

# Highlights

## Group Results

- Sales up 29% to \$65.1 million (2006: \$50.4 million). Organic growth on continuing operations.
- Operating loss -\$14.8 million (2006: -\$8.2 million) reflecting higher research and development and consumer products investment and non-recurring loss from discontinued operations.
- Non-recurring loss from discontinued operations -\$5.1 million (2006: -\$2.9 million) includes losses plus one-time provision for closing Nao Ling Tong product line.
- Net loss attributable to equity holders of Chi-Med -\$17.2 million (2006: -\$9.6 million).

## China Healthcare Division

- China Healthcare Division sales, on continuing operations, up 28% to \$61.4 million (2006: \$48.1 million), operating profit up 27% to \$6.8 million (2006: \$5.4 million) and net profit after tax attributable to equity holders of Chi-Med up 13% to \$4.5 million (2006: \$4.0 million).
- Due diligence underway on several potential China acquisitions and joint ventures.

## Drug R&D Division

- Drug R&D Division spent \$12.4 million in cash during 2007 (2006: \$6.7 million).
- Landmark strategic partnership agreement signed with Eli Lilly and Company.
- Clinical progress on our lead drug candidate HMPL-004, positive outcomes in China Phase II study on ulcerative colitis and FDA clearance to expand to global Phase IIb trial.
- Discovery progress. Two novel small molecule compounds in late preclinical development. 72 global patent applications filed by the end of 2007 (2006: 61).

## Consumer Products Division

- Sales up 36% to \$2.9 million (2006: \$2.1 million) following further London shop openings.
- Planning to launch Sen consumer products internationally in 2008.