



## **ASIAPharm Group Ltd**

### **Press Release**

# **ASIAPHARM EXPANDS PRODUCT PORTFOLIO WITH LAUNCH OF PANTOPRAZOLE SODIUM ENTERIC-COATED PELLET CAPSULE – NEW ORAL FORMULATION FOR THE TREATMENT OF CHRONIC PEPTIC AND GASTRIC ULCERS**

- **New oral formulation Pantoprazole Sodium Enteric-coated Pellet capsule complements existing product Nuosen in the treatment of chronic peptic and gastric ulcers**
- **Targets the growing PRC urban population which is increasingly afflicted due to stress conditions and changing lifestyle habits**

**Singapore, 02 October 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”) has received the New Drug Approval from the State Food and Drug Administration (“SFDA”) of the People’s Republic of China (“PRC”) for its Pantoprazole Sodium Enteric-coated Pellet Capsule (泮托拉唑口服肠溶微丸). With the product launch expected in 2007, AsiaPharm will expand its existing product portfolio in the treatment of peptic ulcers, targeting the growing PRC urban population which is affected by such lifestyle and stress induced ailments.

Utilising a sustained release technology developed by AsiaPharm's dedicated R&D team, the new Pantoprazole Sodium Enteric-coated Pellet Capsule is able to release the active ingredients with a higher degree of accuracy than comparable products, while maintaining the drug's maximum efficacy as it travels through the digestive system.

The Group is currently awaiting final approval for its application for a 20-year protection patent on this new formulation which will prohibit manufacturers from duplicating the product.

Sale of pharmaceutical drugs accounted for over 87% of the Group's total revenue for the first half of the financial year ending 31 December 2006 ("1H2006"). Keeping in line with the Group's R&D product pipeline and its strategy to focus on the sale of its own pharmaceutical products the introduction of this new drug will serve to expand AsiaPharm's range of Gastroenterology drugs - a growing segment of its pharmaceutical sales business.

"This new formulation is a product based on our R&D efforts in Drug Delivery System ("DDS"), using this sustained release technology we are able to formulate a drug which is stable and more efficient at treating the ailment," Mr Liu Dianbo (刘殿波)," Executive Chairman of AsiaPharm explaining the strengths of this new product.

"Our injection form product – Nuosen – is widely used by doctors in the treatment of Acute Peptic ulcer, an ailment that costs patients in PRC over RMB 450 million annually. Our new formulation of the Pantoprazole compound utilises a similar active ingredient, but a different drug delivery system. It will target patients suffering from chronic peptic ulcer, which requires continued administration of medication in the treatment process. This will serve to expand our portfolio of existing products in the Gastroenterology segment. Leveraging on existing marketing efforts and product recognition, our Pantoprazole Sodium Enteric-coated Pellet Capsule's marketing efforts will enjoy significant savings in time and cost, allowing for quick penetration into the market" added Mr Liu.

Peptic ulcers are ulcerations of the mucosa, sub-mucosa, and muscular layer of the lower esophagus or stomach due in part to the levels of acid-pepsin gastric juice present within the body. It is a disease generally related to stress levels and disoriented social and lifestyle habits. Peptic ulcers are most commonly found in the urban populace. In China, the average morbidity rate is about 11.43% but this figure is expected to increase with the booming economy and its rapid urbanisation.

For the January-June 2006 first half of FY2006, the Group's net profit after tax and minority interest rose 2.8% to RMB41.1 million compared to the first half of FY2005 despite a 6.0% decline in revenue to RMB 153.1 million as AsiaPharm continued its strategic shift in focus towards the higher-margin sales of its own pharmaceutical drugs. Regulatory reviews on the PRC healthcare industry have also prompted an industry tightening, but effects on AsiaPharm are contained and the Group is confident of its continued profitability.

##END##

#### **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***

**Media Contact Info**

WeR1 Consultants Pte Ltd

29 Scotts Road,

Singapore 228224

Tel : (65) 6737 4844

Fax : (65) 6737 4944

Tan Chin Lee, [tancl@wer1.net](mailto:tancl@wer1.net) or Yim Jeng Yuh, [yimjy@wer1.net](mailto:yimjy@wer1.net)