

29 July 2004

Echo Signs MOU with Malaysia's Largest Healthcare Group

Echo Technologies Limited (Echo) is pleased to announce that it has signed a Memorandum of Understanding (MOU) with Xepa-Soul Pattinson, a wholly owned subsidiary of Apex Healthcare Berhad, Malaysia's largest pharmaceutical and healthcare group.

Under the terms of the MOU, Melaka-based pharmaceutical manufacturer Xepa-Soul Pattinson (XSP) and Echo will establish an exclusive Distribution and Licensing Agreement for identified high value pharmaceutical products, with Echo being appointed XSP's exclusive agent in Australia to market and distribute the products. Echo will also explore external markets such as New Zealand. Subject to the establishment of the Licensing Agreement, XSP has signalled its intention to take an equity stake in Echo.

Echo Technologies Managing Director, Mr Bryant McLarty said: "Echo is pleased to pursue this opportunity, which will allow the Company to vertically integrate the business of Epicchem with Xepa-Soul Pattinson's well-established pharmaceutical manufacturing business.

Epicchem (EHO 80%) provides highly specialised chemistry services to drug development and biotechnology companies worldwide. Epicchem is also developing intellectual property-generating research & development in pre-clinical drug discovery.

"The cost of Australia's Pharmaceutical Benefit Scheme (PBS) is increasing exponentially each year, so patent-expired medicines offer a more viable alternative," Mr McLarty said.

"Over the next two years, 33 PBS medicines will be coming off patent in Australia. Because of the way that international patent laws are structured, patents are granted and expire two years earlier in Malaysia than in Australia."

This will give XSP a two-year lead-time to formulate and produce these high value patent-expired medicines, creating a faster route to the Australian market.

Apex Healthcare Managing Director, Dr Kee Kirk Chin said: "We are pleased to be entering this partnership with Echo and feel certain that the agreement will mark the beginning of a successful relationship between the two companies".

About Apex Healthcare

Apex Healthcare Berhad is a vertically integrated Malaysian pharmaceutical group with substantial interests in the development, manufacturing and distribution of generic pharmaceuticals and personal healthcare products in Malaysia and Singapore. Apex Healthcare is listed on the Kuala Lumpur Stock Exchange.

Interview Opportunities for Thursday 29 July 2004:

- **Managing Director, Apex Healthcare Berhad, Dr Kee Kirk Chin**
- **Executive Director, Xepa Soul Pattinson, Goh Ser Heng**

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