



## **ASIApharm Group Ltd**

### **Press Release – Exclusive Distribution with LG Life Sciences Ltd.**

#### **ASIAPHARM SEALS EXCLUSIVE PRC DISTRIBUTION AGREEMENT WITH LG LIFE SCIENCES LTD. FOR OSTEOARTHRITIS DRUG; ADDITIONAL REVENUE STREAM FOR ORTHOPAEDIC SEGMENT FROM FY2008**

- **AsiaPharm appointed sole PRC distributor for LG Life Sciences Ltd.'s proprietary osteoarthritis drug – Hyruan Plus Inj.<sup>®</sup>**
- **Hyruan Plus Inj.<sup>®</sup> recently obtained approval for sale in the European Union and is currently sold in South Korea, South East Asia and Latin America with annual sales of more than RMB 153.0 million**
- **Import license for Hyruan Plus Inj.<sup>®</sup> is expected to be approved in the first half of 2008**
- **Collaboration with Korea's leading pharmaceutical manufacturer to enhance Asia Pharm's international status and open up future collaboration opportunities**

**Singapore – 22 Aug 2007 – AsiaPharm Group Ltd.** (“AsiaPharm” or the “Group” or 亚洲药业集团有限公司), a leading specialty pharmaceutical group in the People's Republic of China (“PRC”) focusing on the research and development (“R&D”), production and sale of natural drugs and drug delivery systems (“DDS”), announced today that its wholly owned subsidiary Shandong Luye Pharmaceutical Co., Ltd (“Luye” or “山东绿叶制药有限公司”) has signed an exclusive product distribution agreement with leading Korean drug maker **LG Life Sciences Ltd.** (“LGLS”) for its proprietary osteoarthritis drug – **Hyruan Plus Inj.<sup>®</sup>** (“**Sodium Hyaluronate**” or “**Hyruan Plus**”) – a hyaluronic acid injection for osteoarthritis of the knee joint.

This exclusive distribution agreement gives Luye the full rights to distribute Hyruan Plus within the PRC with targeted sales of approximately 1.34 million units over the next 5 years. Hyruan

Plus – a natural complex sugar of the Glycosaminoglycan family – is injected into the patient's affected joint to suppress cartilage decomposition resulting from bone abrasion, thereby relieving pain and reducing inflammatory effects.

Osteoarthritis is a common ailment afflicting aged populations across the world. According to figures from the "China Pharmaceutical News", Osteoarthritis affects 78.5% of the PRC population above 60 years old. Osteoarthritis mainly affects weight-bearing joints (like the knees), following degeneration of cartilage and synovial fluid (hyaluronic acid) due to old-age, obesity, injury or genetics.

Since its initial launch in South Korea in 2005, Hyruan Plus has been warmly received by the market with sales doubling to over RMB 135.0 million in 2006 from RMB 60.0 million in 2005. The product is currently sold in South Korea, South East Asia and Latin America; and has received sales approval from the European Union in June 2007.

Commenting on the appointment, AsiaPharm's Executive Chairman, Mr Liu Dianbo, said, "This collaboration with LGLS marks a new milestone for AsiaPharm and is testament to our leading status in the PRC pharmaceutical industry. Through continued collaborations with international pharmaceutical manufacturers such as LGLS, AsiaPharm will enhance its global positioning and uncover additional opportunities for future development."

"This latest product adds to our stable of Orthopaedics products such as Sidinuo and further consolidates our position as a market leader. We are currently working closely with LGLS to secure the import license and expect to proceed with a formal market launch in the middle of 2008. Leveraging on our established marketing and distribution network in the PRC, we are confident that Hyruan Plus will achieve significant sales growth in the near future," added Mr Liu.

Mr. Hogan Kim the vice president of LGLS, said, "The collaboration between Luye and LGLS marks the beginning of a successful working relationship. Through this cooperation, we will gain a foothold in the rapidly expanding PRC market and obtain a strategic partner that will help boost our future strategic initiatives."

**### End ###**

***Issued on behalf of AsiaPharm Group Ltd. by WeR1 Consultants Pte Ltd***

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**About AsiaPharm Group Ltd.**

Established in 1994, we are today a leading specialty pharmaceutical group in the People's Republic of China ("PRC") focusing on the research and development, production and sale of natural drugs and drug delivery systems. Fully equipped, integrated and GMP-certified, our ultra-modern facilities in Yantai and Nanjing enables us to carry out all aspects of pre-clinical evaluation – from pharmaceutical to pharmacology research, drug safety evaluation and clinical trials – as well as full production of our natural and new DDS technology drugs. AsiaPharm currently employs approximately 140 researchers and has close collaborative relationships with renowned universities and research institutions around the globe to complement its R&D efforts, enabling AsiaPharm to stay at the forefront of specialty pharmaceutical developments. To reach our customers, we have established an extensive distribution network of 35 sales support offices, covering 30 provinces, municipals, and autonomous regions, reaching approximately 3,000 hospitals. This is further supported by a strong network of 250 distributors and 500 sales and marketing personnel. In line with our international expansion strategy, AsiaPharm has established a market presence in Vietnam, Pakistan and Korea.

**About LG Life Sciences Ltd.**

LG Life Sciences, Ltd. ("LGLS"), an LG affiliate, is the leading pharmaceutical company based in Seoul, Korea, committed to promoting health and well-being of patients. Its key therapeutic areas include metabolic and cardiovascular diseases as well as infectious and liver diseases. LGLS seeks to continue developing global brand products such as Factive® (gemifloxacin) and expanding its marketing presence in the world with focus in Asia. Additional information is available in its corporate website, [www.lgls.com](http://www.lgls.com).