



HUTCHISON CHINA MEDITECH LTD

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

**Chi-Med Announces Drug Discovery and Development Agreement
with Eli Lilly and Company**

London, Monday, 20 August 2007: Chi-Med, the Hutchison Whampoa backed pharmaceutical and healthcare Group, today announces that its wholly-owned drug R&D subsidiary, Hutchison MediPharma R&D Limited (“Hutchison MediPharma”), has entered into a drug discovery and development agreement with Eli Lilly and Company (“Lilly”) (NYSE: LLY).

Under the agreement, Lilly and Hutchison MediPharma will initially collaborate on the discovery and development of pharmaceutical agents focused on targets in oncology and inflammation. Hutchison MediPharma will assume primary responsibility for the discovery phase activities necessary for the identification and selection of several clinical candidates and Lilly will be responsible for ongoing technical advice and the subsequent Investigational New Drug filing and clinical development of these candidates. The research partnership leverages the strengths and expertise of the two companies while taking advantage of the unique opportunities available in China to expedite the drug discovery process, and reduce overall cost.

Hutchison MediPharma will receive from Lilly an upfront payment and annual R&D support fees, as well as potential discovery and development milestone payments depending on the candidate of up to a range of US\$20 million to US\$29 million per candidate, and potential royalties on worldwide sales of any commercialised products resulting from the collaboration. In the event that Lilly exercises its option not to move forward with a candidate, Hutchison MediPharma will itself be able to take the findings and continue with the candidate. Detailed financial terms are not disclosed.

Dr. Samantha Du, Chief Scientific Officer for Chi-Med and Managing Director of Hutchison MediPharma Limited, commented on the collaboration agreement: “This is a landmark deal for both Hutchison MediPharma and Chi-Med. At Hutchison MediPharma, we aim to discover and develop innovative medicines to meet global market needs with big Pharma quality, biotech speed and China’s attractive cost base. We have built a strong drug discovery and development platform focused on oncology and auto-immune indications in the past few years. Today’s announcement further validates our business model and capabilities. Lilly is a recognised global leader in new drug discovery and development. We are proud to have the opportunity to collaborate with Lilly.”

"Lilly is pleased to partner with Hutchison MediPharma on this groundbreaking research initiative", said Dr. William W. Chin, M.D., Vice President of discovery research and clinical investigation for Lilly. "Hutchison MediPharma is clearly a leader in China's R&D arena. They have demonstrated their R&D quality through a successful pilot program conducted with Lilly. We believe Hutchison MediPharma has the strategic interest and capabilities to advance these Lilly molecules, and we are excited to explore this innovative research collaboration model with them."

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About Chi-Med

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 focuses on research, development, manufacture, and sale of pharmaceuticals, health supplements and other consumer and personal care products derived from Traditional Chinese Medicine and botanical ingredients.

Hutchison MediPharma is Chi-Med's wholly-owned drug R&D subsidiary and, through Chi-Med's wholly-owned subsidiary Hutchison MediPharma Limited ("HMPL") in Shanghai, has at its disposal a team of around 140 scientists and staff focusing on discovery and development of botanical drugs, semi-synthetic natural product drugs, and synthetic single chemical entity drugs. HMPL currently has two candidates in clinical development in both the US and China. HMPL-002, a radiosensitiser for head and neck cancer and non-small cell lung cancer, 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, has completed the Phase II proof-of-concept study in Ulcerative Colitis and is in Phase II studies in Crohn's disease in the US. HMPL also has a pipeline of single new chemical entity discovery projects in auto-immune/inflammatory diseases and oncology therapeutic areas.

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.