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Welichem pays $9 mn for anti-inflammatory agent

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Singapore: Welichem Biotech entered into an asset purchase agreement to buy the exclusive development and commercialization rights to the novel anti-inflammatory agent, WBI-1001, in China, Taiwan, Macao and Hong Kong from Shenzhen Celestial Pharmaceuticals and
Beijing Wenfeng Tianji Pharmaceuticals (which together have been termed as the vendor).

Upon entering into the agreement, Welichem paid the sum of $9.83 million (Cdn $10 million)
to the vendors, which sum has been held in escrow since the previously disclosed closing of Welichem's sale to Stiefel, a GSK company, of the exclusive development and commercialization rights to WBI-1001 outside of China, Taiwan, Macao and Hong Kong, on July 31, 2012.

Completion of the sale of the rights under the agreement remains subject to certain third party and Chinese regulatory approvals, including but not limited to Ministry of Health of the People's
Republic of China.

Pursuant to Wellichem's the purchase and sale agreement with Stiefel, the latter also received a conditional right to acquire the exclusive rights to develop and commercialize WBI-1001 in China, Taiwan, Macao and Hong Kong at a future date, upon satisfaction of certain conditions, including the acquisition of such Rights by Welichem, and upon making an additional payment to Welichem of $14.75 million (Cdn $15 million).

The transactions contemplated under the Stiefel agreement, including the purchase of the rights from the vendors and the payment of the signing payment, was previously approved by the shareholders of Welichem at a special meeting held on July 5, 2012.