



ASIApharm Group Ltd

Press Release – Acquisition Release

ASIAPHARM ACQUIRES PHARMACEUTICAL DISTRIBUTOR FOR S\$2.1M; MOVE OPENS UP SINGAPORE AND MALAYSIAN DISTRIBUTION NETWORK

- **AsiaPharm to penetrate Singapore and Malaysian pharmaceutical markets through its S\$2.1 million-acquisition -- Wearnes Biotech & Medicals Pte Ltd**
- **Wearnes Biotech & Medicals Pte Ltd with its reach of more than 1000 outlets in the region will springboard AsiaPharm's future expansions within the ASEAN market**
- **AsiaPharm will become the sole overseas distributor for 43%-owned anti-cholesterol drug manufacturer WBL Peking University Biotech Co. Ltd**

Singapore, 7 May 2007 – Singapore Exchange (“SGX”) listed **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 acquired Wearnes Biotech and Medicals Pte Ltd (“WBM”) – a wholly owned subsidiary of Singapore-listed WBL Corporation Limited (“WBL”) – in a S\$2.1 million all-cash transaction.

This latest acquisition follows its purchase of a 43%-stake in WBL Peking University Biotech Co. Ltd (“WPU”) – a leading anti-cholesterol drug manufacturer in the PRC – in April 2007, underlining the Group’s international expansion strategy initiated in FY2005 which establishes AsiaPharm’s foothold in Vietnam, Pakistan and Korea.

With over 1,000 distribution outlets in Singapore and Malaysia, WBM distributes drugs for elevated cholesterol problems to doctors and pharmacies under the brands **Lipascor**[®] (a prescription drug) and **HypoCol**[®] (an over the counter (“OTC”) food supplement). These drugs are made from a clinically proven and patented natural active ingredient extracted from red

yeast rice. The acquisition of WBM will also integrate the distribution channels of recently acquired WPU which manufactures and distributes the proprietary active ingredient.

Leveraging on its established distribution network and Norwegian sales experience, WBM – with a turnover of S\$1.5 million in FY2006 – will expand its market penetration into other ASEAN countries, Europe and Australia.

Commenting on the acquisition, AsiaPharm's Executive Chairman, Mr Liu Dianbo, said, "This is a key step in our international expansion. While the PRC remains our core market, we recognize the potential of expanding overseas. Our successes in Vietnam, Pakistan, Korea in FY2006 and now Singapore and Malaysia, bear testimony to AsiaPharm's commitment to become a leader in the regional pharmaceutical industry and pave the way for our entry into Europe and North America."

WBM's distribution network in Singapore and Malaysia will allow AsiaPharm to further develop its OTC drug portfolio. Through WBM's links with pharmacies and doctors, AsiaPharm will be able to cross-sell several of its proprietary natural drugs and OTC products such as **Sailmai**[®] (used in treating acute and chronic diarrhoea), **Ximingting**[®] (a natural drug used to treat menopausal symptoms), **Okai**[®] (a natural drug used to treat vein dysfunction, varix and piles), **Olai**[®] (an anti-inflammatory topical application gel), and **Otong**[®] (a topical application gel for rheumatism).

"Many of our proprietary drugs possess the potential to be sold over the counter in the PRC and across the region. This latest acquisition further complements our existing strategy to develop a domestic and international OTC drug distribution network which will enhance the AsiaPharm's future growth and generate value for our loyal shareholders," Mr Liu added.

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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 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.