



ASIAPHARM GROUP LTD

ASIAPHARM TO END EXCLUSIVE DISTRIBUTION AGREEMENT WITH ZUELLIG PHARMA

The Board of Directors (the “Board”) of AsiaPharm Group Ltd (“AsiaPharm” or “the Group”) a leading specialty pharmaceutical group in the People’s Republic of China (“PRC”), wishes to announce that it has jointly agreed to cease the exclusive distribution agreement with Zuellig Pharma China (“Zuellig”), announced on 16 April 2007.

The joint decision to cease the agreement – which was to start operation from 1st July 2007 – was made after two-months of preparation for integration, and after thorough evaluation, when it was concluded that there may be geographical areas which are not viable for integration, and may accordingly affect the business and financial results originally expected from the cooperation. The decision will not have any material impact on the operations and financial performance of the Group, but as part of the post M&A business integrations, management will make necessary internal adjustments to improve the original commercial function.

While the exclusive distribution agreement has been terminated, this should not prevent any co-operation opportunities between both parties in the future.

By Order of the Board

Liu Dianbo
Executive Chairman
Dated: 27 June 2007