



ASIAPharm Group Ltd

Press Release

SGX-LISTED ASIAPHARM SEALS AGREEMENT TO SELL PROPRIETARY PHARMACEUTICAL PRODUCTS TO PAKISTAN, EXPANDING REGIONAL MARKET PRESENCE

- **Appoints local distributors in Pakistan to import and distribute key products, Maitongna (麦通纳) and Nuosen (诺森), for contracts initially valued at approximately RMB10 million over three years**
- **Agreement allows Group to penetrate the high-growth Pakistan pharmaceutical market, in line with Group's international market strategy**

Singapore, 14 February 2007 – Singapore Exchange Main Board-listed AsiaPharm Group Ltd. (“AsiaPharm” or “the Group” or “亚洲药业集团有限公司”) announced today that its wholly owned Shandong Luye Pharmaceutical Co., Ltd (“Luye” or “山东绿叶制药有限公司”) has signed import and distribution agreements with local distributors in Pakistan for two key products Maitongna (麦通纳) – an anti-inflammatory and anti-swelling drug used in the fields of orthopaedics and neurology – and Nuosen (诺森) - a gastroenterology drug used for gastroenterological ailments such as duodenum ulcers and gastric ulcers etc, initially valued at RMB10 million for delivery over three years.

AsiaPharm, 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, said that under the terms of the agreement, the distributors will import, market and distribute Maitongna and Nuosen in Pakistan, which has a population of over 140 million people.

The agreement allows the Group to penetrate Pakistan's US\$1.2 billion-a-year pharmaceutical market which has exhibited significant growth potential with a compounded annual growth rate of 10% over the past years.

Leveraging on its first-mover advantage in the market for the proprietary chemical compounds and formulations, Nuosen and Maitongna are expected to secure a significant market share in Pakistan.

"These collaborations follow our initial overseas foray into Vietnam in 2005 and mark another significant milestone for the Group's international business strategy. It will serve as a platform to springboard our penetration into neighbouring markets and further consolidate our regional distribution footprint," Mr Liu Dianbo (刘殿波)," Executive Chairman of AsiaPharm commenting on the agreements.

"To ensure that this collaboration achieves its full potential and hasten our entry into the market, we will work closely with the distributors in their marketing efforts to promote our products in Pakistan. We are confident about the future contribution from these collaborations and look forward to its future development," Mr. Liu added.

The Group is awaiting approval of drug import licenses from the Pakistan's Ministry of Health, with product sales expected to commence in 2007.

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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. 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 2500 hospitals. This is further supported by a strong network of over 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.