



HUTCHISON CHINA MEDITECH LIMITED

和黄中国医药科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(AIM Code: HCM)

23 March 2015

Dear Shareholder

The Annual General Meeting (the "**AGM**") of Hutchison China Meditech Limited (the "**Company**") will be held at 4th Floor, Hutchison House, 5 Hester Road, Battersea, London SW11 4AN on Friday, 24 April 2015 at 10:00 am in accordance with the formal notice convening the AGM as set out on pages 7 to 10.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, please consult your stockbroker, bank manager, solicitor, accountant, or other independent professional.

The purpose of this letter is to provide you with information on the resolutions to be proposed for consideration, and if thought fit, approval of the shareholders of the Company (the "**Shareholders**") at the AGM. This letter is in English and Chinese. In case of any inconsistency, the English version shall prevail.

AGM RESOLUTIONS

1. Audited Accounts

Shareholders are asked to consider and adopt the statement of audited accounts of the Company for the year ended 31 December 2014 (the "**Audited Accounts**").

2. Re-election of Directors

Pursuant to article 91(1) of the articles of association, Mr Shigeru Endo, Mr Christian Salbaing, Ms Edith Shih, Mr Christopher Nash, Mr Michael Howell and Professor Christopher Huang will retire by rotation at the AGM and, being eligible, will offer themselves for re-election.

Mr Salbaing and Ms Shih have served as Non-executive Directors and Mr Nash, Mr Howell and Professor Huang have served as Independent Non-executive Directors of the Company for more than nine years. Notwithstanding the length of their service, Mr Salbaing and Ms Shih continue to demonstrate their commitment to fulfilling their role as Non-executive Directors, providing direction on Company strategy and assisting generally on business operation and liaising with the majority shareholder. Similarly, Mr Nash, Mr Howell and Professor Huang satisfy the independence factors set out in Code Provision B.1.1 of the UK Corporate Governance Code except for the length of their service. They are not involved in the daily management of the Company nor in any relationships or circumstances which might possibly interfere with their exercise of independent judgment. In addition, they continue to demonstrate the attributes of Independent Non-executive Directors and there is no evidence that their tenure has had any adverse impact on their independence.

The board of directors of the Company (the "**Board**") is of the opinion that Mr Nash, Mr Howell and Professor Huang remain independent in judgment and character, notwithstanding the length of their service. The Board believes that the knowledge and experience of the Group's business and the general business acumen of Mr Salbaing, Ms Shih, Mr Nash, Mr Howell and Professor Huang continue to generate significant contribution to the Company and the Shareholders as a whole. Accordingly, Shareholders are asked to consider their re-election as directors of the Company.

3. Re-appointment of Auditor

The auditor PricewaterhouseCoopers has indicated its willingness to continue in office as the auditor of the Company (the "**Auditor**") until the next AGM. Accordingly, Shareholders are asked to consider the re-appointment of the Auditor and to authorise the Board to fix the Auditor's remuneration.

4(A). Authority to Allot Shares

Shareholders are asked to consider granting the Board with authority as set out in the resolution to allot, issue and otherwise deal with any new issue of shares of the Company (the "**Shares**") and to be given authority to allot, issue or grant securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or such convertible securities, and to make or grant offers, agreements, options and warrants in the Company.

4(B). Authority to Disapply Pre-emption Rights

Under the articles of association of the Company, the Board may only allot Shares for cash otherwise than to existing shareholders pro rata to their holdings if so authorised by the Shareholders in general meeting. Resolution 4(B), which is proposed as a Special Resolution, gives authority to the Board to allot and issue Shares pursuant to the authority conferred by Resolution 4(A) for cash (a) in connection with a rights issue or other pre-emptive offer and/or (b) otherwise up to an aggregate nominal value of US\$2,653,833, as though the pre-emption rights contained in article 12(4) did not apply. The amount of US\$2,653,833 is equal to 5% of the nominal amount of the total issued share capital of the Company as at 13 March 2015.

4(C). Authority to Purchase and Repurchase Shares

Shareholders are asked to consider granting the Board with authority as set out in the resolution to purchase or repurchase the securities of the Company that are or may be listed on AIM, including any form of depositary interests representing the right to receive such Shares issued by the Company.

5. New Share Option Scheme

In order to enable the Company to attract and retain employees and other personnel having appropriate qualifications and experience, the Board considers important that the Company is equipped with the ability to offer such employees and personnel options to acquire equity interests in the Company as a reward and additional incentive for their contribution to the long term success of the business of the Company.

A share option scheme of the Company was adopted by the Shareholders on 4 June 2005 and approved by the shareholders of the listed parent company of the Company on 18 May 2006 (which was subsequently amended by the Board on 21 March 2007) (the "**2005 Scheme**"). Under the 2005 Scheme, 2,548,958 options over the Shares were granted (excluding cancelled and lapsed option grants) representing 4.8% of the total issued share capital of the Company as at 13 March 2015.

The 2005 Scheme is due to expire on 17 May 2016 and a proposal is being made at the AGM for approval of a new share option scheme. Under the new share option scheme, options to subscribe for Shares may be offered and granted to employees and directors of the Company and its subsidiaries and other eligible participants specified therein for up to 4% of the total issued share capital of the Company at the date of adoption of the new share option scheme subject to the approval of the shareholders of the listed parent company of the Company.

The new share option scheme does not contain any specific requirements for the minimum period for which an option must be held before exercise or for performance targets applicable to options. The Board has retained the flexibility to impose such conditions if and when they consider appropriate. The Board believes that the formulation in the new share option scheme for setting the minimum subscription price for the Shares will serve to protect the value of the Company as well as to achieve the purposes of the new share option scheme.

The principal terms of the new share option scheme are set out in Appendix I to this letter.

Accordingly, Shareholders are asked to consider the adoption of the new share option scheme by the Company.

6. Long Term Incentive Plan

Shareholders are asked to consider the adoption of the long term incentive plan by the Company. Such plans are common for pharmaceutical companies similar to the Company and the purpose of the long term incentive plan is to attract skilled and experienced personnel, to incentivise them to remain with the Company and to motivate them to strive for the future development and expansion of the Company over and above the stock options granted to such personnel by providing them with the opportunity to acquire equity interests in the Company.

The principal terms of the long term incentive plan are set out in Appendix II to this letter.

DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong during normal business hours for a 14-day period immediately preceding the AGM and at the AGM:

- the Memorandum and Articles of Association of the Company;
- the pro-forma Audited Accounts;
- the register of Directors' interests in the Shares and the service agreements between the Company and the Directors;
- the rules of the new share option scheme; and
- the rules of the long term incentive plan.

ACTION TO BE TAKEN

Enclosed with this letter is a form of proxy relating to the resolutions to be proposed at the AGM (the "**Proxy Form**"). If you do not intend to, or might not, attend the AGM in person or by a duly authorised representative, please complete, sign and return the Proxy Form as soon as possible in accordance with the instructions printed thereon. The Proxy Form should be returned to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom no less than 48 hours before the time appointed for holding the AGM.

ATTENDANCE AT THE MEETING

Completion and return of the Proxy Form will not prevent you from attending and voting at the AGM (in person, or by a different proxy appointed by a new form of appointment lodged in accordance with the instructions given on the enclosed Proxy Form, or by a duly authorised representative), if you so wish. You may be asked to supply relevant identification in order to ascertain your identity.

RECOMMENDATION

The Board unanimously believes that the proposals described in this letter are in the best interests of the Company and the Shareholders as a whole. They therefore recommend that the Shareholders vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully

For and on behalf of

Hutchison China MediTech Limited

Simon To

Chairman

APPENDIX I - PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Any employee or director of: (i) Hutchison China MediTech Limited (the "**Company**") and its holding company or subsidiaries and affiliates of the Company; and (ii) the Company's listed parent and any of its subsidiaries or affiliates, will be eligible to participate in the new share option scheme at the discretion of the Remuneration Committee (each an "**Eligible Person**").

An offer of the grant of an option to subscribe for ordinary shares (the "**Shares**") in the Company shall be made to any Eligible Person in such form as the board of directors of the Company may determine from time to time, specifying:

- (i) the number of Shares to which the option relates;
- (ii) the exercise price per Share the subject of the option which shall be at least the market value at the offer date;
- (iii) the offer date of the option;
- (iv) (if applicable) any performance conditions to which exercise of the option is subject;
- (v) the period an option must be held before it will vest (if any); and
- (vi) (if applicable) any minimum holding period.

The new share option scheme shall be valid and effective for a period of 10 years commencing on the later of: (i) the date on which the new share option scheme is adopted by ordinary resolution of the shareholders of the Company; and (ii) the date on which the new share option scheme is approved by the shareholders of the listed parent of the Company.

Options granted may be settled by the issue of new Shares. Options are not transferable other than on the death of the participant. No payment will be made on the grant of an option.

Options may normally only be exercised by a person who remains an Eligible Person. Options may be exercised for a limited period after the option holder ceases to be employed in certain special conditions including death, serious illness or injury or retirement. Where all shareholders of the Company are subject to a take-over, share repurchase offer or scheme of arrangement, the Company shall use reasonable endeavours to ensure that such offer is extended to option holders and if such offer becomes unconditional the option holders will be given an opportunity to exercise their vested and unvested options prior to the close of such offer.

The participant must indemnify the Company for any tax liability associated with the exercise of the option.

The total number of Shares which may be issued upon exercise of all options to be granted under the new share option scheme must not in aggregate exceed 4% of the Shares of the Company in issue as at the date the new share option scheme is adopted.

APPENDIX II - PRINCIPAL TERMS OF THE LONG TERM INCENTIVE PLAN

Any employee of Hutchison China MediTech Limited (the "**Company**") and its subsidiaries and affiliates of the Company and any director of the Company and its subsidiaries who the board of directors of the Company (the "**Board**") considers in its absolute discretion have contributed or will contribute to the Group will be eligible to participate in the long term incentive plan (the "**Participants**"). It is the intention that a professional trustee (the "**Trustee**") will be appointed by the Company to assist with the administration and vesting of the Awards.

Awards under the long term incentive plan will be issued to the Participant (each an "**Award**") which relate to a maximum US\$ amount (based on a percentage of the annual base salary and allowances excluding bonus of the Participant) (each a "**Maximum Amount**") applicable to the achievement of annual performance targets for each financial year of the Company stipulated in the Award.

The proportion of the applicable Maximum Amount will be calculated based on achievement of the annual performance targets, following the publication of the annual report for the relevant financial year of the Company (the "**Financial Year of the Award**"). The Company will then procure that the Trustee will make on-market purchases of ordinary shares of the Company (the "**Shares**") with an equivalent value to the proportion of the Maximum Amount calculated under the Award. The awarded Shares will then be held by the Trustee and will be subject to a vesting period which will finally vest one business day after the date of publication of the annual report for the financial year of the Company falling 2 years after the Financial Year of the Award.

At any time up to 90 days prior to the vesting of the Shares, the Participant may request that the Shares be converted to cash at an equivalent value to the market price at vesting.

Typically the Award and annual performance targets will relate to a 3 year financial period of the Company. The Remuneration Committee will be responsible, at the time the Awards are granted, for determining the objective annual performance targets which will be aligned to the strategic objectives of the Company and/or its subsidiaries.

In exceptional circumstances, in the case for example of new joiners, Awards of Shares, purchased on-market by the Trustee, will be made without any performance targets, typically vesting over a 3 to 4 year period and subject to the Participant remaining a Participant until vesting has occurred.

The long term incentive plan shall be valid for a period commencing on the adoption date of the long term incentive plan and expiring on the 10th anniversary thereof subject to any earlier termination by the Company.

No payment will be made by the Participant for the Award.

Awards vest normally only if a person remains a Participant. Unvested Awards may also vest, at the discretion of the Board, if the Award holder's employment is terminated other than for cause (including by reason of resignation, death, disability or retirement). Vesting is also possible, at the discretion of the Board, in the event of certain corporate events affecting the Company such as takeover, scheme of arrangement, reconstruction, amalgamation or winding up.

The Participant must indemnify the Company for any failure to pay any tax associated with the Award.

The total number of Shares that may underlie the Awards granted pursuant to the long term incentive plan must not in aggregate exceed 5% of the Shares of the Company in issue as at the date of adoption of the long term incentive plan.



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(Incorporated in the Cayman Islands with limited liability)

(AIM Code: HCM)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Shareholders of the Company will be held at 4th Floor, Hutchison House, 5 Hester Road, Battersea, London SW11 4AN on **Friday, 24 April 2015 at 10:00 am** for the following purposes:

1. To consider and adopt the statement of audited accounts and the reports of the directors and independent auditor for the year ended 31 December 2014.
2. To re-elect Mr Shigeru Endo, Mr Christian Salbaing, Ms Edith Shih, Mr Christopher Nash, Mr Michael Howell and Professor Christopher Huang, each of whom retires by rotation, as directors of the Company.
3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and authorise the board of directors to fix the auditor's remuneration.
4. (A) To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"THAT:

- (a) subject to paragraphs (b) and (c) of this resolution and in accordance with the articles of association of the Company (the "**Articles**"), the exercise by the board of directors of the Company (the "**Board**") during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with new shares of the Company (the "**Shares**") and to allot, issue or grant securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares or such convertible securities, and to make or grant offers, agreements, options and warrants which would or might require the exercise of such powers be generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall not extend beyond the Relevant Period but shall authorise the Board during the Relevant Period to make or grant offers, agreements, options and warrants which would or might require the exercise of such powers after the end of the Relevant Period; and

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (a) of this resolution shall not exceed:
 - (i) an aggregate nominal amount of US\$17,690,000; and
 - (ii) up to a further aggregate nominal amount of US\$4,230,000 pursuant to a Rights Issue (as defined below)."
- (B) To consider and, if thought fit, pass the following resolution as a Special Resolution:

SPECIAL RESOLUTION

"THAT pursuant to article 12(4) of the Articles and in substitution for all existing authorities under that article:

The Board be and is generally empowered to allot Equity Shares (within the meaning of article 12(4) of the Articles) during the Relevant Period for cash pursuant to the authority conferred by Resolution 4(A) as if article 12(4) did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of Equity Shares in connection with an offer (whether by way of a Rights Issue, open offer or otherwise) to the holders of Shares in the capital of the Company in proportion (as nearly as practicable) to the respective number of Shares held by them, subject to exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
 - (b) the allotment of Equity Shares for cash (otherwise than pursuant to paragraph (a) of this resolution) up to an aggregate nominal amount of US\$2,653,833."
- (C) To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Board of all the powers of the Company to purchase or repurchase on AIM, a market regulated by the London Stock Exchange on which the securities of the Company are traded and recognised for this purpose, Shares (including any form of depositary interests representing the right to receive such Shares issued by the Company) and the exercise by the Board of all powers of the Company to repurchase such securities, subject to and in accordance with all applicable laws and the requirements of the AIM Rules for Companies, during the Relevant Period, be and are hereby generally and unconditionally approved (save that the Company may enter into a contract to purchase Shares before this authority expires under which such purchase will or may be completed or executed wholly or partly after this authority expires and may make a purchase of Shares pursuant to any such contract as if this authority had not expired); and

- (b) the aggregate nominal amount of the Shares which may be purchased or repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 5% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly."

For the purposes of Resolutions 4(A), 4(B) and 4(C),

"Relevant Period" means the period from the passing of the resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under the resolution by an ordinary resolution or a special resolution in the case of Resolution 4(B) of the shareholders of the Company in a general meeting; and

"Rights Issue" means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Board to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).

- 5. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"THAT subject to the approval of the shareholders of the listed parent company of the Company, the rules of the new share option scheme of the Company in the form tabled to the meeting be and are hereby approved and the new share option scheme be and is hereby adopted by the Company."

- 6. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

"THAT the rules of the long term incentive plan of the Company in the form tabled to the meeting be and are hereby approved and the long term incentive plan be and is hereby adopted by the Company."

The register of members of the Company will be closed from 23 April 2015 to 24 April 2015, both days inclusive.

By Order of the Board

Edith Shih

Director and Company Secretary

23 March 2015

Registered Office:

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Notes:

1. *In order to be entitled to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged for registration with the share registrar of the Company, Computershare Investor Services (Jersey) Limited of Queensway House, Hilgrove Street, St. Helier, Jersey, Channel Islands JE1 1ES no later than 4:00 pm on Wednesday, 22 April 2015.*
2. *Subject to notes 3 and 7 below, only members are entitled to attend and vote at the meeting.*
3. *A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member) to attend, speak and, on a poll, vote instead of that member. A proxy need not be a member of the Company. Failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the numbers of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. The appointment of a proxy will not preclude a shareholder from attending and voting in person at the meeting.*
4. *A form of proxy is enclosed. When appointing more than one proxy, complete a separate proxy form in relation to each appointment. Additional proxy forms may be obtained by contacting Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom or the proxy form may be photocopied. State clearly on each proxy form the number of shares in relation to which the proxy is appointed.*
5. *To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom no less than 48 hours before the time appointed for holding the meeting.*
6. *At the meeting, the chairman of the meeting will exercise his power under article 69 of the Articles of Association of the Company to put each of the resolutions to the vote by way of a poll.*
7. *In the case of holders of depositary interests representing ordinary shares in the Company, a form of instruction must be completed in order to appoint Computershare Company Nominees Limited, the custodian of the Company (the "Custodian"), to vote on the holder's behalf at the meeting or, if the meeting is adjourned, at the adjourned meeting. To be effective, a completed and signed form of instruction (and any power of attorney or other authority under which it is signed) must be delivered to the offices of the Custodian, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom, by no less than 72 hours before the time fixed for the meeting or any adjourned meeting.*
8. *A member which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.*
9. *This notice is in English and Chinese. In case of any inconsistency, the English version shall prevail.*