

Stock Symbol- WKBT.OB
Market Cap- \$ 82.79m
Recent Price- \$2.95
Intermediate Target Price \$6.05
52 week trading range: \$1.90-6.99

CORPORATE INFORMATION
PHONE 1-310-819-2948
WEB: www.weikangbio.com

MARKET ADVISORS INC. UPDATE WEIKANG BIO-TECHNOLOGY GROUP Co., Inc.

Weikang Bio-Technology Group Company, Inc. is principally engaged in developing, manufacturing and distributing Traditional Chinese Medicine (TCM) and health and nutritional supplements in China, in compliance with requisite Chinese licenses and approvals. The Company is also expanding its business scope to develop, manufacture and distribute Chinese herbal extract products and GMP certified western prescription and OTC pharmaceuticals through its acquisition of Tianfang. For more information, please visit www.weikangbio.com.

News Flash: Exciting news has emerged since our initial report last October.

On January 11, 2011 the Company announced an update regarding sales of its Rongrun Good Health Packages, a bundled product launched in the third quarter of 2010. The Good Health Package includes 4 SFDA-approved products produced by Heilongjiang Weikang: Perilla Seed Soft Capsule, Yangshen Dan, Forest Frog Oil, and Kidney Boost Tonic.

“We are pleased by the positive response our Rongrun Good Health Package has received thus far in the market,” commented Dr. Yin Wang, Chairman and CEO of Weikang Bio-Technology Group. “Since we announced the launch of this bundled product at the end of the 3rd Quarter, it has contributed a total of \$19.17 million to our fiscal 2010 revenues. We continue approximately \$2.01 million in revenue from its launch through the end of 2011.”

A press release issued on 1-18-11 states that WKBT, as the fiscal year ended 12-31-10, expects to report net revenues of \$77.8 million, representing a 64% increase from revenues of \$47.5 million reported for fiscal 2009. The Company also expects to report net income of \$31.2 million, which represents an increase of 100% from \$15.6 million reported for fiscal 2009, and earnings per share of \$1.04.

Why we still think you should consider WKBT

The growing market: China’s medical system reform will increase the demand for medicines and health supplements. China also faces the problem of increased elderly population susceptible to disease which also increases the demand for both medical and health supplements. This creates a huge audience that readily accepts the value of herbal medicines and supplements. Few other societies accept a holistic approach to medicine as does China.

With China’s long history and tradition of herbal remedies and nutritional supplementations, it appears to be a perfect match for WKBT.

Growth Strategy: WKBT’s vision consists of a diversified multi-prong approach: Streamline production methods, improved sales, and distribution channel merger and acquisition. They forecast 30-50% revenue growth over 2010 and nearly 60% gross margin due to increased sales of high-margin products as a percent of total revenue.

The Company plans to increase advertising of high-margin products and build their brand. WKBT will pursue acquisition targets in the future to diversify its product offerings and distribution channel.

China is the 8th largest pharmaceutical market in the world and is forecast to become the 5th largest in 2010 and the largest by 2050. (IMS Health, Fredonia Group)

We started coverage of WKBT back in October of 2010. The price has pulled back some, which is normal with investors taking profits before year end. We still feel that if the Company continues to expand their products and they continue to follow their business plan, and with their recent announcement of expecting to report \$1.04 in earnings for 2010 (as stated in their press release dated 1-18-11), our intermediate target price of \$6.05 could be obtained.

