



NEWS RELEASE

ASIAPHARM SEALS EXCLUSIVE SUPPLY AGREEMENT WITH LEADING INDIAN PHARMACEUTICAL GROUP

Singapore, April 4, 2005 – AsiaPharm Group Ltd. (“AsiaPharm” or “the Group”) (亚洲药业集团有限公司), a leading specialty pharmaceutical group in the People’s Republic of China (“PRC”), today announced that Shandong Luye Pharmaceutical Co. Ltd (“Shandong Luye”), the Group’s main subsidiary in the PRC has signed an agreement with one of the largest pharmaceutical companies in India, Dr. Reddy’s Laboratories Limited (“Dr. Reddy”) to import Pantoprazole Sodium API (Active Pharmaceutical Ingredient) into the PRC.

Under the agreement, AsiaPharm will apply for the PRC import drug licence on behalf of Dr. Reddy and hold the exclusive rights to the supply of Pantoprazole Sodium API, which is the main ingredient for one of its key products, Nuosen® (Sodium Pantoprazole for Injection). Pantoprazole Sodium API is approved by both the Food and Drug Administration (“FDA”) and European Medicines Agency (“EMA”).

Said Mr Liu Dianbo (刘殿波), Executive Chairman of AsiaPharm: “This agreement marks the beginning of a strategic partnership with Dr. Reddy. This will enable us to improve the quality of Nuosen and expand our market share in the PRC.”

About Nuosen® (Sodium Pantoprazole for Injection) 诺森®

(注射用泮托拉唑钠)

Launched in 1999, Nuosen is a chemical drug with new formulation, manufactured from Sodium Pantoprazole, through the freeze dry process.

Nuosen was admitted to the “National Health Insurance List” in 2004. This prescriptive drug is mainly used to treat gastroenterological ailments, such as duodenum ulcers, gastric ulcers, acute pathologic change of gastric mucosa, compound gastric ulcer and acute haemorrhage of the upper digestive tract. To meet the different needs of our customers, we offer three different dosages of Nuosen; in 40mg, 60mg and 80mg.

In the financial year ended December 31, 2004, sales of Nuosen were RMB 24.4 million, which is 11.2% of sales of our pharmaceutical drugs.

About Dr. Reddy

Established in 1984, Dr. Reddy is today one of the largest pharmaceutical manufacturers in India. It is the first Asia Pacific pharmaceutical company outside Japan to be listed on NYSE in April 2001. The company was ranked amongst the 13 Best Managed Companies in India, in a survey by the ‘Business Today - AT Kearney Best Managed Companies’.

The company is involved in the entire pharmaceutical value chain - API and Intermediates, Finished Dosages (branded and generic) and New Chemical Entities (“NCE”) research. It exports API, branded formulations and generic formulations at affordable prices to over 60 countries.

About AsiaPharm Group Ltd

AsiaPharm is one of the PRC's leading specialty pharmaceutical groups that focused on the research, development, production and sale of natural drugs and chemical drugs with new formulations used in the fields of orthopaedics, neurology, gastroenterology and hepatology.

The Group has received GMP certification for all its production lines, including the production lines for lyophilised powders, tablets, capsules, granules, gel and Sodium Aescinate.

AsiaPharm has the ability to conduct all areas of pre-clinical evaluation, from pharmaceutical research to pharmacology research, drug safety evaluation and clinical trials. The Group has the capability to provide contract research services to other pharmaceutical manufacturers, and sell its R&D results and/or patents of new drugs to other pharmaceutical manufacturers. Its R&D centre currently employs more than 100 researchers and professionals.

With an extensive distribution network of 35 sales support offices covering 30 provinces, municipalities and autonomous regions, the Group's products are sold directly and through its distributors to approximately 2,000 hospitals throughout the PRC.

ISSUED ON BEHALF OF	:	AsiaPharm Group Ltd
BY	:	Citigate Dewe Rogerson, i.MAGE Pte Ltd 1 Raffles Place #26-02 OUB Centre SINGAPORE 048616
CONTACT	:	Ms Khai Yann Lin/Ms Vicki Loh at telephone
DURING OFFICE HOURS	:	6534-5122 (Office)
AFTER OFFICE HOURS	:	9781-1509/9730-5754 (Mobile)
EMAIL	:	yannlin.khai@citigatedrimage.com/ vicki.loh@citigatedrimage.com

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