

[For Immediate Release]



## **Sihuan Pharmaceutical and the Government of Tonghua City Signed Strategic Cooperation Agreement**

*Tonghua government's support to help drive Company's business in northern China*

HONG KONG, 5 January 2011 – **Sihuan Pharmaceutical Holdings Group Ltd.** (HKEx: 0460) ("Sihuan Pharmaceutical" or the "Company"), a leading pharmaceutical company with the largest cardio-cerebral vascular drug franchise in China by market share, announced it has recently signed a strategic cooperation agreement with the municipal government of Tonghua City in Jilin Province to expand its production facilities in the city and to invest in quality projects. The move will ensure more solid support and assistance from the local government while driving the rapid development of the Company's business in northern China.

Dupromise Holdings Limited ("Dupromise", located in Tonghua area), which Sihuan Pharmaceutical acquired earlier, will be used as a hub for the setting up of the Company's northern operation and management centre in Tonghua to help expand the Company's business in the region. The acquisition of Dupromise was highly regarded by the Tonghua government and it has since pledged its fullest support for the development of Dupromise and Sihuan Pharmaceutical in Tonghua area.

Dr. Che Fengsheng, Chairman and CEO of the Company, said, "We are extremely honoured to have been able to gain the support of the Tonghua government. The city's rich medical resources and solid industry foundation are set to help drive the Company's rapid development in the northern regions going forward."

Tonghua is renowned for its medical industry. The city currently has 135 pharmaceutical companies and its medical industry, a pillar of the local economy, is worth as much as RMB30 billion. Tonghua Changbai Mountain is one of the country's National Torch Plan areas for its achievements in Chinese herbal medicine. It is also a hub for the bio-industry on the national level and was declared "China Medical City" in 2008.

###

**About Sihuan Pharmaceutical Holdings Group Ltd.**

Founded in 2001, Sihuan Pharmaceutical Holdings Group Ltd. is a leading pharmaceutical company and the largest cardio-cerebral vascular drug franchise in China by market share. The success of the Group can be attributed to its differentiated and proven sales and marketing model, diversified portfolio of market leading drugs, extensive nationwide distribution network and strong research and development capabilities. The company currently sells 44 products encompassing the top five medical therapeutic areas in China: cardiovascular system, anti-infective, metabolism, oncology and nervous system. Their major products such as Kelinao, Anjieli, Chuanqing, Qu'ao and Aogan are widely used in the treatment of various cardio-cerebral vascular diseases. Kelinao together with Anjieli, in particular, have been the bestseller among hospitals each year since 2007.

**For further enquiries, please contact Hill and Knowlton Asia Ltd.**

Agnes Suen

Tel: (852) 2894 6251 / 9050 5406

Email: agnes.suen@hillandknowlton.com.hk

Sam Han

Tel: (852) 2894 6372 / 6498 6983

Email: sam.han@hillandknowlton.com.hk