



HUTCHISON CHINA MEDITECH LTD

**Hutchison China MediTech Limited ("Chi-Med")
(AIM: HCM)**

China Healthcare Division expands OTC drug distribution and marketing operations

London: Friday, 22 July 2011: Chi-Med, the pharmaceutical and healthcare company based primarily in China, today announces the expansion of its drug distribution activities through an investment in a new drug distribution company which will enable it to sell third party drugs for the first time, as well as its existing portfolio of drugs.

Hutchison Whampoa Guangzhou Baiyunshan Chinese Medicine Company Limited ("HBYS"), one of the three companies which comprise the China Healthcare Division of Chi-Med, will invest approximately US\$3.2 million for a 60% equity interest in a Good Supply Practice ("GSP") drug distribution company, Nanyang Baiyunshan Hutchison Whampoa Guanbao Pharmaceutical Company Limited ("NBHG").

The investment will be largely used as working capital to expand future commercial activities. In return for the balance of 40% equity interest in NBHG, the minority partner will inject an existing GSP license and business which recorded unaudited sales of over US\$40 million in 2010.

Until now the national over-the-counter ("OTC") drug commercial team of HBYS has been limited by its business license to only selling products manufactured by HBYS. The establishment of NBHG changes this and enables the HBYS commercial team to also sell third party products in all provinces in China.

NBHG is based in Henan province, one of China's most populous provinces, with over 99 million people. HBYS has a team of over 120 sales staff and over 70 secondary distributors in Henan. This platform, which will be utilised by NBHG, allows for very deep distribution of OTC products, strong brand awareness, and powerful commercial leverage for HBYS. In Henan province, HBYS has market-leading positions with a 45% share for its OTC antiviral drug Ban Lan Gen granules and a 24% share for its OTC angina drug Fu Fang Dan Shen tablets in Zhengzhou, the capital city of Henan province (IMS Health data 2010). In 2010, HBYS sales in Henan province were US\$22 million, around 15% of total HBYS sales.

Christian Hogg, Chi-Med CEO said: "This strategic investment widens the scope of our existing OTC drug business and immediately lets us start leveraging our commercial strength to help build complimentary third party OTC products. In broadening the portfolio of products that it sells through NBHG, HBYS will gain major scale synergies and improved efficiency in commercial operations.

Henan is centrally located both geographically and in regards to population distribution in China. It represents an optimal base from which to manage a national OTC drug distribution platform, which could eventually leverage the entire over 1,500-person HBYS sales team and over 2,100 distributors to sell third party OTC drug products across all of China."

Ends

Enquiries

Chi-Med

Christian Hogg, CEO

Telephone: +852 2121 8200

Citigate Dewe Rogerson

Anthony Carlisle

David Dible

Telephone: +44 (0) 20 7638 9571

Mobile: +44 (0) 7973 611 888

Mobile: +44 (0) 7967 566 919

Lazard & Co., Limited

Paul Gismondi

Nick Fowler

Telephone: +44 (0) 20 7187 2000

About Chi-Med

Chi-Med is the holding company of a healthcare group based primarily in China and was listed on the Alternative Investment Market of the London Stock Exchange in May 2006. It is focused on researching, developing, manufacturing and selling pharmaceuticals and health oriented consumer products.

Chi-Med is majority owned by Hutchison Whampoa Limited, an international company listed on the Main Board of The Stock Exchange of Hong Kong Limited.