



ASIAPharm Group Ltd

Press Release – Acquisition Release

ASIAPHARM APPOINTS EXCLUSIVE KOREAN DEVELOPMENT AGENCY FOR RECENTLY ACQUIRED ONCOLOGY DRUG CMNa®; UNDERLINING GLOBAL MARKET PENETRATION INITIATIVE

- **AsiaPharm awards exclusive agency to international drug distribution agency KKC Corporation Co Ltd to appoint the sole distributor for CMNa® in South Korea**
- **Appointed agent together with the selected local distributor will obtain all relevant approvals pertaining to the sale of CMNa® in South Korea, paving entry into the growing South Korean pharmaceutical market worth an estimated USD 6.6 billion annually**
- **Expansion into South Korea follows earlier advance into the Vietnam market marking the next phase of AsiaPharm’s regional expansion initiative**
- **Integration of existing and newly acquired businesses part of Group’s key process for 2007**

Singapore – 10 Jan 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 it has assigned an exclusive product development agency in Korea to KKC Corporation Co Ltd (“KKC”) for its recently acquired Oncology drug CMNa® (Sodium Glycididazole for Injection) – a Class One New chemical drug in the PRC and the only approved radiotherapy sensitizer in the world.

This exclusive product development agreement marks AsiaPharm’s maiden entry into the expanding South Korean pharmaceutical market, which recorded an industry-wide growth rate of 14% in 2005 and has been estimated to be worth over USD 6.6 billion annually by IMS Health.

KKC – an established agency of many well-known Chinese and Korean pharmaceutical products to the region – sees great market potential for Asiapharm’s newly acquired Oncology drug CMNa®. Leveraging on its extensive experience in drug distribution, KKC will seek to obtain the necessary approvals to distribute CMNa® in South Korea while aiding AsiaPharm in appointing a sole distributor for CMNa® in South Korea.

CMNa® is the only approved chemical sensitizer for radiotherapy in the world. It has been classified as a “Class One New Drug” by the PRC State Food and Drug Administration (“SFDA”), and utilises a unique chemical compound that inhibits the recovery of cancer cells destroyed during radiation therapy. AsiaPharm acquired all rights and patents to CMNa in October 2006 which includes product patents in the PRC, United States, European Union and patents pending approval in Japan. Leveraging on the international recognition for CMNa, AsiaPharm is set to capitalise on the opportunity presented to penetrate the international Oncology pharmaceutical market.

This expansion into South Korea follows its earlier advance into Vietnam in 2005 and is in line with the Group’s international expansion strategy. The agency also underlines AsiaPharm’s integration process of existing and newly acquired businesses, which is one of the Group’s key objectives for 2007 following the successive acquisitions of CMNa® in October 2006 for RMB 80 million and Oncology-product manufacturers Nanjing Sike and Nanjing Kanghai in January 2007 for RMB 345 million.

“This collaboration with KKC opens up a potential new market for AsiaPharm and marks another major breakthrough for our Oncology segment. Leveraging on KKC’s familiarity with the Korean pharmaceutical industry, this collaboration will enable AsiaPharm to introduce CMNa® and possibly our other key products into the Korean market without having to generate resources to manage differences in regulatory environment or incur significant marketing costs,” said Mr Liu Dianbo, AsiaPharm’s Executive Chairman.

“We are confident that this entry into South Korea will further our goals to expand AsiaPharm’s regional footprint and in a projected way to further improve our financial performances and generate greater shareholder benefit.” said Mr Liu

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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. Our ultra modern facility in Yantai is fully equipped with leading edge technology, fully integrated and GMP certified, enabling us to carry out all aspects of pre-clinical evaluation; from pharmaceutical to pharmacology research, drug safety evaluation and clinical trials; to the full production of our natural drugs. Our successive acquisitions in 2006 and 2007 served to further strengthen our oncology business segment and elevate our position within the PRC Pharmaceutical industry. We currently employ more than 140 researchers and have close collaborative relationships with renowned universities and research institutions to drive our R&D efforts, enabling us 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, municipalities, and autonomous regions, reaching out to more than 2,000 hospitals. This is further supported by a strong network of 350 distributors and 500 sales and marketing personnel.