



36 Reflection Gardens
Ballajura Western Australia 6066

Tel: +618 9321 3664
Fax: +618 9322 6887
info@orchidcapital.net

6 November 2006

**The Manager
Australian Stock Exchange
Company Announcements Office
Exchange Centre
Level 4 20 Bridge Street
Sydney NSW 2000**

No. of Pages: 2

Dear Sir

Orchid is pleased to announce that its Singapore subsidiary Xing Ling International Pte Ltd (Xing Ling) has obtained several new product approvals, sales contracts and concluded exclusive distribution agreements.

Several herbal-based products, for which Xing Ling has the exclusive global or regional distribution rights outside of China, have been approved for sale by the Health Authority of Singapore. Some of these products are classed as regular pharmaceutical product in China, and are, in some cases, national market leaders in China.

Major products approved for sale in Singapore by the Health Authority of Singapore are:

- Kardigen (microcirculation in the heart, already launched in the market),
- Livotide (protection of liver cells, e.g. against the effects of regular alcohol consumption, already launched in the market).
- Dioscornin (cardiovascular),
- Gan Mao Qing Re (fever relief),
- Qing Re Qu Shu (anti-viral),
- Chuan Bei Pi Pa (sore throat relief),
- Ban Lan Gen (anti-bacterial),
- Bright Eye (ocular health supplement),
- Yu Ping Feng (immunity booster),
- Huo Xiang (heat stroke relief),
- Gui Ling Ji (herbal wine).

Most of these products should be launched in either the current or the next quarter.

Xing Ling has also signed distribution agreements, allocating the exclusive country rights for certain products to leading retail chains in the Traditional Chinese Medicine (TCM) market. The exclusive rights for Singapore for Topsun's Guang Yu Yuen range have been assigned to Hock Hua Group (a market leader in Singapore with about 60 Hock Hua Ginseng shops), and in Malaysia they have been assigned to Hai-O (www.hai-o.com.my), a nationwide TCM retailer listed on the Kuala Lumpur Stock Exchange.

The exclusive rights for Topsun's infusion products for Cambodia, a rapidly developing country whose economy is growing at more than 10% p.a., have been assigned to WHP Co Ltd., a leading distributor in Cambodia. Topsun, in addition to being Xing Ling's core supplier, is China's fifth-largest pharmaceutical group.

Xing Ling has also been awarded exclusive distribution rights in Singapore by Tanggula Pharmaceuticals for Mobix, a leading anti-rheumatism product in China. Tanggula are a leading manufacturer of herbal and mammal based collagen projects, which are clinically proven rheumatism products used in China.

It is anticipated that with currently forecast strong growth and with ongoing product approvals and sales, Xing Ling should become profitable in 2007.

The board of Orchid is pleased with the progress made by Xing Ling in becoming an Asian leader in the Traditional Chinese Medicine market, and will keep shareholders informed of the development of this dynamic company.

Yours faithfully

Julian Sandt

Chief Executive Officer

Orchid Capital Limited