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Hutchison Whampoa Limited



(Incorporated in Hong Kong with limited liability)

(Stock Code: 013)

PROPOSED SEPARATE LISTING OF HUTCHISON CHINA MEDITECH LIMITED (和黃中國醫藥科技有限公司)

(Incorporated in the Cayman Islands with limited liability)

ON THE ALTERNATIVE INVESTMENT MARKET OF THE LONDON STOCK EXCHANGE PLC

ANNOUNCEMENT OF PLACING PRICE, FINAL HK PRICE, REFUND ARRANGEMENTS AND OTHER INFORMATION

Reference is made to the Company's announcements on 7 April 2006 and 27 April 2006 in relation to the Proposed Separate Listing.

The Board is pleased to announce that the Placing Price is £2.75 per Ordinary Share. The Placing Price has been converted into Hong Kong dollars at an exchange rate of £1: HK\$14.4075. Accordingly, the Final HK Price is HK\$39.62 per Reserved Share.

Each subscribing Qualifying HWL Shareholder will be notified in writing whether his/her application for Reserved Shares is successful. Letters addressed to applicants whose applications were rejected were despatched on Wednesday, 10 May 2006 to the address of the relevant Qualifying HWL Shareholder in Hong Kong as recorded in the Company's register of members on the Record Date. Successful applicants will be notified by post, by letters enclosing their Chi-Med share certificates expected to be despatched on Tuesday, 16 May 2006.

Applicants who notified Computershare before 5:00 p.m. on Monday, 8 May 2006 of their intention to do so, may collect their refund cheques from Computershare on Wednesday, 17 May 2006 from 9:00 a.m. to 1:00 p.m. (or such other date and time as may be advised later by the Company and/or Chi-Med). After such time, all uncollected refund cheques, together with all the other refund cheques, will be despatched by ordinary mail to the relevant Registered Address at the applicant's own risk.

Dealings in Chi-Med Shares are expected to commence on the AIM on **Friday, 19 May 2006 (UK time)**. A Qualifying HWL Shareholder who successfully applied for Reserved Shares will not be able to trade his/her Reserved Shares on Friday, 19 May 2006 and his/her ability to trade the Chi-Med Shares after Friday, 19 May 2006 will depend on his/her individual arrangements with his/her broker.

As the listing of Chi-Med Shares pursuant to the Proposed Separate Listing and the Placing is subject to, among other things, the Proposed Separate Listing and the Placing becoming unconditional and the final decision of the Board and the Chi-Med Board to proceed with the Proposed Separate Listing, the Proposed Separate Listing and the Placing may or may not proceed. If the Proposed Separate Listing and the Placing do not proceed for any reason, the Preferential Offering will not proceed. Accordingly, shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

Reference is made to the Company's announcements on 7 April 2006 and 27 April 2006 (the **Announcements**) in relation to the Proposed Separate Listing.

In this announcement, unless the context requires otherwise, capitalised expressions have the meanings set out in each of the Announcements and, where such capitalised expressions do not have their meanings set out in either of the Announcements, the Hong Kong Offering Document.

PLACING PRICE AND FINAL HK PRICE

The Board is pleased to announce that the Placing Price is £2.75 per Ordinary Share. The Placing Price has been converted into Hong Kong dollars at an exchange rate of £1: HK\$14.4075⁽¹⁾. Accordingly, the Final HK Price is HK\$39.62 per Reserved Share.

As the Final HK Price is less than the HK Subscription Price of HK\$45.79 per Reserved Share payable on application for Reserved Shares, appropriate refund payments will be made to successful applicants, without interest. All refunds of subscription monies (partial or whole) will be made in Hong Kong dollars. Refund cheques denominated in Hong Kong dollars are expected to be despatched on or around Wednesday, 17 May 2006. For further details, please see the section headed "How to Apply for Reserved Shares - Despatch/Collection of Share Certificates and Refund of Application Monies" in the Hong Kong Offering Document and the section "Refunds" below.

OTHER INFORMATION REGARDING THE HONG KONG OFFERING DOCUMENT

The following information as set out in the Hong Kong Offering Document is confirmed pursuant to the determination of the Placing Price:

- the number of Placing Shares and the Placing Price, as referred to on the cover page of Appendix I to the Hong Kong Offering Document, is 14,537,704 Ordinary Shares and 275p respectively;
- the issued share capital of Chi-Med after the Placing, as referred to on the cover page and the section headed "Share Capital" on page 125 of Appendix I to the Hong Kong Offering Document is 51,212,121 Ordinary Shares representing a nominal amount of US\$51,212,121;
- the placing statistics, as referred to in the section headed "Placing Statistics" on page 4 of Appendix I to the Hong Kong Offering Document are as follows:

Placing Price	275p
Number of Placing Shares ¹	14,537,704
Number of Ordinary Shares in issue following completion of the Placing ²	51,212,121
Placing Shares as a percentage of the enlarged issued share capital of Chi-Med ²	28.4%

(1) This exchange rate has been determined by reference to the average of the sterling index as published by the Bank of England of £1 = US\$1.8585 and the closing rate as published by Bloomberg of US\$1 = HK\$7.7522, each as of 9 May 2006.

Market capitalisation of Chi-Med on Admission at the Placing Price³ £140.83 million

Estimated net proceeds receivable by Chi-Med pursuant to the Placing and the Hong Kong Offering⁴ £36.77 million

- In addition, a further 7,750 Ordinary Shares are to be subscribed pursuant to the Hong Kong Offering as described in Part VII of Appendix I to the Hong Kong Offering Document.
 - Including 7,750 Ordinary Shares to be acquired pursuant to the Hong Kong Offering.
 - The market capitalisation of Chi-Med at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Placing Price.
 - The net proceeds receivable by Chi-Med are stated after deduction of the expenses and commissions payable in connection with the Placing and the Hong Kong Offering which are expected to amount to approximately £3.23 million excluding VAT.
- the gross proceeds of the Placing and the Preferential Offering will be approximately £40 million and the net proceeds of the Placing and the Preferential Offering is expected to be up to approximately £36.77 million in aggregate, as referred to in the section headed "Use of Proceeds" on page 10 to Appendix I to the Hong Kong Offering Document;
 - the Placing comprises 14,537,704 Ordinary Shares and 7,750 Reserved Shares were taken up by Qualifying HWL Shareholders after the Preferential Offering, acceptances were received in respect of 7,750 Reserved Shares from Qualifying HWL Shareholders, the net proceeds of the Placing and the Preferential Offering, after deducting all related expenses, are estimated to be £36.77 million, as referred to in the section headed "The Placing" on pages 39 and 40 of Appendix I to the Hong Kong Offering Document;
 - the gross proceeds of the Placing and the Preferential Offering will be approximately £40 million and the net proceeds of the Placing and the Preferential Offering is expected to be up to approximately £36.77 million in aggregate, as referred to in the section headed "Reasons for Admission and Use of Proceeds" on page 40 of Appendix I to the Hong Kong Offering Document;
 - the Company will hold approximately 71.6 per cent. of the Chi-Med's shares after the Placing, as referred to in the section headed "Risks Relating to the Group" on page 68 of Appendix I to the Hong Kong Offering Document;
 - subscribers for Ordinary Shares in the Placing and the Preferential Offering will experience an immediate dilution in net tangible book value of US\$2.976 per Ordinary Share, as referred to in the section headed "Risks Relating to the Group" on page 77 of Appendix I to the Hong Kong Offering Document;
 - the unaudited pro forma statement of consolidated net assets of the Chi-Med Group, as referred to in "Part VI - Unaudited Pro Forma Statement of Consolidated Net Assets of the Group" on page 116 of Appendix I to the Hong Kong Offering Document is set out below:

Set out below is an unaudited pro forma statement of consolidated net assets of the Chi-Med Group which has been prepared to show the effect on the financial position of the Chi-Med Group of the capitalisation of the amounts due to HHHL, the immediate parent company of Chi-Med, (the **Capitalisation**), and the Placing and Hong Kong Offering and admission to AIM as if they had taken place on 31 December 2005. The unaudited pro forma statement of consolidated net assets has been prepared, on the basis of the notes set out below, for illustrative purposes only and, because of its nature, it addresses a hypothetical situation and does not, therefore, represent the Chi-Med Group's actual financial position following the Capitalisation, the Placing and the Hong Kong Offering and admission to AIM.

	At 31 December 2005 (Note 1) US\$'000	Adjustments		Group pro forma net assets US\$'000
		Capitalisation of loans (Note 2) US\$'000	Proceeds from the Placing (Note 3) US\$'000	
Assets				
Non-current assets				
Property, plant and equipment	22,012	-	-	22,012
Leasehold land prepayments	4,085	-	-	4,085
Intangible assets	6,810	-	-	6,810
	<u>32,907</u>	<u>-</u>	<u>-</u>	<u>32,907</u>
Current assets				
Inventories	8,678	-	-	8,678
Trade receivables	12,864	-	-	12,864
Other receivables and prepayments	1,299	-	-	1,299
Amounts due from related parties	1,517	-	-	1,517
Cash and cash equivalents	5,617	-	68,326	73,943
	<u>29,975</u>	<u>-</u>	<u>68,326</u>	<u>98,301</u>
Total assets	<u>62,882</u>	<u>-</u>	<u>68,326</u>	<u>131,208</u>
Liabilities				
Current liabilities				
Trade payables	3,938	-	-	3,938
Other payables and accruals	3,641	-	-	3,641
Amounts due to related parties	81,180	(74,203)	-	6,977
Short term bank loans	7,385	-	-	7,385
	<u>96,144</u>	<u>(74,203)</u>	<u>-</u>	<u>21,941</u>
Total liabilities	<u>96,144</u>	<u>(74,203)</u>	<u>-</u>	<u>21,941</u>
Net assets/(liabilities)	<u>(33,262)</u>	<u>74,203</u>	<u>68,326</u>	<u>109,267</u>

Notes:

- The net liabilities of the Chi-Med Group as at 31 December 2005 have been extracted without material adjustment from the historical financial information of the Chi-Med Group set out in Part V of Appendix I to the Hong Kong Offering Document.
 - Pursuant to a board resolution passed on 9 May 2006, the directors approved the issue of 36,666,665 ordinary shares of US\$1 each, credited as fully paid, to HHHL by way of capitalisation of loans of HK\$575,219,920 due to HHHL as at 31 March 2006. The capitalisation of the loans is conditional on (but effective immediately prior to) the admission to AIM of Chi-Med. Further information on the capitalisation of loans is set out in paragraph 3.3 of Part VIII of Appendix I to the Hong Kong Offering Document.
An adjustment has been made to reduce amounts due to related parties by US\$74.203 million (equivalent of HK\$575,219,920 using an exchange rate of HK\$1 = US\$0.129, being the exchange rate prevailing on 9 May 2006).
 - An adjustment has been made to reflect the net proceeds from the Placing and the Hong Kong Offering of approximately US\$68.326 million, after estimated issue costs of US\$5.99 million using an exchange rate of £1 = US\$1.858. It is assumed that all estimated issue costs are directly attributable to the proposed Placing and the Hong Kong Offering and will be deducted from share premium.
 - No account has been taken of trading or other transactions of Chi-Med and its subsidiary undertakings since 31 December 2005 other than as included above.
- (j) the Placing comprises 14,537,704 Ordinary Shares being offered to certain institutional investors in the UK only, 109,194 Ordinary Shares were offered to Hong Kong shareholders of the Company under the Preferential Offering pursuant to the requirements of the Hong Kong Listing Rules, acceptances were received from Qualifying HWL Shareholders in respect of 7,750 Reserved Shares and the 101,444 Ordinary Shares not taken up by Qualifying HWL Shareholders were included in the Placing, as referred to in the section headed "The Placing" on page 117 of Appendix I to the Hong Kong Offering Document;
- (k) HHHL, a subsidiary of the Company, will hold approximately 71.6 per cent. of the Ordinary Shares immediately following the Admission, as referred to in the section headed "Lock-up arrangements" on page 118 of Appendix I to the Hong Kong Offering Document;
- (l) the maximum aggregate nominal value of Ordinary Shares agreed by the directors of Chi-Med to be allotted for the purposes of the Placing and the Preferential Offering is US\$14,545,454 and the maximum aggregate nominal value of Ordinary Shares agreed by the directors of Chi-Med to be allotted for purposes other than the loan capitalisation, the Placing and the Preferential Offering is US\$17,100,000, as referred to in the section headed "Share Capital" on pages 125 and 126 of Appendix I to the Hong Kong Offering Document;
- (m) the directors of Chi-Med are empowered to allot Ordinary Shares, provided that other than in connection with a rights issue or other pre-emptive offer, or the matters referred to in paragraphs 3.3(c)(i) and (ii) of the section headed "Share Capital" on page 126 of Appendix I to the Hong Kong Offering Document should not exceed an aggregate nominal value of US\$2,561,000, as referred to in the section headed "Share Capital" on pages 125 and 126 of Appendix I to the Hong Kong Offering Document and the directors of Chi-Med are also authorised to allot Ordinary Shares pursuant to the Scheme without applying the pre-emption rights described in paragraph 4.6 on page 128 of the Appendix I to the Hong Kong Offering Document;
- (n) so far as the directors of Chi-Med are aware, the persons who are interested in more than three per cent. of the issued share capital of Chi-Med are (and following Admission), as referred to in the section headed "Directors' and Other Interests" on page 137 of Appendix I to the Hong Kong Offering Document are expected to be as follows:

Shareholder	As at the date of this document		Following Admission	
	Number of ordinary shares	Percentage of issued share capital	Number of ordinary shares	Percentage of issued share capital
HHHL ⁽¹⁾	2	100 per cent.	36,666,667 ⁽²⁾	71.6 per cent.

Notes:

- HHHL is a private company registered in the British Virgin Islands and carries on business as a holding company. HHHL is an indirect wholly owned subsidiary of the Company which is registered in Hong Kong. Chi-Med has entered into agreements with the Company regulating the Group's (excluding the Chi-Med Group) relationship with Chi-Med. Further details of the Relationship Agreement and the Services Agreement are disclosed at paragraph 20 of Part VIII of Appendix I to the Hong Kong Offering Document.
 - This shareholding includes 36,666,665 Ordinary Shares arising by way of capitalisation of amounts due to HHHL of HK\$575,219,920. Further details relating to the capitalisation of these loans are disclosed at paragraph 3.3 of Part VIII of Appendix I to the Hong Kong Offering Document. The amount capitalised is the amount of loans outstanding at 31 March 2006. Since 31 March 2006, the Chi-Med Group has incurred further indebtedness to HHHL in respect of the Chi-Med Group's working capital requirement since 31 March 2006. The directors intend to repay these amounts shortly following Admission.
- (o) the total amount being raised through the Placing and the Hong Kong Offering is approximately £40 million, the total costs and expenses of, or incidental to, the Placing, the Hong Kong Offering and Admission, all of which are payable by Chi-Med, are estimated to be approximately £3.23 million and the expected net proceeds of the Placing and the Hong Kong Offering, after deduction of such costs and expenses, are approximately £36.77 million, as referred to in the section headed "General" on page 169 of Appendix I to the Hong Kong Offering Document;

- (p) the date of the admission document in relation to the Placing is 10 May 2006, as referred to on page 174 of Appendix I to the Hong Kong Offering Document;
- (q) the Placing Agreement has been entered into between Chi-Med, Hutchison China, HHHL, Lazard and Panmure Gordon as is dated 10 May 2006, as referred to in the section headed "Definitions" on page 178 of Appendix I to the Hong Kong Offering Document;
- (r) the Placing Price is 275p per Ordinary Share, as referred to in the section headed "Definitions" on page 178 of Appendix I to the Hong Kong Offering Document; and
- (s) the number of Ordinary Shares to be issued pursuant to the Placing is 14,537,704 Ordinary Shares, as referred to in the section headed "Definitions" on page 178 of Appendix I to the Hong Kong Offering Document.

The following information has been updated as a result of the change of the date of Admission of the Ordinary Shares to AIM:

- (t) all the references to "17 May" on pages 5, 39, 117, 118, 120, 125 and 160 of Appendix I to the Hong Kong Offering Document should now be read as referring to "19 May"; and
- (u) all the references to "24 May" on pages 5, 117, 118, 119, 120 and 160 of Appendix I to the Hong Kong Offering Document should now be read as referring to "26 May".

Further, the following information regarding the personal particulars of Christian Hogg, the current directorships and partnerships of Christian Salbaing and the current and past directorships and partnerships of Michael Howell has been updated as follows:

- (v) the age of Christian Hogg is 41, as set out on page 35 of Appendix I to the Hong Kong Offering Document;
- (w) in addition to the current directorships and partnerships set out on pages 140 to 142 of Appendix I to the Hong Kong Offering Document, Christian Salbaing is also currently a director of Seasonal Profits Limited; and
- (x) in addition to the past directorships and partnerships set out on page 147 of Appendix I to the Hong Kong Offering Document, Michael Howell was also a past director or partner of BV Nederlandse Kogellager Import NKI, Eurosourceonline UK Ltd, FPT International BV, RHP Kogellagers Nederland BV, WYKO Antriebstechnik GmbH, WYKO Andrijftechnik BV, WYKO International Ltd and WYKO Transmissions SA/Andrijngen NV.

APPLICATIONS RECEIVED

32 valid applications on BLUE application forms in respect of 7,750 Reserved Shares were received, equivalent to approximately 7.10% of the total number of Reserved Shares available for application under the Preferential Offering. 101,444 Reserved Shares which have not been taken up in the Preferential Offering have been re-allocated to the Placing.

EXPECTED TIMETABLE

	2006
Announcement of the Final HK Price to be published in The Standard (in English) and the Sing Tao Daily (in Chinese)	11 May
Despatch Chi-Med share certificates	16 May
Despatch refund cheques	17 May
Dealings in Chi-Med Shares on AIM expected to commence on	19 May (UK time)

NOTIFICATION OF REJECTION AND ALLOCATION

Each subscribing Qualifying HWL Shareholder will be notified in writing whether his/her application for Reserved Shares is successful. Letters addressed to applicants whose applications were rejected were despatched on Wednesday, 10 May 2006 to the address of the relevant Qualifying HWL Shareholder in Hong Kong as recorded in the Company's register of members on the Record Date (**Registered Address**). Successful applicants will be notified by post, by letters enclosing their Chi-Med share certificates expected to be despatched on Tuesday, 16 May 2006.

REFUNDS

Applicants who notified Computershare before 5:00 p.m. on Monday, 8 May 2006 of their intention to do so, may collect their refund cheques from Computershare on Wednesday, 17 May 2006 from 9:00 a.m. to 1:00 p.m. (or such other date and time as may be advised later by the Company and/or Chi-Med). After such time, all uncollected refund cheques, together with all the other refund cheques, will be despatched by ordinary mail to the relevant Registered Address at the applicant's own risk.

COMMENCEMENT OF DEALINGS IN CHI-MED SHARES

Dealings in Chi-Med Shares are expected to commence on the AIM on **Friday, 19 May 2006 (UK time)**. A Qualifying HWL Shareholder who successfully applied for Reserved Shares will not be able to trade his/her Reserved Shares on Friday, 19 May 2006 and his/her ability to trade the Chi-Med Shares after Friday, 19 May 2006 will depend on his/her individual arrangements with his/her broker.

GENERAL

As the listing of Chi-Med Shares pursuant to the Proposed Separate Listing and the Placing is subject to, among other things, the Proposed Separate Listing and the Placing becoming unconditional and the final decision of the Board and the Chi-Med Board to proceed with the Proposed Separate Listing, the Proposed Separate Listing and the Placing may or may not proceed. If the Proposed Separate Listing and the Placing do not proceed for any reason, the Preferential Offering will not proceed. Accordingly, shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

THE DIRECTORS

As at the date of this announcement, the directors of the Company are:

- Executive Directors:**
 Mr. Li Ka-shing (*Chairman*)
 Mr. Li Tzar Kuoi, Victor (*Deputy Chairman*)
 Mr. FOK Kin-ning, Canning
 Mrs. CHOW WOO Mo Fong, Susan
 Mr. Frank John SIXT
 Mr. LAI Kai Ming, Dominic
 Mr. KAM Hing Lam

- Independent Non-executive Directors:**
 The Hon. Sir Michael David KADOORIE
 Mr. Holger KLUGE
 Mr. William Elkin MOCATTA
 (*Alternate to The Hon. Sir Michael David Kadoorie*)
 Mr. Simon MURRAY
 Mr. OR Ching Fai, Raymond
 Mr. WONG Chung Hin
 (*also Alternate to Mr. Simon Murray*)

Non-executive Directors:

- Mr. George Colin MAGNUS
 Mr. William SHURNIAK

By Order of the Board

Edith Shih
Company Secretary

Hong Kong, 10 May 2006