

Press Cutting

Citigate
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Hutchinson China-Meditech (HCM:AIM) 194p

+ BUY

Market value: £99 million

One way to play the Chinese medical market is to buy shares in **Hutchison China-Meditech (HCM:AIM)**, an arm of Hong-Kong listed conglomerate **Hutchison Whampoa (0013:HK)**. Chi-Med, as it is known, has a traditional Chinese medicine franchise which has exhibited strong growth; a drug development business where mooted plans to float on NASDAQ should release value; and a small up-market consumer products brand. Chi-Med claims to be the leader in the pharmaceuticals market which it says is increasing by 20% per annum. Shareholders are gaining access to a drug for Crohn's disease and ulcerative colitis in phase II development and, by Western standards, a huge research and development team. We also suggest buying **China Medical System Holdings (CMSH:AIM)**, a pharmaceutical sales firm with similarly strong growth and meteoric share performance. The prospects of a dual Hong Kong listing could lead to an even-higher share rating. (IM)

