



HUTCHISON CHINA MEDITECH LTD

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

Chi-Med and Merck KGaA Start Collaboration to Discover Novel Small Molecule Anti-Cancer Drugs

London: Monday, 20 November 2006: Chi-Med today announces the signing of a collaboration agreement between its wholly-owned drug R&D subsidiary Hutchison MediPharma Limited ("Hutchison MediPharma") and Merck KGaA ("Merck") of Darmstadt, Germany on future joint research efforts focusing on discovering novel anti-cancer drugs derived from natural products that modulate oncological pathways. Financial details are not being disclosed.

Mr. Christian Hogg, CEO of Chi-Med, said:

"Over the last four years, we have established a solid R&D organization that has brought two candidates into US phase II clinical studies in the oncology and auto-immune areas. We are delighted to partner with Merck to broaden our research activities in the oncology area. Merck has a good record of achievement in the development and commercialization of oncology products such as Erbitux. In addition, we believe this collaboration further validates Chi-Med's drug discovery capability."

Chi-Med sees Traditional Chinese Medicine as a major, under-exploited reservoir for the development of novel drugs for the global pharmaceutical market and for developing new products for the global health and beauty consumer markets. Plants, particularly those that have been used as traditional medicines, have a long-established record of efficacy and safety.

Dr. Samantha Du, Chief Scientific Officer and Executive Vice President of Chi-Med, commented:

"The goal of this collaboration is to leverage the expertise of both Merck and Chi-Med in oncology research. This collaboration will allow us to address important unmet medical needs by accessing natural products, a rich source of diversified chemical components with drug-like properties."

Dr. Ulrich Betz, Preclinical R&D, Head of Strategic Innovation and Research Portfolio Management for Merck, said:

"We are delighted to complement and enrich our oncology research with this collaboration. It will also allow us to extend our interaction with the emerging Chinese pharmaceutical industry that builds on the long-standing tradition and knowledge of Traditional Chinese Medicine combined with modern scientific technology. We are looking forward to a productive collaboration with Chi-Med."

Ends

Enquiries

Chi-Med
Christian Hogg, CEO

Telephone: +852 2121 8200

Citigate Dewe Rogerson Telephone: +44 (0) 20 7638 9571

Anthony Carlisle +44 (0) 7973 611 888

Chris Gardner +44 (0) 7903 737 649

Yvonne Alexander +44 (0) 7866 610 682

Notes to Editors

Chi-Med is the holding company of a pharmaceutical and healthcare group based primarily in China and was admitted to trading on the Alternative Investment Market of the London Stock Exchange in May 2006. Chi-Med is focused on researching, developing, manufacturing, and selling pharmaceuticals, health supplements and other consumer health and personal care products derived from Traditional Chinese Medicine and botanical ingredients. Its overall aim is to draw on the untapped wealth of knowledge and history of usage in the Traditional Chinese Medicine industry to develop products for the global market. The Company has three complementary businesses: drug R&D, China healthcare and consumer products.

Hutchison MediPharma is Chi-Med's wholly-owned drug research and development company and has a team of around 100 scientists and staff focusing on botanical drugs, semi-synthetic natural product drugs, and synthetic single chemical entity drugs. It currently has two candidates in clinical development in both the US and China. HMPL-002, a radiosensitiser for head and neck and non-small cell lung cancer ("NSCLC"), is in Phase I/II in the US and in proof of concept in China. HMPL-004, an inhibitor to a group of inflammatory cytokines, for treatment of inflammatory bowel diseases ("IBD"), including Crohn's Disease ("CD") and Ulcerative Colitis ("UC"), is in Phase II in the US and in proof of concept in China. Hutchison MediPharma also has a pipeline of single molecular entity discovery projects in the auto-immune/inflammatory diseases and oncology therapeutic areas which have shown activity against clinically validated targets.

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

About Merck KGaA

Merck is a global pharmaceutical and chemical company with sales of € 5.9 billion in 2005, a history that began in 1668, and a future shaped by 30,158 employees in 56 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds a 73% interest and free shareholders own the remaining 27%. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.