



**ASIAPharm Group Ltd**

**Press Release**

## **ASIAPHARM TO LAUNCH SAILIMAI® - A NEW FORMULATION FOR TREATING ACUTE AND CHRONIC DIARRHOEA**

- **New formulation natural drug tablets - SailiMai® - obtained New Drug Approval certification; market launch expected soon**
- **Smectite, the main ingredient, is an internationally recognised drug in treating acute and chronic diarrhoea; new formulation targets domestic market of over RMB500 million**
- **China and PCT patent application in process**
- **Potential as an OTC drug to broaden Group's market in the PRC**
- **Group to seek global opportunities for SailiMai®**

**Singapore, 30 June 2006** – Singapore Exchange Main Board-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, production and sale of natural drugs and drug delivery systems, announced today that its wholly owned subsidiary Shandong Luye Pharmaceutical Co., Ltd (“Luye” or “山东绿叶制药有限公司”) will soon be launching Salimai® (塞立迈), a new formulation for treating acute and chronic diarrhoea.

The expected date of launch of Salimai<sup>®</sup> is in line with the previous publication of the Group's Pipeline Schedule, and follows the recently obtained New Drug Approval certification for the drug from the State Food and Drug Administration ("SFDA") of the PRC.

Smectite – the main ingredient of SailiMai<sup>®</sup> - is a natural extract that is commonly used to treat acute and chronic diarrhoea, as well as other intestinal and gastric-related ailments. Upon consumption, it is quickly deployed within the intestinal tracts, absorbing and removing bacteria and viruses which are direct causes of diarrhoea. Smectite is not absorbed into the digestive system, and allows for the repair of the damaged intestinal mucous membrane without any negative side effects. It has been clinically proven to be effective in the treatment of diarrhoea and is suitable for consumption by all.

With rising affluence and increasing health consciousness amongst the urban populace, there is a growing demand for high-quality effective drugs. Diarrhoea is a common ailment in metropolitan areas within the PRC, with individual morbidity rates of 0.4 times a year.

The three major products presently in the market for diarrhoea treatment are antibiotics, micro ecological formulation and Smectite powder. Smectite powder is currently sold in sachets, but it is difficult to accurately control and measure the dosage. SailiMai<sup>®</sup> – or Smectite Dispersible Tablets – addresses the above issue by introducing this new formulation, offering ease in dosage measurement and convenience in storage. The Group has applied to register the patents in China and PCT. While there is huge prescription market demand, SailiMai<sup>®</sup> also has strong potential as a high quality over the counter ("OTC") drug for the treatment of diarrhoea. Latest figures estimate the domestic Smectite powder market to be worth an estimated RMB500 million.

"As part of the Group's long-term strategy, SailiMai<sup>®</sup> will allow AsiaPharm to expand its customer base through the prescription and OTC markets, while providing an additional revenue generator for the Group. As the effectiveness of Smectite is well-recognised in the international market, we believe there is vast potential in the global market for this exciting new formulation," said Mr Liu Dianbo (刘殿波), Executive Chairman of AsiaPharm.

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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. We currently employ more than 120 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, municipals, and autonomous regions, reaching approximately 2,000 hospitals. This is further supported by a strong network of 250 distributors and 280 sales and marketing personnel.

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

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