 34 | 13 | 15 | 38% | 82% |
| Colorectal cancer | 10 | 3 | 6 | 30% | 90% |
| Non-small cell lung cancer | 6 | 4 | 1 | 67% | 83% |
| Breast cancer | 7 | 2 | 5 | 29% | 100% |
| Gastric cancer | 2 | 1 | 0 | 50% | 50% |
| Other | 9 | 3 | 3 | 33% | 67% |

### 4. Led to fast development in China ...

- Partnered with Lilly (Oct-2013) to provide resource for PoC[3] in multiple tumor types.
- Proceeded to Phase Ib CRC[4] study while we waited for Phase II/III CTA[5] approval in China.
- China PoC driving global development plan.

| Colorectal Cancer Phase Ib Study[6] | | Regimen | Objective Response Rate | Disease Control Rate | ≥16-wk Progression Free Survival |
|---|---|---|---|---|---|
| Fruquintinib | Phase Ib (China) 3rd Line colorectal cancer | 5mg 3/1 wk (N = 42) | 10.3% | 82.1% | 66.7% |
| Stivarga® (regorafenib) | Phase III (Asia) 3rd Line colorectal cancer | 160mg 3/1 wk (N = 136) | 4.4% | 51.5% | 33.8% |
| | | Placebo (N = 68) | 0.0% | 7.4% | 2.9% |



[1] Objective Response Rate ("ORR") = patients with ›30% tumor diameter shrinkage; [2] Disease Control Rate ("DCR") = % patients with ‹20% tumor diameter growth; [3] PoC = proof of concept; [4] CRC = colorectal cancer; [5] CTA = Clinical Trial Application; [6] Objective Response Rate ("ORR") = patients with ›30% tumor diameter shrinkage; Disease Control Rate ("DCR") = % patients with ‹20% tumor diameter growth; Progression Free Survival ("PFS") = % of patients with ‹20% tumor diameter growth at 16 weeks; Overall Survival ("OS") = % patients alive at 9 months.

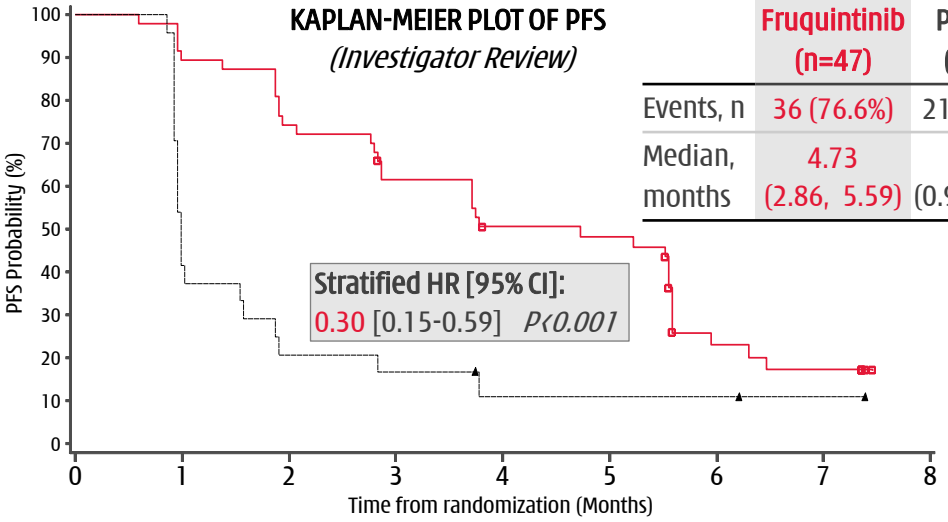
# Fruquintinib

## Phase II cash payments from Lilly - $33.1 million in 2015

### 5. Colorectal cancer status (3rd line) - *Study 14*

- ✓ Phase II PoC study (71 pts.) **enrolled in ~4 months** (April-Aug 2014).
- ✓ **Clearly met primary endpoint of PFS: 70% reduction in risk of progression. Safety profile consistent.**
- ✓ Phase III registration study (about 400 pts.) started enrollment in Dec 2014. 25 centers in China. **Expect to complete enrollment by Q2 2016.** Primary endpoints: overall survival, secondary endpoints: ORR, DCR.
- ✓ **Plan IDMC[1] interim analysis Q4 2016** - China FDA submission strategy will be based on results of interim analysis. **Possible submission end 2016 or early 2017.**

[1] IDMC = Independent Data Monitoring committee (blinded).




| | Fruquintinib (n=47) | Placebo (n=24) |
|---|---|---|
| Events, n | 36 (76.6%) | 21 (87.5%) |
| Median, months | 4.73 (2.86, 5.59) | 0.99 (0.95, 1.58) |

### 6. Latest status:

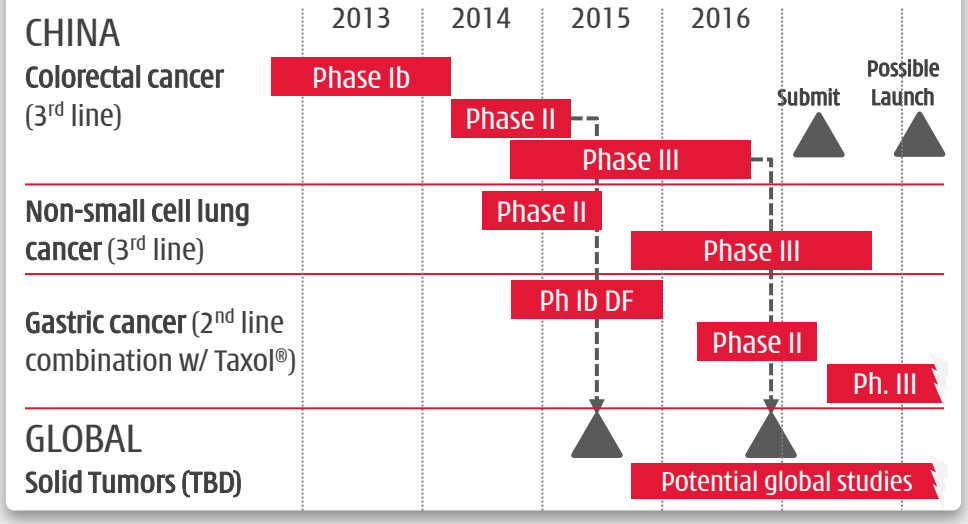
#### ■ Non-small cell lung cancer (3rd line) - *Study 15*

- ✓ Phase II PoC study (91pts.) **enrolled in ~9 months** (Jun 2014-Mar 2015). **Top line results clearly met primary end point of PFS.**
- ✓ Phase III started enrolment in China in Dec 2015.

#### ■ Gastric cancer (2nd line) - *Study 16*

- ✓ Phase Ib dose finding study (w/Taxol®) started early 2015. Second cohort complete (at dose ›EC50 24hr. inhibition). **Combinability key to maximize market potential.**
- ✓ Expect to **initiate a 2L gastric cancer Phase II study** in China in H2 2016.

### 7. Development Plan:



# Sulfatinib

## VEGFR/FGFR1 – Highest ORR ever seen in neuroendocrine tumors ("NET")

CHI-MED

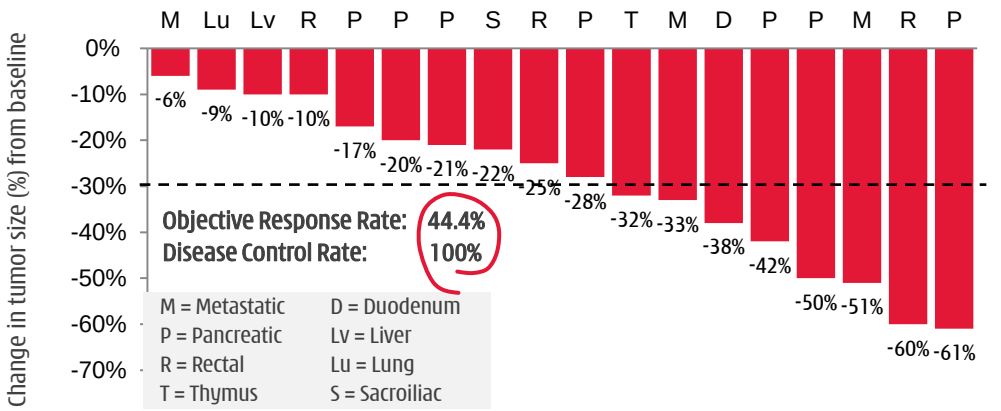
### 1. High NET prevalence & no broadly effective drugs.

| | UNITED STATES | | | |
|---|---|---|---|---|
| | Incidence (new cases/year) | Survival (% patients – 5 years) | Prevalence (Est. patients) | Prevalence (Est. % of all NET) |
| Stomach | 1,140 | 54% | 8,432 | 6.0% |
| Duodenum | 722 | 56% | 5,341 | 3.8% |
| Jejunum/Ileum | 2,545 | 63% | 18,832 | 13.4% |
| Cecum | 608 | 62% | 4,497 | 3.2% |
| Colon | 760 | 48% | 5,622 | 4.0% |
| Rectum | 3,267 | 59% | 24,173 | 17.2% |
| Pancreas | 1,215 | 56% | 8,995 | 6.4% |
| Liver | 152 | 32% | 1,124 | 0.8% |
| Appendix | 570 | 64% | 4,216 | 3.0% |
| **Total GI NET** | **10,977** | **58%** | **81,232** | **57.8%** |
| Lung | 5,128 | 61% | 37,946 | 27.0% |
| Other | 2,887 | 63% | 21,362 | 15.2% |
| **All NET** | **18,992** | **60%** | **140,540** | **100.0%** |

*Source: Frost & Sullivan.*

### 2. Favorable Phase Ia efficacy in NET patients.

Best tumor response in 18 evaluable NET patients




### 3. Sulfatinib clear superiority.

- ORR **far superior** to Sutent® & Afinitor®.
- Results of ongoing **Phase Ib/II (81 NET patients) in-line with expectations**.
- **Initiated China Phase III registration study** in non-pancreatic NET patients (SANET-ep).
- **Began U.S. clinical development** in 2016.

| | Sandostatin® (octreotide) / Placebo | Afinitor® (everolimus) / Placebo | Sutent® (sunitinib) / Placebo | Somatuline Depot® (lanreotide) / Placebo | sulfatinib |
|---|---|---|---|---|---|
| **NET Approval** | Mid-gut | Pancreatic | Pancreatic | Gastrointestinal (Antigen Ki67<10%) | All NET efficacy |
| **Median PFS (months)** | 14.3/6.0 | 11.0 / 4.6 | 11.4 / 5.5 | NR / 18.0 | 18.3 |
| **Hazard Ratio** | 0.34 | 0.35 | 0.42 | 0.47 | |
| ***p-value*** | *0.000072* | *<0.001* | *<0.001* | *<0.001* | |
| **Objective Response Rate[1]** | 2% / 2% | 5% / 2% | 9% / 0% | NR | 38% |
| **Disease Control Rate[2]** | 69% / 40% | 73% / 51% | 72% / 60% | NR | 86% |



[1] ORR = percent of patients with >30% tumor diameter shrinkage (Note: Intent to Treat ITT population = 21; patients evaluable for efficacy = 18; 3 patients withdrawn/lost to follow-up/AE); [2] DCR = percent of patients with tumor diameter growth <20%; [3] CTA = Clinical Trial Application (for Phase II/III in China).

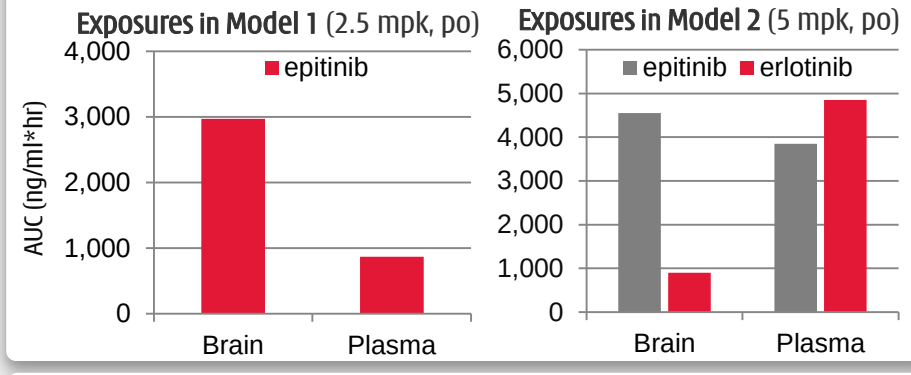
# Epitinib

## Highly encouraging <u>early</u> efficacy data in NSCLC w/ brain metastasis

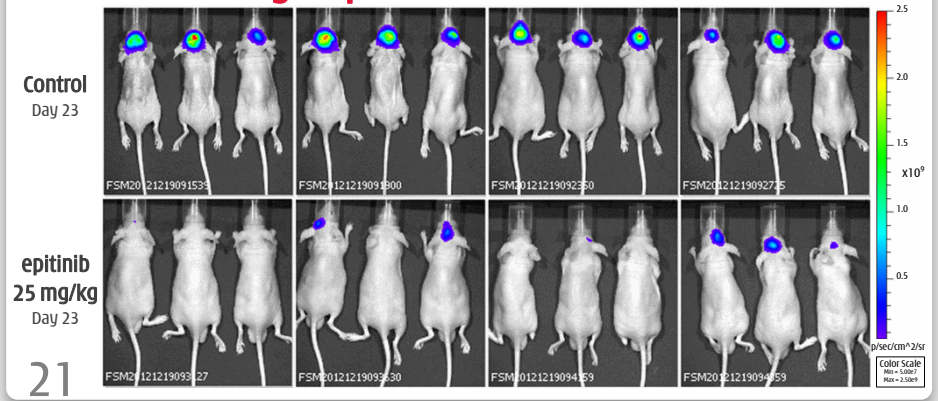
### 1. Major need for EGFR TKI which penetrates BBB.

- Current EGFR TKIs (erlotinib & gefitinib) have low blood brain barrier ("BBB") penetration. If NSCLC metastasizes to brain (eventually ~50% of patients[1]) current TKIs less effective.

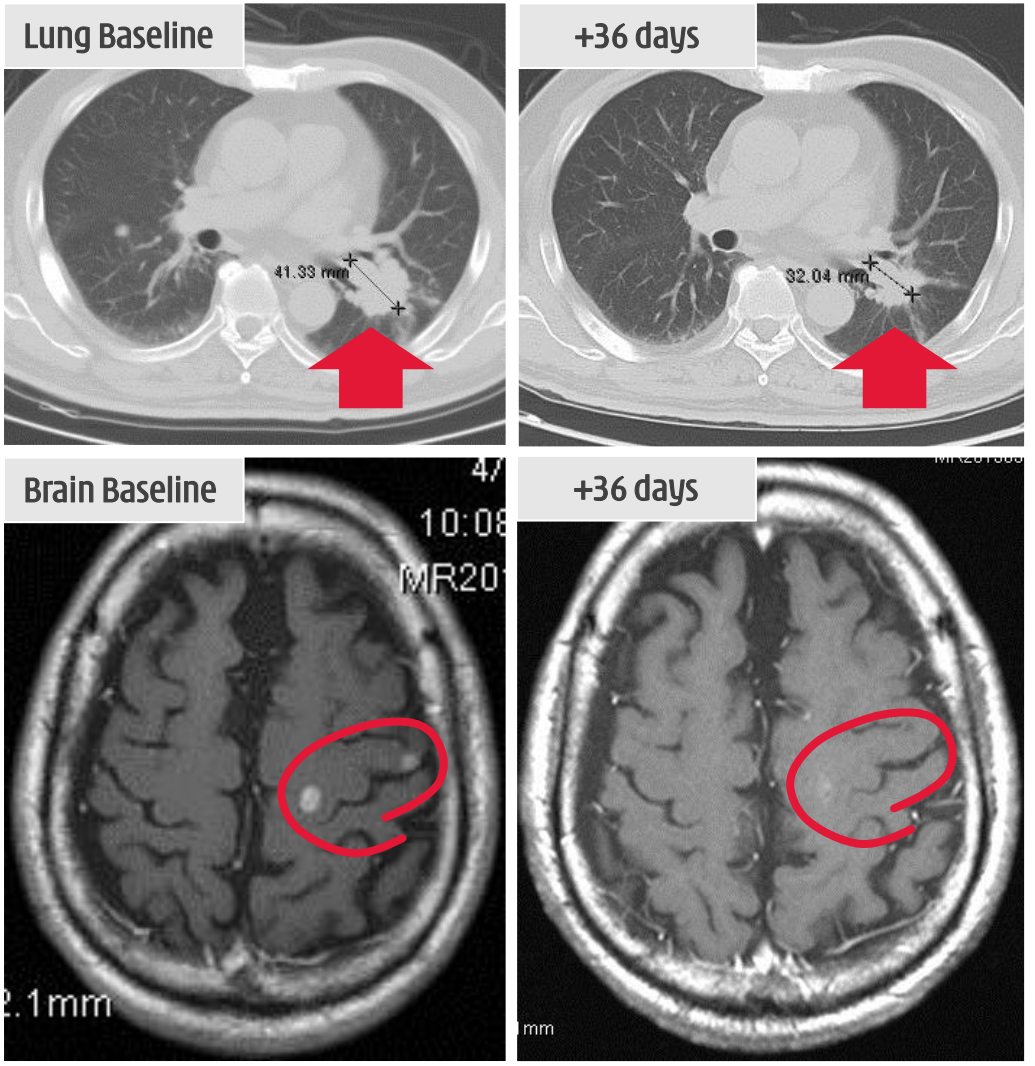
### 2. Clear superior exposure in brain vs. Tarceva®.




### 3. Clear efficacy in preclinical brain tumor models.




### 4. Phase Ib – epitinib human efficacy in lung & brain.




[1] Li B, Bao YC, Chen B, *et al.* Therapy for non-small cell lung cancer patients with brain metastasis. Chinese-German J Clin Oncol, 2014, 13: 483-488. Note: erlotinib = Tarceva®.

# Theliatinib

## Strong affinity to wild-type EGFR kinase

### 1. Major unmet medical need for wild-type EGFR activation tumors

- EGFR activation affects multiple tumor types with many remaining unaddressed.
- Current EGFR tyrosine kinase inhibitor are less effective at treating solid tumors with wild-type EGFR activation.
- There are few effective treatments for head & neck, esophageal and non-small cell lung cancers.

| Tumor Types | Wild-type: Gene Amplification | Wild-type: Over Expression | Mutations |
|---|---|---|---|
| Lung (Non-small cell) | 29% | 62% | 10-30% (tyrosine kinase inhibitors approved) |
| Esophagus | 8-30% | 30-90% | 12% (esophageal adenocarcinoma) |
| Stomach | 29% | 44-52% | ‹5% |
| Colorectal | 4.5% | 53% (monoclonal antibodies approved) | 8% |
| Head and neck | 10-30% | 66-84% (monoclonal antibodies approved) | 42% (EGFR variant III) |
| Glioblastoma | 36-51% | 54-66% | 27-54% (EGFR variant III) |

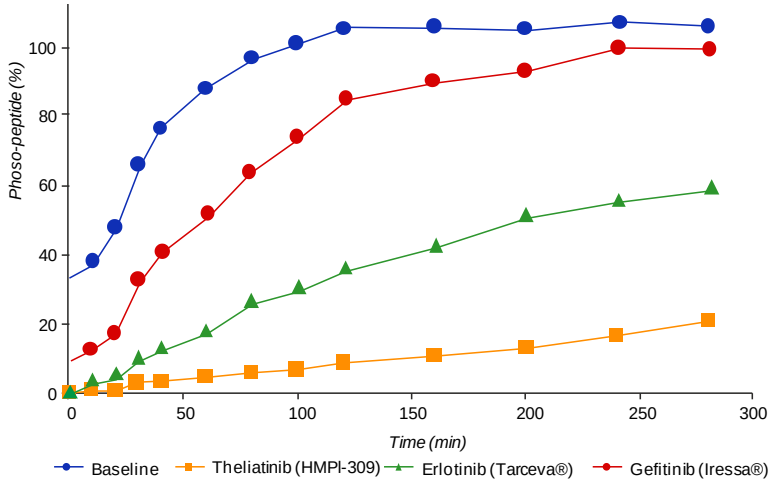
*Source: Frost & Sullivan.*

### 2. Theliatinib is a potent and highly selective oral EGFR inhibitor engineered to have significantly greater binding affinity to wild-type EGFR proteins

- designed to have strong binding affinity to the wild-type EGFR kinase - sustained target occupancy or "slow-off" characteristic.

### 3. Superior anti-tumor activity of Theliatinib in pre-clinical studies in tumors with wild-type EGFR

- 5- to 10-fold more potency than Tarceva®.
- Sustained target occupancy.

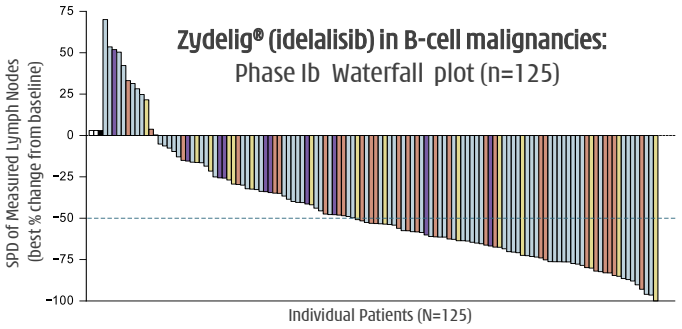


# HMPL-689

## Designed to be a best-in-class inhibitor of PI3Kδ – Phase I start Q1 2016

### 1. PI3Kδ now a proven target

- PI3Kδ activation associated with allergy, inflammation & oncology.
- Evidence that PI3Kδ inhibitors effective in ibrutinib-resistant mutant population.




### 2. PI3Kδ inhibitors being developed in a very broad range of indications

| Compound | | Indication | Status | Issue |
|---|---|---|---|---|
| Zydelig® (idelalisib) PI3Kδ | Gilead Sciences | Chronic lymphocytic leukaemia, non-Hodgkin's lymphoma | Registered | High incidence of liver toxicity seen with idelalisib (150mg bid) |
| | | Hodgkin's lymphoma | Phase II Trial | |
| | | Waldenstrom's hypergammaglobulinaemia | Preclinical | |
| AMG-319 PI3Kδ | Amgen | B-cell lymphoma, non-Hodgkin's lymphoma, T-cell lymphoma, chronic lymphocytic leukaemia | Phase I Trial | |
| duvelisib[1] (IPI-145) PI3Kγ/δ | AbbVie / Infinity | B-cell lymphoma, non-Hodgkin's lymphoma, chronic lymphocytic leukaemia | Phase III Trial | Need to spare PI3Kγ -- serious infection seen with duvelisib due to strong immune suppression |
| | | Asthma, rheumatoid arthritis | Phase II Trial | |
| | | COPD, SLE, psoriasis, MS transplant rejection, allergy, acute lymphocytic leukaemia, T-cell lymphoma | Phase I Trial | |

### 3. HMPL-689 -- Important asset

Designed to improve on existing PI3Kδ inhibitors:

- **Improved isoform selectivity** (sparing PI3Kγ).
- **Improved potency at whole blood level** (›5x more potent than idelalisib) to cut compound related toxicity.
- **Improved PK properties** particularly efflux and drug/drug interaction due to CYP inhibition / induction, critical for combo therapy.

### 4. HMPL-689 more potent and more selective than idelalisib & duvelisib

| $IC_{50}$ (nM) | | HMPL-689 | Zydelig® | duvelisib |
|---|---|---|---|---|
| Enzyme | PI3Kδ | 0.8 (n = 3) | 2 | 1 |
| | PI3Kγ (fold vs. PI3Kδ) | 114 (142x) | 104 (52x) | 2 (2x) |
| | PI3Kα (fold vs. PI3Kδ) | ›1,000 (›1,250x) | 866 (433x) | 143 (143x) |
| | PI3Kδ human whole blood CD63+ | 3 | 14 | 15 |
| | PI3Kβ (fold vs. PI3Kδ) | 87 (109x) | 293 (147x) | 8 (8x) |

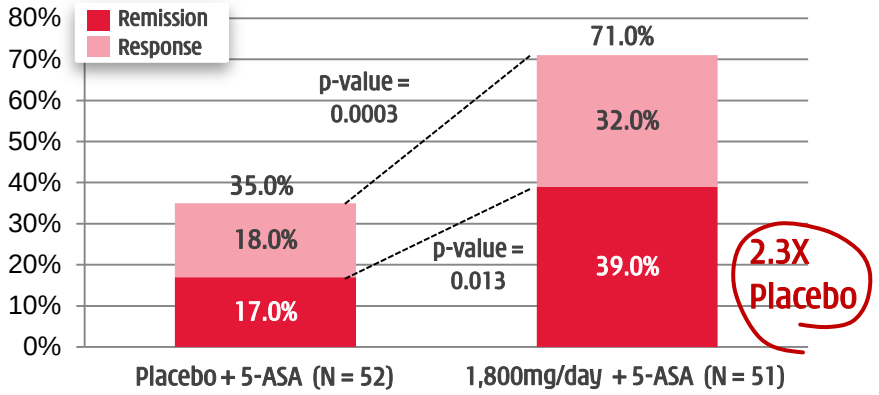


[1] COPD = Chronic obstructive pulmonary disease; SLE = Systemic lupus erythematosus; MS = Multiple Sclerosis.

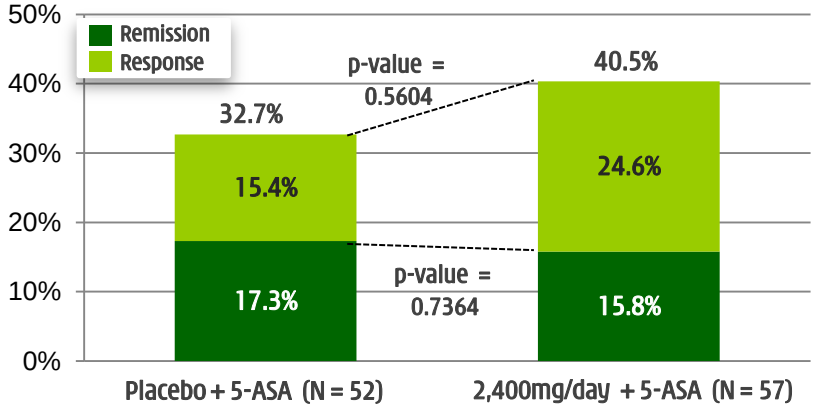
# HMPL-004 – Heavy pill burden/compliance issues

## Reformulation – HM004-6599 (>70% active) vs. HMPL-004 (~15% active)

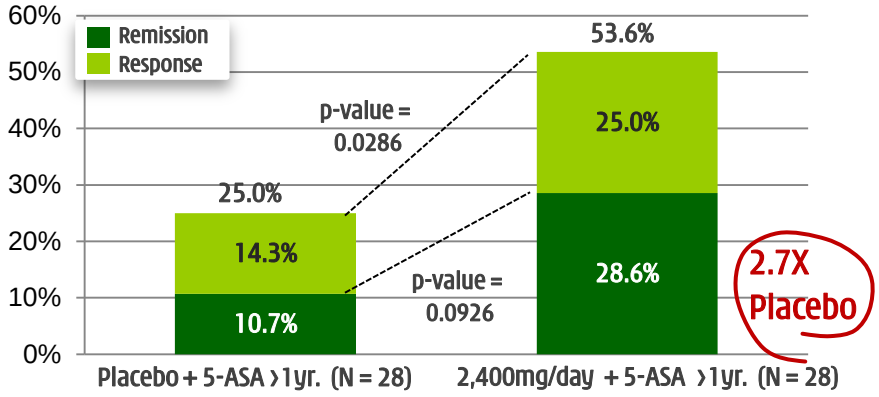
### Strong Phase IIb data in UC (co-treat w/ 5-ASA)[2][3]...



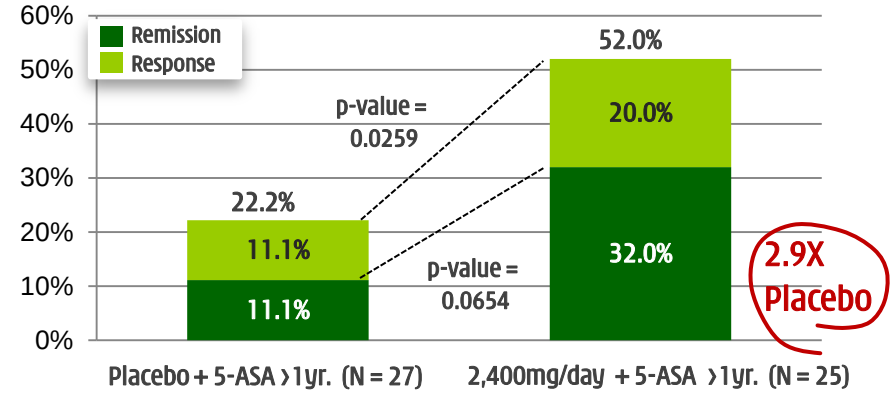

### ...but surprised by overall NATRUL-3 IA[4] result...




### ...but HMPL-004 works well in 5-ASA failure patients...




### ...particularly if difficult to treat patients stratified.






[1] Post-hoc analysis of IA: sub-group base sizes in these analyses are small and should be viewed for general indication purposes only; [2] UC = Ulcerative colitis;
[3] 1,800mg/day HMPL-004 plus Mesalamine (5-ASA) versus Mesalamine (5-ASA) alone (Placebo-arm); [4] IA = Phase III Interim Analysis conducted at ~1/3rd patient enrolment.

# Three collaborations have major aggregate financial impact

AstraZeneca

Lilly

Nestlé Health Science

## ~$1.2 billion in Partner payments to HMP/NSP[1]:

- **$96.5 million** in upfront /milestone payments and equity injections as at December 31, 2015.
- **up to $360 million** in further development and approvals milestones
- **up to $145 million** in option payments.
- **up to $560 million** in commercial milestones.
- customary tiered royalties on net sales.

## Clinical trial spending[2]:

- clinical costs for partnered drug candidates estimated at several hundred million US dollars.
- **Partners to fund the vast majority of these clinical costs.**

## Possible payment events in 2016:

- **Savolitinib (AZD6094):** Phase III initiation PRCC[3] and Phase II/III initiation NSCLC[4].



[1] Nutrition Science Partners Limited ("NSP") is the 50/50 joint venture between Nestlé Health Science ("Nestlé") and Chi-Med; [2] includes clinical and direct non-clinical costs. [3] PRCC = papillary renal cell carcinoma; [4] NSCLC = non-small cell lung cancer.

*(US$ millions)*

# China Commercial Platform

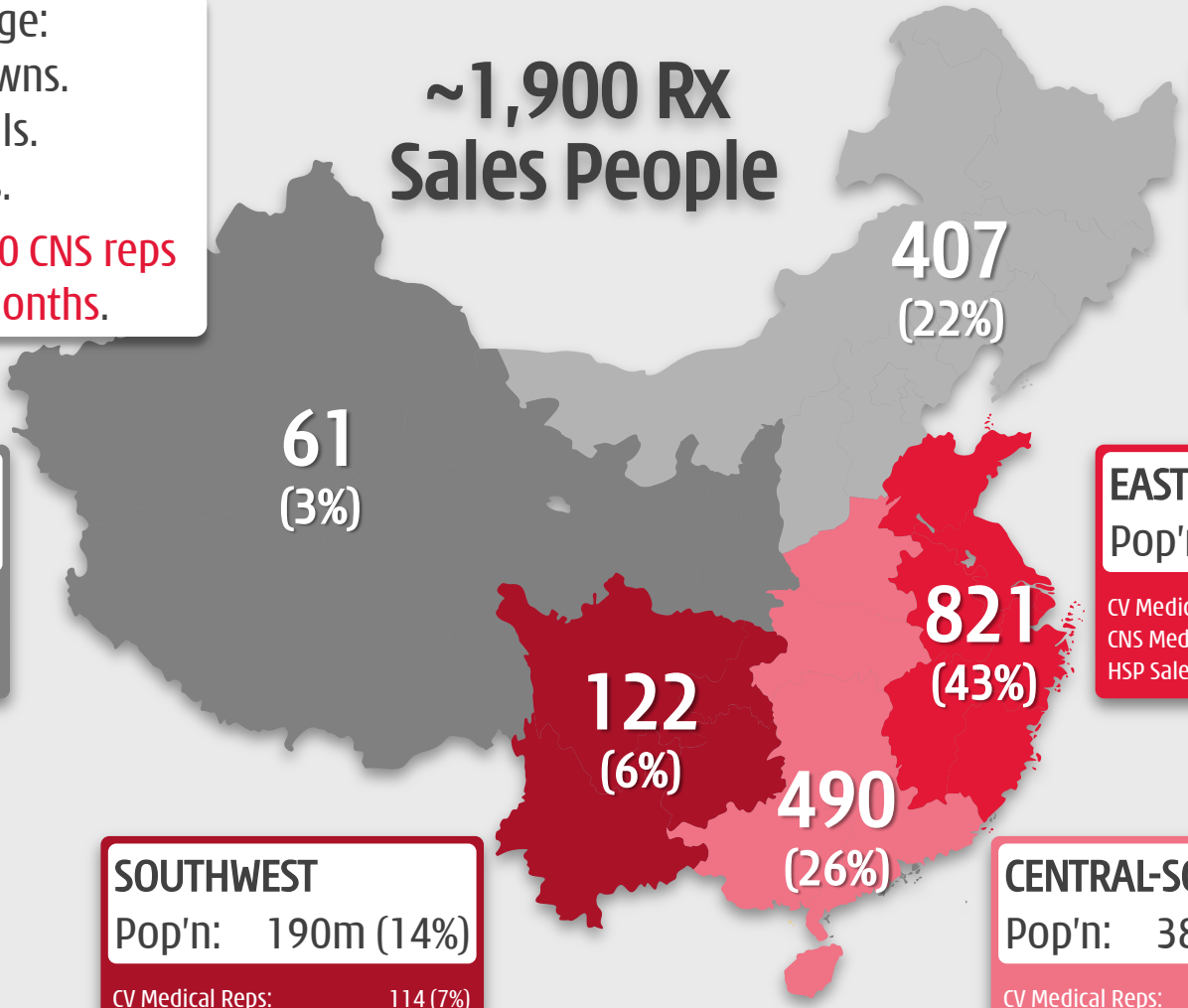
*Established high-performance pan-China pharma sales organization*

*Profitable, fast growth & cash generating – to fund drug R&D*

# A powerful Rx Commercial Platform in China

## Chi-Med management run all day-to-day operations

- National Coverage:
  ~300 cities & towns.
  ~16,500 hospitals.
  ~80,000 doctors.
- New team of 100 CNS reps built in past 9 months.




**NORTH**
Pop'n: 320m (23%)

| | |
|---|---|
| CV Medical Reps: | 385 (22%) |
| CNS Medical Reps: | 22 (21%) |
| HSP Sales staff: | 0 (0%) |

**WEST**
Pop'n: 100m (7%)

| | |
|---|---|
| CV Medical Reps: | 59 (3%) |
| CNS Medical Reps: | 2 (2%) |
| HSP Sales staff: | 0 (0%) |

**EAST**
Pop'n: 393m (28%)

| | |
|---|---|
| CV Medical Reps: | 744 (42%) |
| CNS Medical Reps: | 46 (45%) |
| HSP Sales staff: | 31 (100%) |

**SOUTHWEST**
Pop'n: 190m (14%)

| | |
|---|---|
| CV Medical Reps: | 114 (7%) |
| CNS Medical Reps: | 8 (8%) |
| HSP Sales staff: | 0 (0%) |

**CENTRAL-SOUTH**
Pop'n: 383m (28%)

| | |
|---|---|
| CV Medical Reps: | 465 (26%) |
| CNS Medical Reps: | 25 (24%) |
| HSP Sales staff: | 0 (0%) |

Notes:; 2010 Population - China State Census; CV = Cardiovascular; CNS = Central nervous system.

# Chi-Med's Commercial Platform in China

## Long track record of commercial success – important source of cash

### 2 National house-hold name brands

### Focus on largest disease categories

Most common disease diagnosed/treated in rural hospitals[2]:

| | |
|---|---|
| Cold/Flu: | 86% |
| Cardiovascular: | 78% |
| Diabetes: | 46% |
| GI: | 45% |

### Major commercial & production scale

~1,900 Rx & ~1,300 OTC sales people in about 300[2] cities & towns in China.

Drugs in ~16,500 hospitals detailing ~80,000 doctors.

Produced ~4.0 billion doses of medicine in 2015.

### Leadership market shares

Market leader in the sub-categories/markets in which we compete[3]:

| | |
|---|---|
| SXBXP:[4][5] Rx Cardiovascular TCM | ~35% |
| Banlangen:[6] OTC Anti-viral TCM | ~51% |
| FFDS:[7] OTC Angina TCM | ~33% |

### JVs with 3 leading China Pharmas

## Commercial Platform Performance – 2003-2015[8][9]

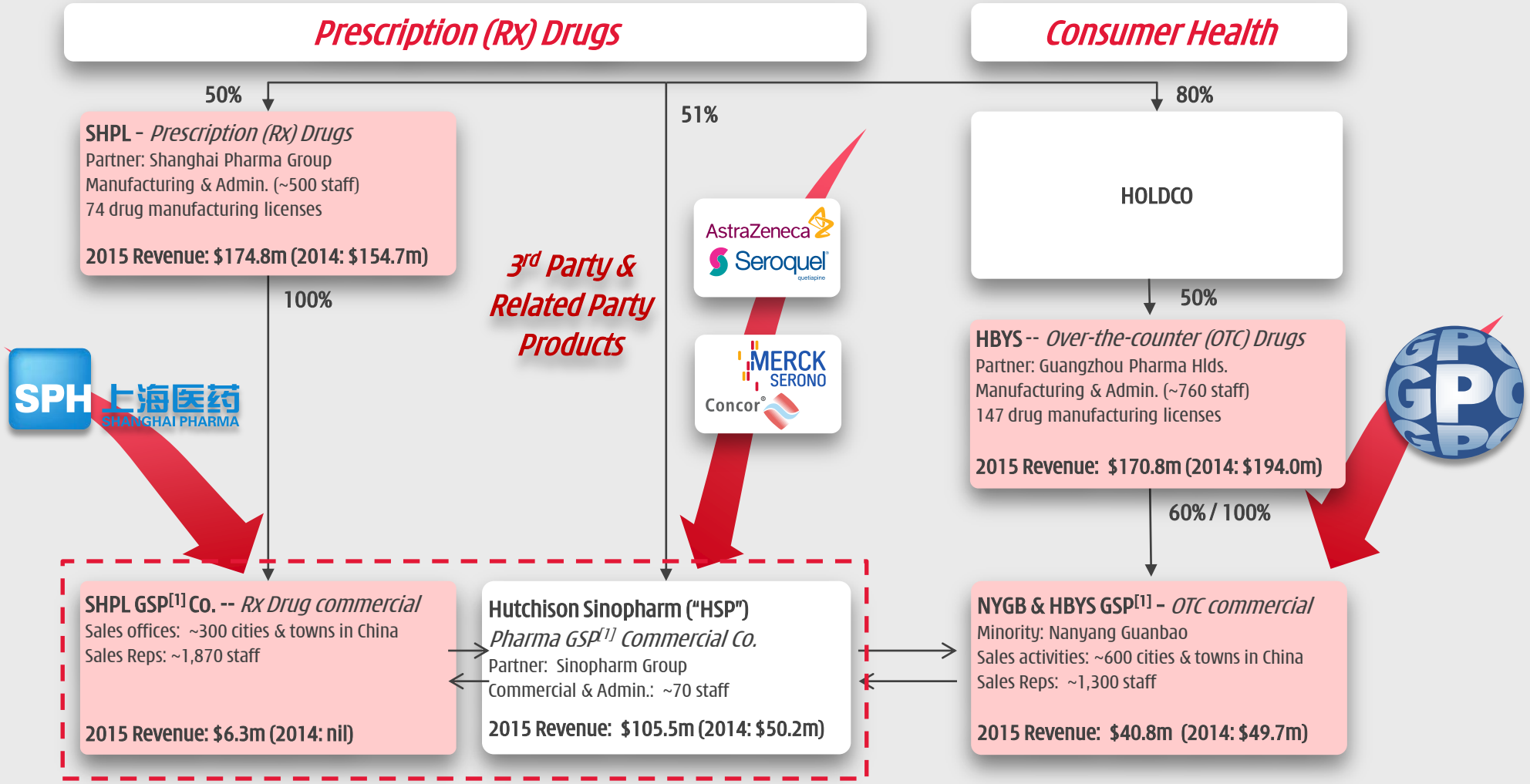
| | IFRS | | | | | | | | | | US GAAP | | | 2014-2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (US$ millions) | 03 | 04 | 05 | 06 | 07 | 08 | 09 | 10 | 11 | 12 | 13 | 14 | 15 | Growth |
| **Sales** | **21.9** | **27.9** | **65.1** | **101.4** | **119.0** | **155.8** | **197.0** | **236.4** | **278.6** | **360.7** | **402.3** | **465.4** | **518.9** | **11%** |
| *Prescription Drugs* | *17.2* | *21.8* | *23.3* | *23.2* | *28.1* | *39.5* | *54.4* | *71.2* | *92.4* | *116.5* | *138.2* | *204.9* | *286.6* | *40%* |
| *Consumer Health* | *4.7* | *6.1* | *41.8* | *78.2* | *90.9* | *116.3* | *142.6* | *165.2* | *186.2* | *244.2* | *264.1* | *260.5* | *232.3* | *-11%* |
| *Total Sales Growth* | *na* | *27%* | *133%* | *56%* | *17%* | *31%* | *26%* | *20%* | *18%* | *29%* | | *16%* | *11%* | |
| **Net Profit/(Loss) After Tax** | **(10.7)** | **(3.6)** | **2.2** | **6.7** | **11.2** | **14.7** | **21.5** | **27.9** | **30.1** | **33.1** | **39.7** | **48.8** | **54.1** | **11%** |
| *Prescription Drugs* | *(0.4)* | *1.3* | *1.9* | *1.3* | *1.9* | *2.8* | *6.0* | *11.9* | *14.2* | *17.7* | *22.4* | *26.5* | *31.9* | *20%* |
| *Consumer Health* | *(10.3)* | *(4.9)* | *0.3* | *5.4* | *9.3* | *11.9* | *15.5* | *16.0* | *15.9* | *15.4* | *17.2* | *22.3* | *22.2* | *-1%* |
| *% Margin* | *-48.9%* | *-12.9%* | *3.4%* | *6.6%* | *9.4%* | *9.4%* | *10.9%* | *11.8%* | *10.8%* | *9.2%* | *9.9%* | *10.5%* | *10.4%* | |
| **Net Profit/(loss) Attrib. to Chi-Med** | **(5.7)** | **(3.7)** | **(0.5)** | **1.2** | **4.5** | **5.9** | **9.3** | **12.6** | **13.6** | **14.6** | **18.2[10]** | **22.8[10]** | **25.2** | **10%** |
| *Prescription Drugs* | *(0.2)* | *0.6* | *1.0* | *0.7* | *0.9* | *1.4* | *3.0* | *5.9* | *7.1* | *8.8* | *11.2* | *13.2* | *15.9* | *20%* |
| *Consumer Health* | *(5.5)* | *(4.3)* | *(1.5)* | *0.5* | *3.6* | *4.5* | *6.3* | *6.7* | *6.5* | *5.8* | *7.0* | *9.6* | *9.3* | *-4%* |
| *Net (loss)/income Attrib. to Chi-Med Growth* | *na* | *-35%* | *-86%* | *340%* | *275%* | *31%* | *58%* | *35%* | *8%* | *7%* | | *26%* | *10%* | |



[1]Frost & Sullivan; [2] 300 cities & towns covered by Prescription Drug Business and 600 cities & towns including OTC business; [3] Frost & Sullivan 2015 market share data; [4] Shanghai coronary heart disease oral Chinese patented drugs market share; [5] She Xiang Bao Xin Pill ("SXBXP"); [6] Banlangen Granules ("Banlangen") – OTC Antiviral; [7] Fu Fang Dan Shen tablets ("FFDS"); [8] 2003-2006 incl. disco. operation; [9] Prescription Drugs includes SHPL and Hutchison Sinopharm; and Consumer Health includes HBYS, HHO, HHL, and HCPL; [10] Continuing Operations.

# A Strategic Rx Drug Commercial Platform in China

## Established to launch our innovative drugs






[1] GSP = Good Supply Practice Certification (license to sell and distribute third party drug products)

# Catalysts / Highlights

# Multiple 2016 Catalysts

## H2 2015

*Savolitinib (c-Met)*

- ✓ **Phase II enrollment complete (109pts.)** - Global papillary renal cell carcinoma ("PRCC").
- ○ Initiate Phase Ib - immunotherapy combo studies in kidney cancer (UK).

*Fruquintinib (VEGFR 1/2/3)*

- ✓ Phase II China 3L colorectal cancer data - ESMO Sept 2015.
- ✓ China 3L non-small cell lung cancer ("NSCLC") - Successful **Phase II results** triggering **$10 million milestone payment** and **Initiation of pivotal Phase III.**
- ✓ Conclude Phase Ib dose finding - China 2L gastric combo (Taxol®).

*Sulfatinib (VEGFR/FGFR)*

- ✓ Phase Ib/II enrollment complete (81pts.) - China neuroendocrine tumors ("NET").
- ○ **Initiate pivotal Phase III** - China Pancreatic NET.
- ✓ **Initiate pivotal Phase III** - China advanced carcinoid (all non-pancreatic NET).
- ✓ Phase I PK bridging initiation - US NET.
- ○ Initiate Phase II - China Thyroid cancer.

*HMPL-523 (Syk)*

- ✓ **Phase I completion (multiple-dose)** - Australia (healthy volunteers/RA).
- ✓ Initiate Phase I in hematological cancer - Australia (Jan 2016).

*HMPL-689 (PI3Kδ)*

- ○ Initiate Phase I in healthy volunteers - Australia.

*Epitinib*

- ✓ Phase Ib proof-of-concept ("PoC") - NSCLC with brain metastasis.

## 2016

*Savolitinib (c-Met)*

- ○ **PRCC Phase II PoC publication;** potential **Phase III initiation**; potential for **Breakthrough Therapy application** & possible **US NDA submission.**
- ○ Global Savolitinib/Tagrisso® combo. NSCLC - **publish Phase Ib PoC data** and **Initiate Phase II/III** - potential for **Breakthrough Therapy application.**
- ○ China savolitinib/Iressa® combo. 2L NSCLC - **publish Phase Ib PoC data.**
- ○ Initiate Phase Ib - **immunotherapy combo. studies** in kidney cancer (UK).

*HMPL-523 (Syk)*

- ○ **Phase I dose escalation complete** with potential **PoC signal** - Australia (oncology CLL/NHL).
- ○ **Initiate global Phase II PoC immunology** (Rheumatoid arthritis).

*Fruquintinib (VEGFR 1/2/3)*

- ○ **Phase III enrollment complete** - China 3L colorectal cancer; possible **China NDA submission.**
- ○ Phase II China 3L NSCLC data publication.
- ○ Initiate **Phase II PoC - China 2L Gastric cancer Taxol® combo**.

*Sulfatinib (VEGFR/FGFR)*

- ○ **Initiate pivotal Phase III** - China Pancreatic NET.
- ○ **Initiate Phase II PoC** - US NET; **publish China Phase Ib/II NET data.**

*EGFR Inhibitors*

- ○ Epitinib - release China Phase Ib data; **Initiate China Phase III; start US development**.
- ○ Theliatinib - initiate **Phase Ib in China esophageal and head & neck cancer**.

*HMPL-689 (PI3Kδ)*

- ○ Initiate **Phase I in healthy volunteers & hematological cancer** - Australia.

*HMPL-453 (Selective FGFR)*

- ○ Initiate Phase I - China &/or Australia (oncology).

# Chi-Med investment highlights

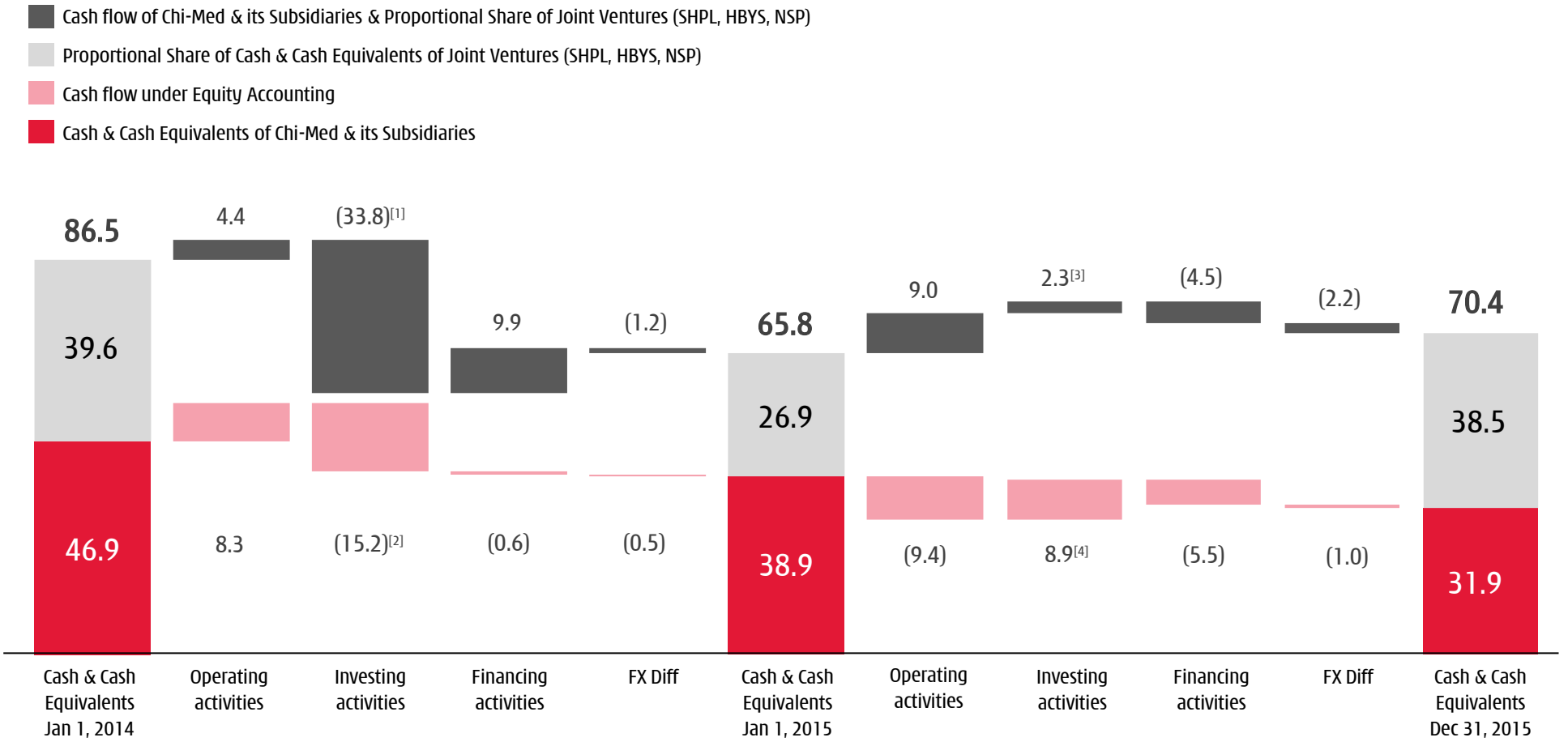
- **High-potential clinical pipeline – first candidates targeting NDA submissions in late 2016. 3 pivotal Phase III studies underway with one more starting in Q1 2016.**
  - ✓ **Savolitinib (AZD6094) – potential first-in-class c-Met inhibitor – chance to submit for US approval in late 2016.** Highest ever ORR in c-Met+ patients; possible Breakthrough Therapy application in papillary renal cell carcinoma.
  - ✓ **HMPL-523 – potential first-in-class Syk inhibitor.** Phase I in healthy volunteers complete & Phase I CLL[1] enrolling. Plan to start global Phase II PoC in Rheumatoid arthritis in 2016.
  - ✓ **Fruquintinib – highly selective VEGFR inhibitor – potential to submit for China approval in late 2016 or early 2017.** Possible for best-in-class; pivotal Phase III studies (mono) in colorectal & lung well underway; Phase II (combo) in gastric in H2 2016.
  - ✓ **Sulfatinib – Breakthrough Therapy potential in neuroendocrine tumors ("NET").** Highest ever ORR in NET for a tolerable therapy; two China pivotal Phase III NET studies underway imminently and plan to start US Phase II in 2016.
  - ✓ **Epitinib – unmet need for a BBB penetrating EGFR TKI – emerging efficacy in NSCLC w/ brain metastasis.** Phase II/III start in 2016 if Phase Ib results continue positive.
  - ✓ **HMPL-689 – >5x more potent than idelalisib and much more selective than duvelisib.** Phase I start in Q1 2016.
- **Productive/efficient & established discovery platform – focus on selectivity.**
- **Extensive & profitable Rx Commercial Platform in China – to launch our new drug innovations.**



[1] CLL = Chronic Lymphocytic Leukaemia.

# Appendices

# Financing – Stable at both Group and JV levels

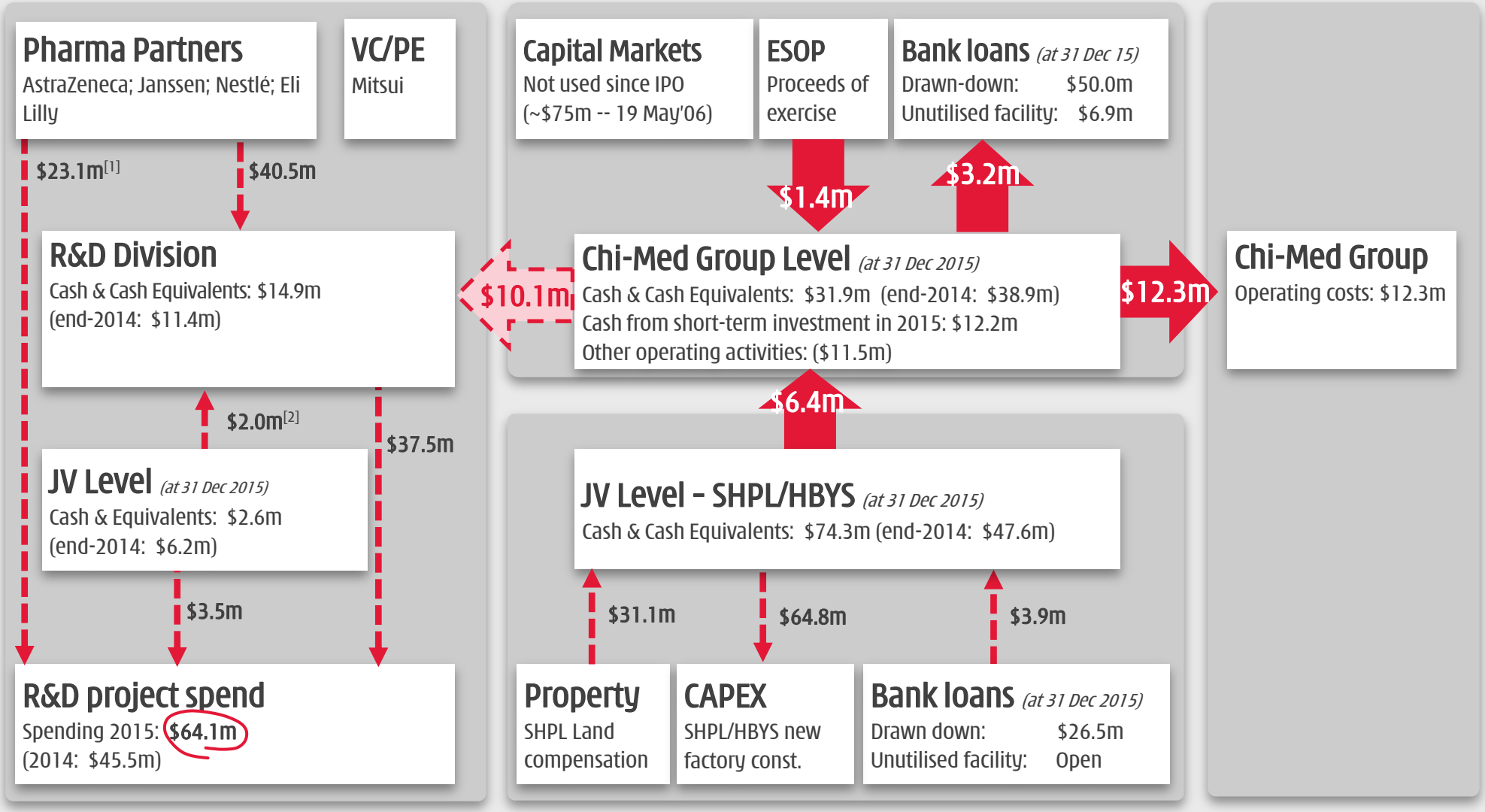



*(US$ millions)*

[1]Share of bank deposits maturing › 3 months of $13.8m reclassified to S-T investment, & share of capital expenditure of $26.8m, offset by share of receipt of government grant ($6.1m) & new cash from acquired new subsidiary ($0.7m);
[2]Bank deposits maturing › 3 months of $12.2m reclassified to S-T investment, & capital expenditure of $3.7m offset by new cash acquired new subsidiary ($0.7m);
[3]Share of bank deposits maturing ›3 months of $21.7m matured in 2015 reclassified from S-T investment, share of receipt in advance of land compensation of $15.6m, & share of receipt of government grant of $1.6m offset by share of capital expenditure ($36.6m);
[4] Bank deposits maturing › 3 months of $12.2m matured in 2015 reclassified from S-T investment, offset by capital expenditure of $3.3m.

# Inter-group cash flow

## ›$90m in cash available (end Feb '16) – $60m in undrawn bank facilities






[1] Costs paid directly by partners (e.g. Eli Lilly, AstraZeneca & Janssen payments). – estimated by partner guidance or invoices; [2] offset by $2.0m shareholders' loan to NSP.

*(US$ millions)*

# Chi-Med Group structure - major entities

Non-Consolidated Joint Ventures

Chi-Med Subsidiaries

## Chi-Med Group Level

Revenue: $178.2m (2014: $87.3m)
Net Income Attributable to Chi-Med Equity Holders: $8.0m (2014: -$7.3m)
Cash & Cash Equivalents: $31.9m at 31 December 2015 (end-2014: $38.9m)

## Innovation Platform

Revenue: **$52.0m** (2014: $20.3m)
NPAT[1]: **-$3.8m** (2014: -$22.2m)

99.8%

**Hutchison MediPharma ("HMP")**
*Oncology/Immunology Drug R&D*
Minority: None
Revenue: **$52.0m** (2014: $20.3m)

50%

**Nutrition Science Partners ("NSP")**
*Botanical Drug /GI Disease R&D*
Partner: Nestlé Health Science
**Revenue: nil (2014: nil)**

## Commercial Platform

Revenue of Subs & JVs: **$518.9m** (2014: $465.4m)
NPAT attributable to Chi-Med: **$25.2m** (2014: $22.8m)

### Prescription Drugs

50%

**Shanghai Hutchison Pharmaceuticals ("SHPL")**
*Prescription Drugs*
Partner: Shanghai Pharma Group
**Revenue: $181.1m (2014: $154.7m)**

51%

**Hutchison Sinopharm ("HSP")**
*Rx Drug Commercial Co.*
Partner: Sinopharm Group
**Revenue: $105.5m (2014: $50.2m)**

### Consumer Health

50%[2]

**Hutchison Baiyunshan Chinese Medicine Co. ("HBYS")**
*Over-the-counter Drugs ("OTC")*
Partner: Guangzhou Pharma Hlds.
**Revenue: $211.6m (2014: $243.7m)**

50%

**Hutchison Hain Organic ("HHO")**
*Health Related Consumer Prods.*
Partner: Hain Celestial Group
**Revenue: $17.0m (2014: $11.5m)**



[1] NPAT = Net income/(loss) after tax attributable to Chi-Med; [2] Held through an 80% owned subsidiary.

# Experienced pharma management team

| POSITION | EXPERIENCE (yrs) Industry/Chi-Med | ROLE / BACKGROUND |
|---|---|---|
| **CHRISTIAN HOGG, BSc, MBA** *Chief Executive Officer* | 27 / 16 | Led all aspects of the creation, implementation & management of Chi-Med's strategy, business & IPOs since 2000 start - incl. AZ, Lilly, Nestlé deals & est. of pharma business. |
| **WEIGUO SU, PHD** *EVP, Chief Scientific Officer* | 26 / 11 | Created Chi-Med's R&D strategy, innovation platform & led all pipeline discovery; Director of Med Chem at Pfizer; Harvard Ph.D./post-doc under Nobel Laureate E. J. Corey. |
| **JOHNNY CHENG, BEc, CA** *Chief Financial Officer* | 26 / 7 | Former VP, Finance at BMS China; 8 years with Nestlé China heading finance & control in multiple businesses; KPMG & PWC in Australia & Beijing. |
| **YE HUA, MD, MPH** *SVP, Clinical & Regulatory Affairs* | 17 / 2 | Led Revlimid & Pomalyst global development in multiple myeloma; 15 yrs of global registrations incl. Humira, Zometa, Reclast, Femara, Cardioxane, Proleukin. |
| **ZHENPING WU, PHD, MBA** *SVP, Pharmaceutical Sciences* | 22 / 8 | Leads all CMC development & manufacturing for Chi-Med's pipeline; Sr Director of PS at Phenomix; Director of Pharma Development at Pfizer San Diego; at Roche in Palo Alto. |
| **MAY WANG, PHD** *SVP, Bus. Dev. & Strategic Alliances* | 21 / 5 | Leads alliance mgmt & BD for Chi-Med; long career in research, primarily biology, strategic alliance management, partnering & business development with Eli Lilly. |
| **MARK LEE, BEng, MBA** *SVP, Corp. Finance & Development* | 16 / 6 | Focuses on strategic management, overall corporate operations & alliance support; Former US/UK banker advising & raising capital for major pharma & biotech. |

- **Management team comprised mainly of returnees** averaging ~20 years in multinational pharma & biotech.
- Scientific leadership have **participated in the discovery & development of global blockbusters**.

# Our Strategy

**1 Design drug candidates against novel but well-characterized targets with global first-in-class potential**

- Identify novel but well-characterized kinase targets, such as c-Met and Syk.
- Chemistry-focused approach to engineer our innovative, highly selective drug candidates; address problems encountered by earlier compounds developed by other parties.
- Rapidly progress through pre-clinical studies to clinical development to seek potential global first-in-class status.

**2 Focus our R&D efforts on kinase selectivity to generate global best-in-class products**

- Balance risk in R&D activities by also focusing on drug candidates against validated targets, such as VEGFR and EGFR.
- Develop these next generation tyrosine kinase inhibitors with high selectivity and superior pharmacokinetic properties.
- Achieve better patient outcomes (more potent, greater target inhibition, less toxicity, and combinability) and access larger patient population in earlier lines of treatment.

**3 Continue to invest in our fully integrated Innovation Platform**

- A leading China-based innovator in oncology and immunology based on continuous investment (~US$330m), strategic clarity and constancy of purpose over last 15 years.
- Provide high levels of continuous and sustained investment in our Innovation Platform in the future to accelerate and broaden the development programs.

# Our Strategy (continued)

**4 Practical and efficient clinical and regulatory strategy**

- CFDA supports trials for drugs against validated targets that can address large unmet needs.
- China's large patient population enables rapid patient enrollment in clinical studies.
- Demonstrate PoC rapidly and cost efficiently in China, then pursue global development.
- Practical approach for novel targets where the CFDA can be slower; pursue early development in multiple jurisdictions.

**5 Maximize economic interest in our drug candidates**

- Leverage technical expertise and global clinical, regulatory, and commercial reach of our partners.
- Optionality to commercialize our drug candidates on our own or entering into new partnerships for further development at a later stage, on a risk-sharing basis, or in limited territories.

**6 Leverage and expand our Commercial Platform**

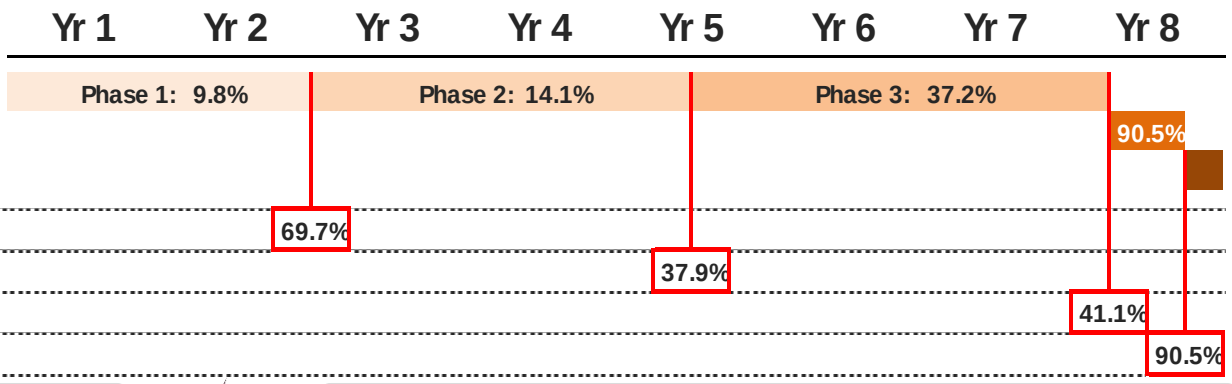
- Commercial Platform is profitable and cash generative and provides funding for Innovation Platform.
- Leverage established infrastructure to launch innovative products into China market.
- 15 year track record of excellent execution.

# Breakthrough Therapy Model

## Redefining risk & development speed in oncology

### Tufts Conventional Model[1]:

| | |
|---|---|
| Clinical Development | 8.2 yrs |
| US Approval times | 0.6 yrs |
| Time to Launch | 8.8 yrs |




### General criteria for BT in oncology:

1. **Rare cancer type** - life-threatening, currently untreatable/limited treatments.
2. **Clear understanding of molecular pathways of disease** - patient stratification.
3. **Unprecedented efficacy** - substantial treatment effects in large enough patient pool early in clinical development.

### Examples of BTs:

**Imbruvica®:** Phase I ORR 82% (9/13) (Ph.II 67%, 50/75) in chronic lymphocytic leukemia; ORR 75% (3/4) (Ph.II 69%, 47/69) in mantle cell lymphoma.

**Tagrisso®:** Ph I ORR 64% (57/89) in T790M+ non-small cell lung cancer.

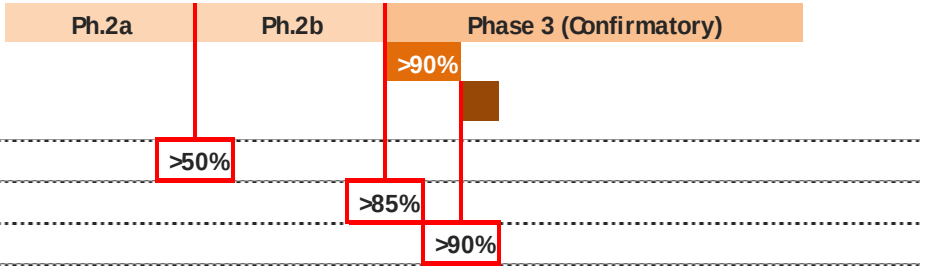
**ceritinib:** Ph I ORR 56% (45/80) in ALK+ crizotinib relapsed.

**palbociclib:** Ph I ORR 25% (9/36) in HR positive breast cancer. BTT for combo with letrozole in ER+, HER2- post menopausal breast cancer (PFS 26.1mo vs. 7.5mo).

**volasertib:** Ph I/II ORR 31% (13/42) in acute myeloid leukemia, ineligible for remission therapies (combo with cytarabine).

### Breakthrough Therapy Model ("BT")[2]:

| | |
|---|---|
| Clinical Development | 8.2 yrs |
| US Approval times | 0.6 yrs |
| Time to Launch | 5.5 yrs |






[1] Tufts Center for the Study of Drug Development (Feb 2010) - Transition probabilities for small molecule oncology drugs based on data of the 50 largest pharmaceutical companies 1993 through June 2009;
[2] Hypothetical probabilities for BT estimated by Chi-Med - for general reference only, probabilities will vary dramatically based on scale/quality of Phase I data.

# Drug R&D Division proxy peer group (1/2)

## HMP – A very deep pipeline and a very large organization/operation

| Sym | Name | Mkt Cap 14 Jan '16 | Mkt Cap 15 Feb '15 | Mkt Cap 10 Jul '14 | Ent. Value | Staff | 2014 Sales | 2014 EBITDA | Clinical Pipeline Drug | Studies | Phase | Partner | # of drugs | # of studies P1 | P2 | P3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| GEN-DK | Genmab | 7,462 | 4,241 | 2,168 | 6,995 | 173 | 151 | 49 | Ofatumumab | CLL, follicular lymphoma | 2xP3, Approved | Novartis | 8 | 6 | 3 | 5 |
| | | | | | | | | | Ofatumumab (subcutaneous formulation) | Pemphigus vulgaris, relapsing remitting multiple sclerosis, neuromyelitis optica | 2xP3, P2 | GSK, transfer to Novartis | | | | |
| | | | | | | | | | Daratumumab | Multiple myeloma, Non-Hodgkin's lymphoma | P3, P2 | Janssen | | | | |
| | | | | | | | | | HuMax-TF-ADC | Solid cancers | P1 | Seattle Genetics | | | | |
| | | | | | | | | | Teprotumumab | Graves' orbitopathy, diabetic macular edema | P2, P1 | River Vision | | | | |
| | | | | | | | | | HuMax-TAC-ADC | Lymphoma, acute myeloid leukemia | 2x P1 | ADC Therapeutics | | | | |
| | | | | | | | | | HuMax-IL8 | Metastatic solid tumors | P1 | Cormorant Pharmaceuticals | | | | |
| | | | | | | | | | JNJ 61186372 | NSCLC | P1 | Janssen | | | | |
| JUNO | Juno | 3,578 | 3,664 | NA | 2,420 | 267 | 0 | (139) | JCAR015 | Acute lymphoblastic leukemia, non-Hodgkin's lymphoma | P2, P1 | – | 6 | 5 | 2 | 0 |
| | | | | | | | | | JCAR017 | Pediatric acute lymphoblastic leukemia, adult non-Hodgkin's lymphoma | P1 | – | | | | |
| | | | | | | | | | JCAR014 | Adult B cell malignancies | P2 | – | | | | |
| | | | | | | | | | JTCR016 | AML, NSCLC | P1 | – | | | | |
| | | | | | | | | | JCAR023 | Neuroblastoma, solid tumors | P1 | – | | | | |
| | | | | | | | | | JCAR018 | B Cell Malignancies | P1 | Opus Bio | | | | |
| GLPG.NL | Galapagos | 2,032 | 669 | 601 | 1,626 | ~400 | 92 | (69) | Filgotinib | Rheumatoid arthritis, Crohn's disease | 2xP2 | Gilead | 5 | 3 | 3 | 0 |
| | | | | | | | | | GLPG1205 | Ulcerative colitis, inflammatory bowel disease | P2 | – | | | | |
| | | | | | | | | | GLPG1690 | Idiopathic pulmonary disease | P1 | – | | | | |
| | | | | | | | | | GLPG1837 | Cystic fibrosis | P1 | AbbVie | | | | |
| | | | | | | | | | GLPG1972 | Osteoarthritis | P1 | Servier | | | | |
| RDUS | Radius Health | 1,950 | 1,857 | 309 | 1,449 | 25 | 0 | (59) | Abaloparatide-SC | Osteoporosis (subcutaneous Injection) | MAA submitted | | 3 | 1 | 2 | 0 |
| | | | | | | | | | Abaloparatide-TD | Osteoporosis (transdermal patch) | P2 | | | | | |
| | | | | | | | | | RAD1901 | Vasomotor symptoms, Estrogen Receptor (ER) + breast cancer | P2a completed, P1 | | | | | |
| AGIO | Agios | 1,835 | 4,342 | 1,300 | 1,483 | ~200 | 65 | (53) | AG221 | IDH2m inhibitor: R/R AML, frontline AML, MDS hematologic malignancies, solid tumors | P3, 5xP1 | Celgene | 5 | 11 | 3 | 2 |
| | | | | | | | | | AG120 | IDH1m inhibitor: AML, R/R AML, MDS hematologic malignancies, frontline AML, solid tumors, IHCC | P3, P2, P1/2, 4x P1 | Celgene (ex-US rights) | | | | |
| | | | | | | | | | AG881 | pan-IDHm inhibitor: R/R AML, solid tumors | 2xP1 | Celgene | | | | |
| | | | | | | | | | AG348 | PK (R) activator: PK deficiency | P2 | | | | | |
| | | | | | | | | | AG519 | PK (R) activator: PK deficiency | Pre-clinical | | | | | |
| PBYI | Puma | 1,655 | 6,290 | 1,962 | 1,407 | ~200 | 0 | (142) | PB272 (neratinib) | Adjuvant breast cancer, metastatic breast cancer, metastatic breast cancer with brain mets, neoadjuvant breast cancer, HER2 mutated NSCLC, HER2 mutated breast cancer, HER2 mutated solid tumors | P3 completed, P3, 7x P2 | – | 1 | 0 | 7 | 2 |
| TSRO | Tesaro | 1,492 | 1,389 | 1,141 | 1,311 | 275 | 0 | (142) | Rolapitant | NK-1 receptor inhibitor: chemo-induced nausea and vomiting (CINV) | Marketed, P1 | – | 2 | 3 | 1 | 2 |
| | | | | | | | | | Niraparib | PARP inhibitor: Ovarian cancer treatment/maintenance, BRCA+breast cancer, Ewing's sarcoma | 2x P3, P2, 2x P1 | – | | | | |
| | Hutchison MediPharma | | | | | >290 | '14: 20.3 '15: 52.0 | '14: (22.2) '15: (3.8) | AZD6094 (savolitinib) | c-Met TKI: PRCC x2, CCRCC x2, NSCLC x4, GC x4 | 1xP2, 11xP1b | AstraZeneca | 7 | 14 | 3 | 3 |
| | | | | | | | | | Fruquintinib | VEGFRTKI: CRC, NSCLC, GC | 2xP3, 1xP1b | Eli Lilly | | | | |
| | | | | | | | | | Sulfatinib | VEGFR/FGFRTKI: Neuroendocrine tum. x3, thyroid cancer | 2x P3, 2xP2, 1xP1 | – | | | | |
| | | | | | | | | | HMPL-523 | SYK TKI: Inflammation (RA/MS/Lupus), hematological cancers | 2xP1 | – | | | | |
| | | | | | | | | | Epitinib | EGFR mutation TKI: NSCLC with brain metastasis | 1xP1b | – | | | | |
| | | | | | | | | | Theliatinib | EGFR wild type TKI: esophageal, other solid tum. | 1xP1 | – | | | | |
| | | | | | | | | | HMPL-689 | PI3Kδ TKI: hematological cancers | 1xP1 | – | | | | |
| | | | | | | | | | HMPL-004 | UC induction, UC maintenance, Crohn's | Under review | Nestlé Health Science | | | | |

*By End of Q1 2016*

| | | | |
|---|---|---|---|
| *8* | *18* | *3* | *4* |

41

Proxy Peer Group Criteria: companies in oncology/immunology; listed on NASDAQ; multiple Phase II clinical studies and 0-3 Phase III studies ongoing; some collaborations with multinational pharmaceutical companies; market capitalisation between $750 million and $7.5 billion (14 January 2016 data).
Source: Company data, FactSet.

*(US$ millions unless otherwise stated)*

# Drug R&D Division proxy peer group (2/2)

## HMP – A very deep pipeline and a very large organization/operation

| Sym | Name | Mkt Cap 14 Jan '16 | Mkt Cap 15 Feb '15 | Mkt Cap 10 Jul '14 | Ent. Value | Staff | 2014 Sales | 2014 EBITDA | Clinical Pipeline: Drug | Studies | Phase | Partner | # of drugs | # of studies P1 | P2 | P3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ADRO | Aduro | 1,358 | NA | NA | 912 | 81 | 13 | (19) | CRS-207 | Pancreatic cancer, mesolthelioma, ovarian cancer | 2x P2, P1 | Incyte | 11 | 3 | 2 | 0 |
| | | | | | | | | | ADU-623 | Glioblastoma | P1 | – | | | | |
| | | | | | | | | | ADU-214 | Lung cancer | P1 | Janssen | | | | |
| | | | | | | | | | ADU-741 | Prostate cancer | IND submitted | Janssen | | | | |
| | | | | | | | | | 7 others | Palpable tumors, oncology | Pre-clinical | Novartis, Genmab | | | | |
| CLDX | Celldex | 1,069 | 1,879 | 1,262 | 766 | 161 | 4 | (119) | Rintega (Rindopepimut) | EGFRv3 inhibitor: Front-line GBM, recurrent GBM | P3, P2 | – | 5 | 2 | 9 | 1 |
| | | | | | | | | | Glembatumumab vedotin | Glycoprotein NMB inhibitor: TNBC, metastaic melanoma | 2x P2 | – | | | | |
| | | | | | | | | | Varlilumab | CD27: Lymphomas/leukemias/solid tumors,metastatic melanoma, renal cell carcinoma | 5x P1/2 | Bristol-Myers Squibb, Roche | | | | |
| | | | | | | | | | CDX-1401 (mab) | NY-ESO-1 tumour antigen: Metastatic melanoma | P2 | – | | | | |
| | | | | | | | | | CDX-301 (mab) | Flt3 inhibitor: Hematopoietic stem cells, B-cell lymphomas | 2x P1 | – | | | | |
| ARIA | Ariad | 1,049 | 1,376 | 1,111 | 1,181 | 379 | 105 | (151) | Iclusig (ponatinib) | ABL inhibitor: CML, Ph+ ALL, AML, lung cancer, gastrointestinal stromal tumors, medullary thyroid cancer, biliary cancer | Marketed, P3, 7x P1 | 5 regional partners | 2 | 7 | 1 | 1 |
| | | | | | | | | | Brigatinib (AP26113) | ALK inhibitor: NSCLC | P1/2 | – | | | | |
| EXEL | Exelixis | 1,018 | 484 | 633 | 1,198 | 98 | 25 | (214) | Cometriq (Cabozantinib) | Medullary thyroid cancer, advanced renal cell carcinoma | Marketed, NDA | SCRI (EU) | 6 | 1 | 4 | 0 |
| | | | | | | | | | Cobimetinib | MEK inhibitor: Unresectable locally adv or met melanoma | Approved | Genentech | | | | |
| | | | | | | | | | XL888 | HSP90 inhibitor: solid tumors | P1 | – | | | | |
| | | | | | | | | | SAR245408 | PI3K inhibitor: Adv or recurr endometrial cancer, ER/PR+ HER2- breast cancer | P2 | Sanofi | | | | |
| | | | | | | | | | SAR245409 | PI3K/mTOR inhibitor | P1b/2 | Sanofi | | | | |
| | | | | | | | | | CS-3150 | Non-steroidal MR antagonist | 2x P2b (in Japan) | Daiichi-Sankyo | | | | |
| CLVS | Clovis | 913 | 2.339 | 1.303 | 594 | 136 | 14 | (145) | Rociletinib | EGFR inhibitor: 1L/2L/3L NSCLC | NDA/MAA submitted, 3x P2 | – | 3 | 1 | 8 | 1 |
| | | | | | | | | | Rucaparib | PARP inhibitor: ovarian cancer treatment/maintenance | P3, 2x P2 | – | | | | |
| | | | | | | | | | Lucitanib | FGFR1-2/VEGFR1-3/PDGFRα-ß inhibitor: breast cancer, lung cancer | 3x P2, P1 | Servier (US& Japan) | | | | |
| IMGN | ImmunoGen | 850 | 619 | 935 | 801 | 317 | 74 | (67) | Mirvetuximab soravtansine | ADC FRα+ ovarian and other solid tumor | 2x P1 | – | 15 | 13 | 3 | 1 |
| | | | | | | | | | Coltuximab savtansine | CD19+ antibody: diffuse large B-cell lymphoma | P2 | Returned by Sanofi | | | | |
| | | | | | | | | | IMGN-529 | ADC CD37+ Non-hodgkins lymphoma and CLL | P1 | – | | | | |
| | | | | | | | | | Kadcyla (Herceptin ADC) | HER2+ met BC2L, met BC1L, BCothers, gastric, NSCLC | Marketed, P3 | Roche; TPG bought all royalties | | | | |
| | | | | | | | | | SAR650984 | CD38 antibody: r/r multiple myeloma | P2 | Sanofi | | | | |
| | | | | | | | | | BT-062 | ADC targeting CD138: multiple myeloma, triple negative met breast cancer, met bladder cancer | P2, P1 | Biotest | | | | |
| | | | | | | | | | 9 others, all partnered | Solid tumors, Mesothelioma, Glioblastoma, Kidney, P-cad+ cancer | 9x P1 | Amgen, Bayer, Lilly, Novartis and Sanofi | | | | |
| ZIOP | Ziopharm | 784 | 1.106 | 339 | 620 | 27 | 1 | (43) | Ad-RTS-IL-12 | DNA-based IL-12 modulator: metastatic breast cancer, GBM | P2, P1 | Intrexon | 2 | 2 | 1 | 0 |
| | | | | | | | | | CAR Cytokine product | B-cell malignancy | P1 | Intrexon | | | | |
| AVERAGE (ALL 14) | | 1,932 | 2,327 | 1,089 | | | | | | | | | 4 | 4 | 3 | 1 |
| MEDIAN (ALL 14) | | 1,425 | 1,857 | 1,126 | | | | | | | | | 3 | 3 | 2 | 2 |
| | Hutchison MediPharma | | | | | >290 | '14: 20.3 '15: 52.0 | '14: (22.2) '15: (3.8) | AZD6094 (savolitinib) | c-Met TKI: PRCCx2, CORCCx2, NSCLCx4, GCx4 | 1xP2, 11xP1b | AstraZeneca | 7 | 14 | 3 | 3 |
| | | | | | | | | | Fruquintinib | VEGFRTKI: CRC, NSCLC, GC | 2xP3, 1xP1b | Eli Lilly | | | | |
| | | | | | | | | | Sulfatinib | VEGFR/FGFRTKI: Neuroendocrine tum. x3, thyroid cancer | 2x P3, 2xP2, 1xP1 | – | | | | |
| | | | | | | | | | HMPL-523 | SYK TKI: Inflammation (RA/MS/Lupus), hematological cancers | 2xP1 | – | | | | |
| | | | | | | | | | Epitinib | EGFR mutation TKI: NSCLC with brain metastasis | 1xP1b | – | | | | |
| | | | | | | | | | Theliatinib | EGFR wild type TKI: esophageal, other solid tum. | 1xP1 | – | | | | |
| | | | | | | | | | HMPL-689 | PI3K© TKI: hematological cancers | 1xP1 | – | | | | |
| | | | | | | | | | HMPL-004 | UC induction, UC maintenance, Crohn's | Under review | Nestlé Health Science | | | | |

*By End of Q1 2016*

| 8 | 18 | 3 | 4 |
|---|---|---|---|



Proxy Peer Group Criteria: companies in oncology/immunology; listed on NASDAQ; multiple Phase II clinical studies and 0-3 Phase III studies ongoing; some collaborations with multinational pharmaceutical companies; market capitalisation between $750 million and $7.5 billion (14 January 2016 data).
Source: Company data, FactSet.

*(US$ millions unless otherwise stated)*

# Targeted therapies – fastest growth & largest[1]

## Pricing beyond reach of the 3.3 million new cancer patients/year in China

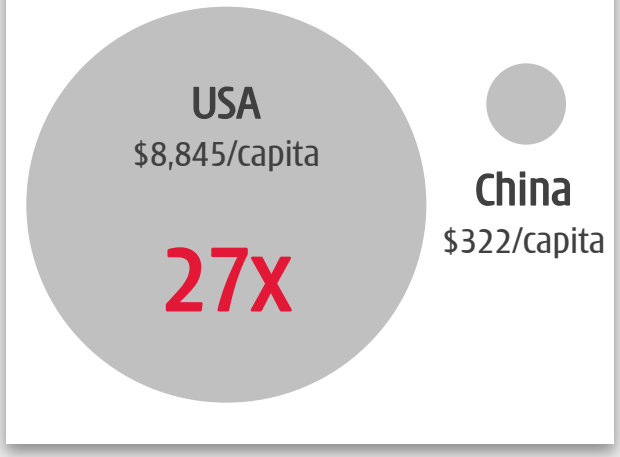

| % of Oncology Market | Sub-Category | Share of Sub-category | Product | Company | Est. Market Sales ($m) | Approx. patient cost/month ($) | 12 mo. treatment (Est. # patients) |
|---|---|---|---|---|---|---|---|
| 20.9% | Targeted Therapies | 19.3% | rituximab | Roche | 443 | 16,780 | 2,200 |
| | | 15.0% | trastuzumab | Roche | 344 | 5,130 | 5,592 |
| | | 14.2% | imatinib | Novartis | 326 | 6,323 | 4,295 |
| | | 8.5% | bevacizumab | Roche | 195 | 6,251 | 2,601 |
| | | 7.4% | erlotinib | Roche | 170 | 3,108 | 4,554 |
| | | 6.8% | gefitinib | AstraZeneca | 156 | 2,730 | 4,764 |
| | | 5.3% | cetuximab | BMS/BI | 122 | 14,146 | 717 |
| | | 4.6% | sorafenib | Bayer | 106 | 8,329 | 1,056 |
| | | 4.0% | bortezomib | Janssen | 92 | 8,133 | 941 |
| | | 14.9% | Other | | 342 | | |
| | | | **Total Targeted Therapies** | | **2,295** | | **26,718** |
| 20.4% | Anti-metabolites | 29.1% | pemextred | Lilly/Hansoh | 652 | | |
| | | 21.5% | capecitabine | Roche | 482 | | |
| | | 20.4% | TS-1 | Taiho/Qilu | 457 | | |
| | | 16.6% | gemcitabine | Lilly/Hansoh | 372 | | |
| | | 12.4% | Other | | 278 | | |
| | | | **Total Anti-Metabolites** | | **2,240** | | |
| 19.7% | Plant Alkaloids | 49.3% | paclitaxel | BMS/Luye | 1066 | | |
| | | 42.4% | docetaxel | Sanofi/Hengrui | 916 | | |
| | | 8.4% | Other | | 181 | | |
| | | | **Total Plant Alkaloids** | | **2,163** | | |
| 10.5% | DNA Damaging agents | 46.5% | oxaplatin | Sanofi/Hengrui | 546 | | |
| | | 21.3% | temzolomide | Merck/Tasly | 250 | | |
| | | 13.1% | nedaplatin | | 154 | | |
| | | 4.3% | carboplatin | | 51 | | |
| | | 14.8% | Other | | 174 | | |
| | | | **Total DNA Damaging Agents** | | **1,175** | | |
| 6.4% | Hormones | 29.8% | letrozole | Novartis/Hengrui | 209 | | |
| | | 23.0% | bicalutamide | AstraZeneca | 162 | | |
| | | 19.5% | anastrozole | AstraZeneca | 137 | | |
| | | 17.1% | exemestane | Pfizer/Qilu | 120 | | |
| | | 10.6% | Other | | 74 | | |
| | | | **Total Hormones** | | **703** | | |



Source: Frost & Sullivan; [1] 2014 global oncology market at ex-factory price level; [2] 2014 china oncology market at wholesale price level; [3] 2014 China pharmaceutical market at wholesale price level.

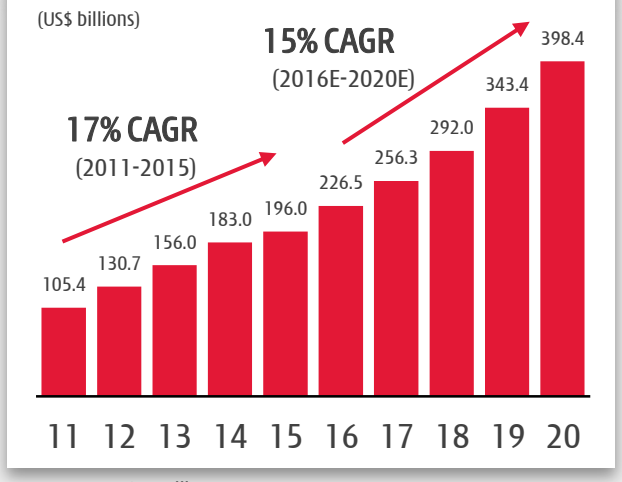
# China pharma market set to become the second largest globally by 2016

## Per capita Healthcare Spending



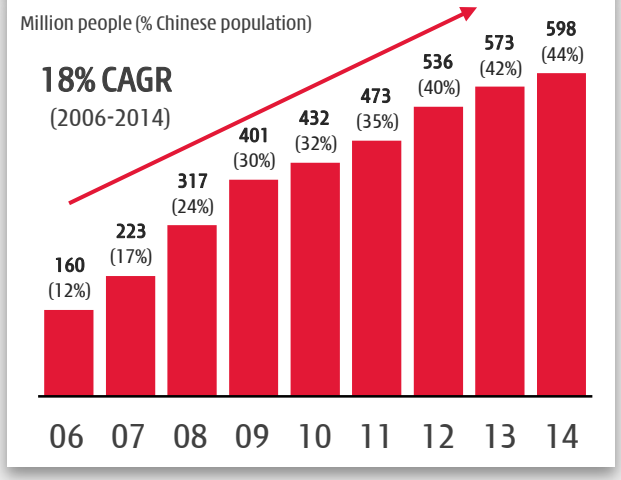

*Source: WHO 2015 report (2012 data).*

## PRC Pharmaceutical Market Size




*Source: Frost & Sullivan.*

## Medical Insurance Enrollment[3]




*Source: National Bureau of Statistics.*

- China pharmaceutical industry growth 17% CAGR[1] from 2011-2015 – one of the highest rated industries in China with average P/E ratio of 42 for the 61 listed companies (slide 45).
- Government healthcare spending grew 19% CAGR[2] from 2010 – 2013 and continues to increase rapidly – Strategic priority.
- Expansion of State Medical Insurance Schemes[3] – Link to increased drug reimbursement & sales.



[1] Compound annual growth rate; [2] CEIC; [3] The Basic Medical Insurance Scheme for Urban Employees Residents plus Rural Cooperative Medical Schemes.

# China Commercial Platform has substantial value

- Chi-Med's Commercial Platform continues to perform well relative to our peer group.
- The real market value, based on peer group multiples is approximately $1.5 billion.[3]
  Considering our share in the JVs, Chi-Med's share of this value is approximately $680 million.

| | | NET SALES | | | | NET PROFIT | | | | | VALUATION | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Code | 2013 | 2014 | LTM 2015 Jun | 13-14 Growth | 2013 | 2014 | LTM 2015 Jun | 13-14 Growth | LTM Margin | Market Cap. | P/E[2] |
| **CHI-MED Commercial Platform -- Subsidiaries/JVs[1]** | | **402.3** | **465.4** | **505.2** | **16%** | **39.7** | **48.8** | **53.9** | **23%** | **11%** | **na** | **na** |
| Tianjin Zhong Xin Pharma | 600329 | 912.8 | 1,076.4 | 1080.4 | 18% | 54.8 | 57.6 | 62.6 | 5% | 6% | 2,146 | 29 |
| Li Zhu Pharma | 000513 | 701.5 | 842.1 | 916.0 | 20% | 79.6 | 84.1 | 93.4 | 6% | 10% | 2,353 | 32 |
| Shandong Dong E E Jiao | 600422 | 610.0 | 608.9 | 733.5 | 0% | 185.3 | 208.4 | 231.8 | 13% | 32% | 4,303 | 18 |
| Zhejiang Kang En Bai Pharma | 600572 | 444.1 | 544.0 | 624.8 | 22% | 69.0 | 110.5 | 132.2 | 60% | 21% | 1,778 | 27 |
| Kunming Pharma | 000423 | 544.4 | 625.8 | 646.2 | 15% | 35.8 | 46.7 | 56.2 | 31% | 9% | 2,672 | 24 |
| Guizhou Yi Bai Pharma | 600750 | 423.0 | 479.5 | 530.9 | 13% | 65.5 | 73.1 | 57.0 | 12% | 11% | 1,705 | 35 |
| Jin Ling Pharma | 000919 | 395.8 | 421.0 | 449.3 | 6% | 28.9 | 37.2 | 39.4 | 29% | 9% | 974 | 34 |
| Jiangsu Kang Yuan | 600557 | 338.7 | 389.3 | 418.4 | 15% | 45.7 | 49.1 | 53.5 | 7% | 13% | 1,583 | 30 |
| Jiang Zhong Pharma | 600750 | 421.9 | 430.5 | 419.7 | 2% | 26.4 | 40.5 | 47.2 | 54% | 11% | 1,058 | 21 |
| Zhuzhou Qian Jin Pharma | 600479 | 299.6 | 333.3 | 345.7 | 11% | 19.6 | 17.9 | 16.3 | -9% | 5% | 707 | 46 |
| **Peer Group -- Weight Avg. (10 Comps. excl. Chi-Med)** | | **509.2** | **575.1** | **616.5** | **13%** | **61.0** | **72.5** | **79.0** | **19%** | **13%** | **1,928** | **27** |
| **61 Listed China Pharma. Companies -- Weight Average** | | **822.7** | **915.4** | **960.1** | **11%** | **60.1** | **67.2** | **73.1** | **12%** | **8%** | **2,305** | **42** |

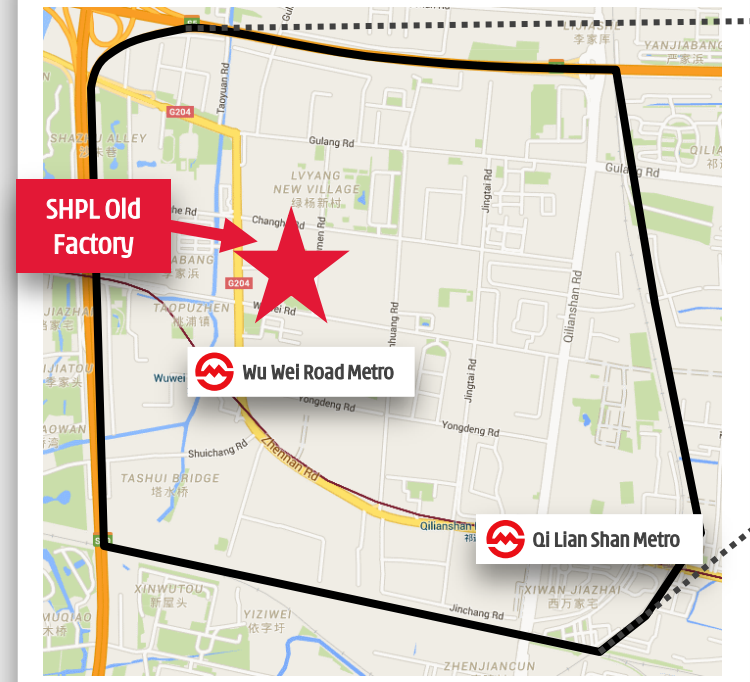
Peer Group: 10 companies (excl. Chi-Med) selected as ALL listed and profitable mainland Chinese OTC/RX pharma manufacturing companies, with a focus on similar product types, and estimated 2014 Net Sales in the ~$400-1,000 million range.

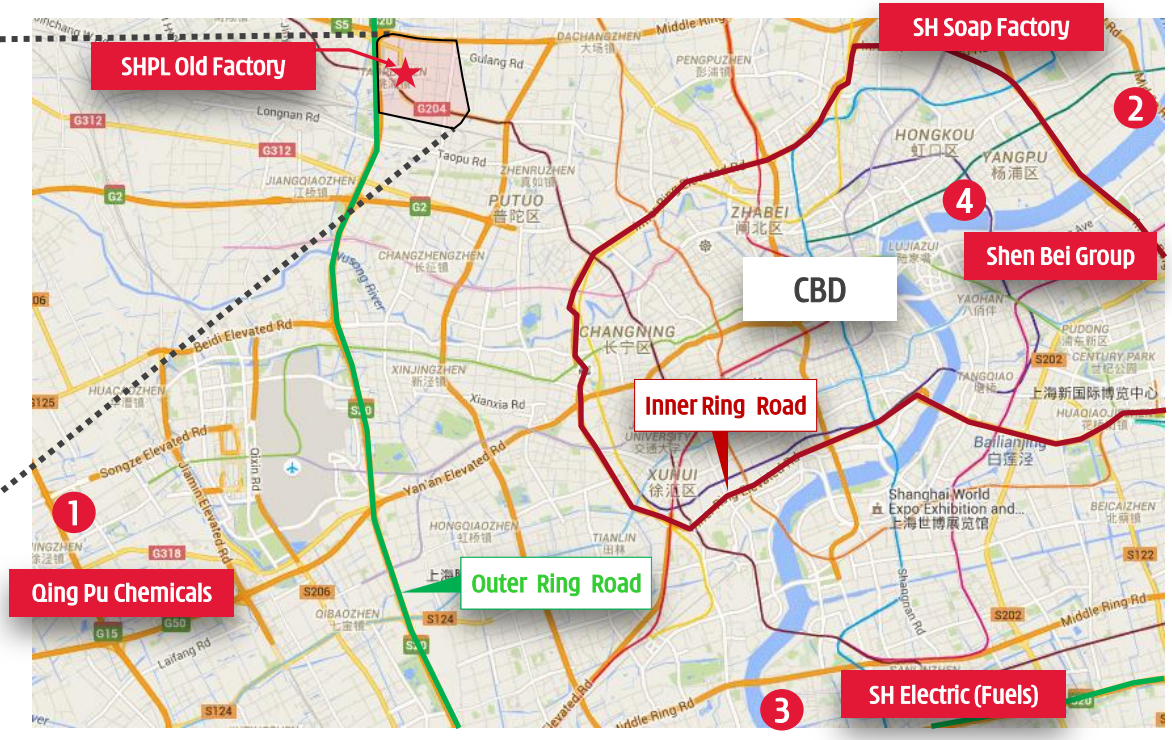
[1] Total aggregate PRC domestic results of Chi-Med's 6 Commercial Platform companies (HBYS, SHPL, Hutchison Sinopharm, HHO, HHL, & HCPL), excluding discontinued operations;
[2] Price Earnings Ratio as at **June 30, 2015**: Trailing Twelve Month PE weight averaged based on market capitalisation);
[3] Peer group multiple of 27 x $53.9million -- Reported LTM 2015 NPAT).

*(US$ millions)*

# SHPL old factory site surrender – December 2015

## $105 million cash compensation – 3 payments in 2015/16




### 4.6 sq.km. new development zone 12km from CBD (re-zoned in 2014).

- "Smart City" new science & tech, commercial and residential area.
- SHPL old factory classified as Cat. 3 residential.

| | Land Area (sq.m.) | Other Factors | Approx. Distance to CBD[1] (km) | Approx. Distance to Metro[2] (m) | Actual Compensation (US$ million) | Compensation ($/sq.m.) |
|---|---|---|---|---|---|---|
| ★ SHPL Old Factory Plot | 57,804 | New Dev. | 12.4 | 300 | 104.7 | 1,811 |
| 1 Qing Pu Chemicals Plot | 77,372 | Nr. Airport | 21.2 | 2,200 | 108.4 | 1,401 |
| 2 Shanghai Soap Factory Plot | 62,846 | Nr. River | 8.0 | 500 | 122.6 | 1,951 |
| 3 Shanghai Electric (Fuels) Plot | 27,091 | Nr. River | 11.4 | 2,000 | 89.1 | 3,290 |
| 4 Shen Bei Group Plot | 4,976 | Nr. River | 3.3 | 300 | 34.5 | 6,928 |



[1] Approximate distance (direct line) to Central Business District (CBD); [2] Approximate distance (direct line) to nearest Shanghai Metro station.

# HBYS Plot 1&2 – 9km from Guangzhou city center

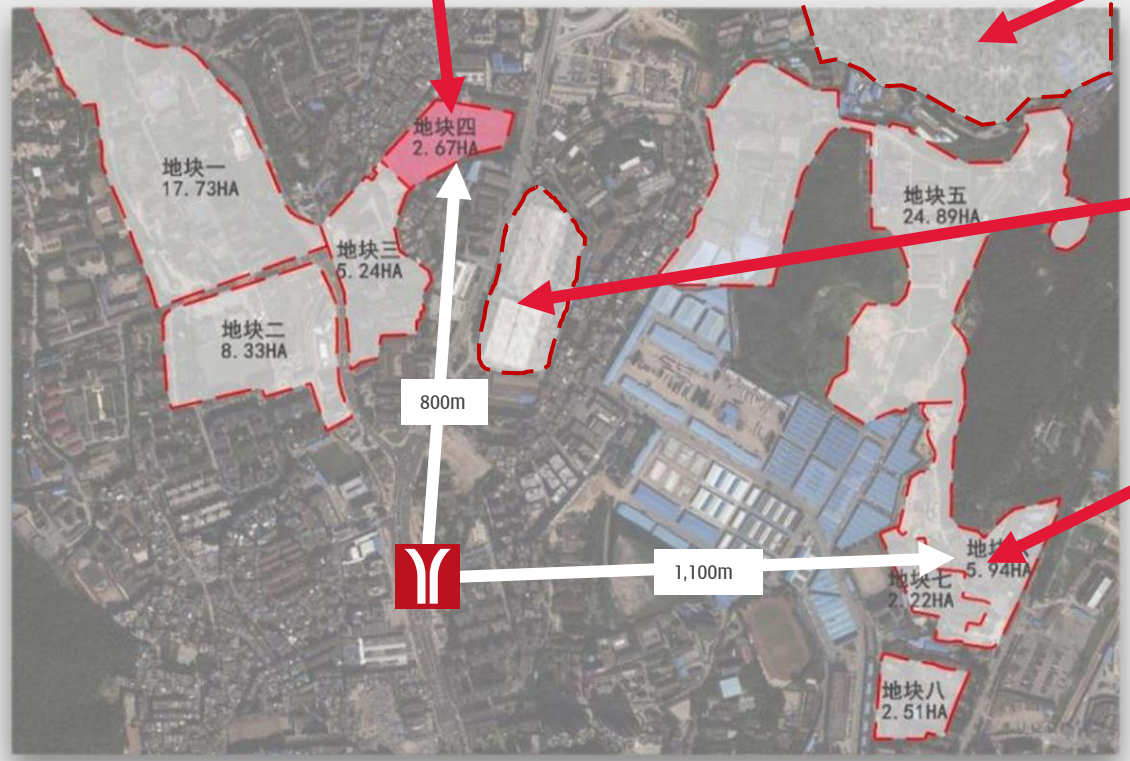
## Property compensation expected in the range of ~$150 million[2]

**HBYS Plot 2 (26,700 sq.m. plot of land):**
2.2 plot ratio, ~58,740 sq.m. of residential floor area.
Estimated Auction Price[1]: $128.8 million ($2,244/sq.m.).

**163 Tong Bao Road (131,647 sq.m. plot of land):**
*Auction Date: November 24th 2014*
~3.5 plot ratio, 460,765 sq.m. of residential floor area.
Actual Auction Price: $1,034 million ($2,244/sq.m.).

**8-10 Tong Bao Road (65,055 sq.m. plot of land):**
*Auction Date: May 6th 2013*
2.2 plot ratio, 143,121 sq.m. of residential floor area.
Actual Auction Price[1]: $305.1 million ($2,132/sq.m.).

**HBYS Plot 1 (59,400 sq.m. plot of land)**




**Tong He Metro Station (opened November 2010)**



[1] Estimated Auction Price based on Nov 24th 2014 Auction Price of 163 Tong Bao Road Plot.; [2] Based on Guangzhou government new urban redevelopment policy combined with precedent land auctions in the vicinity of HBYS Plot 1 and Plot 2.

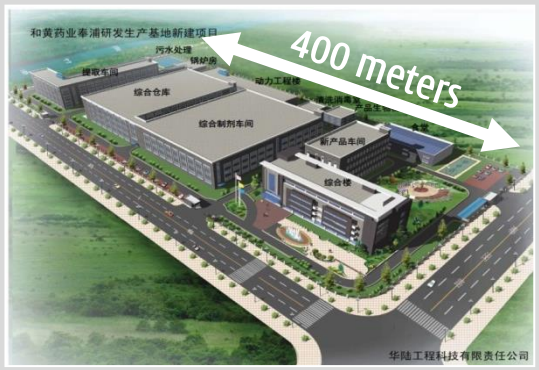
*(US$ millions)*

# New factories – triple capacity in 2016

## JVs fund internally – $125.4m of total $140m (~90%) CAPEX already spent

### SHPL New Factory – SOP[1] Mid-2016

Feng Pu District, 78,000 sq.m. plot (~40km south of Shanghai city center).
Approx. 3x designed capacity expansion (extraction & formulation).
**Estimated total CAPEX: $100 m** (comprising construction & relocation costs)




### HBYS New Factory – SOP late-2016

Bozhou, Anhui province (central China). 230,000 sq.m. plot.
Approx. 3x extraction expansion & new formulation lines.
**Estimated total CAPEX: $40 m**




[1] SOP = Start of Production post China Good Manufacturing Practice certification.

*(US$ millions)*

CHI-MED

HUTCHISON CHINA MEDITECH

Thank you