



HUTCHISON CHINA MEDITECH LTD

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

**Chi-Med Announces Development Agreement with Procter & Gamble
for the Discovery and Development of
New Active Ingredients for Beauty Products**

London: Monday, 6 November 2006: Chi-Med today announces its wholly-owned drug R&D subsidiary Hutchison MediPharma Limited ("Hutchison MediPharma") has signed a research and development agreement with the Procter & Gamble Company ("Procter & Gamble"), P&G Beauty division to discover and develop new active ingredients from Traditional Chinese Medicine and botanical sources for incorporation into beauty care products.

The agreement is for two years, during which the Chi-Med group will screen its collection of plant extracts against beauty care targets nominated by Procter & Gamble and conduct natural product chemistry to characterise and optimise active components that arise from the screenings.

Procter & Gamble will have the rights to commercialise any resulting products in the area of beauty care. Procter & Gamble is a global market leader in Beauty and competes in markets which comprise over \$220 billion in global retail sales. The Chi-Med group will be the exclusive supplier of active components for any beauty care products developed as a result of the collaboration and will retain the rights for any healthcare applications.

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

"The agreement is a recognition of the quality of Chi-Med's research and development capabilities and illustrates the wide potential range of their application. It will generate near-term income and offers the prospect of longer term revenues from licensing and/or supplying active ingredients for beauty care products and from their use outside beauty care."

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 said:

"Chi-Med has established truly world-class screening technologies and Procter & Gamble is a global leader in the field of beauty care. We look forward to working together to pursue products that may bring breakthrough benefits to consumers. Plants, particularly those that have been used as traditional medicines, represent an exciting opportunity for beauty care based on their established human safety and efficacy profiles."

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Enquiries

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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.