

Press Cutting

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China Medi-Tech Ups Stake In Hutchison Healthcare To 85%

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Edited Press Release

LONDON (Dow Jones)--China Meditech, a Hutchison Whampoa backed pharmaceutical and healthcare Group, said Friday it intends to increase its ownership of Hutchison Healthcare, one of the three joint ventures which comprise **Chi-Med's** China Healthcare Division, from 68% to 85%.

Chi-Med's China Healthcare Division manufactures, distributes and markets traditional Chinese medicine based pharmaceuticals and health supplements in the fast growing China healthcare market.

It comprises three joint venture businesses, one of which is Hutchison Healthcare, which produces health food products, including the rapidly growing Zhi Ling Tong infant nutrition product range.

Chi-Med's wholly-owned subsidiary, Pioneer Leader, has entered into a conditional agreement with Masson Group Company to buy-out the 17% equity interest held by Masson in Hutchison Healthcare for a total cash consideration of RMB2.8 million (\$0.4million).

Masson is a related party to **Chi-Med** by virtue of it being a substantial shareholder of Hutchison Healthcare and of another non-wholly owned subsidiary of **Chi-Med**, but Rule 13 of the AIM Rules for Companies is not applicable to the Transaction. [23-05-08 0708GMT]

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