



Top stories of this issue

- Make its Way into Resource Exploitation Activities
- The Group's Pharmaceutical Base Certified by the On-site GMP Inspection Conducted by Colombia's INVIMA
- Kunming Jida Named a "Grade A Enterprise for Food Hygiene"
- Imperative to Expand Its Vietnam's Market

Corporate News



Make its Way into Resource Exploitation Activities

In June 2007, the Jiwa Group ("the Group") entered into a sale and purchase agreement with the original shareholders of Shanxi Fanshi County Longchang Industrial Co., Ltd. ("Longchang") to acquire 70% of Longchang's share entitlements at a consideration of RMB24.5million. To protect the Group's rights and interests, Longchang's business partner agreed on a term of RMB1.43 per ton of iron ores as security against no less than ten million ton iron ore reserves

held by Longchang. The Group recently recruited iron and steel experts to manage Longchang. Moreover, it has plans to increase its annual production from 50,000 tons to 150,000 tons, with the expectation that this project may contribute profits to the Group in the next fiscal year.

In the light of China's rising demand for iron and steel, the Group's management believes that investments in this project may effectively boost the Group's returns on investment (ROI), thus reflecting this project's good developmental potential.



The Group's Pharmaceutical Base Certified by the On-site GMP Inspection Conducted by Colombia's INVIMA

Between 4 June and 8 June 2007, four certification experts from Colombia's food and drug association (INVIMA) conducted GMP inspections on the Groups pharmaceutical base at Kunming Jida Pharmaceutical Company Limited ("Kunming Jida"). The general understanding is that Colombia's GMP management standards have been formulated in accordance with the requirements of the World Health Organisation (WHO) and the US Food and Drug Administration (FDA), thus attaining higher enforcement standards, its inspection and certification standards and methods differ from those in China.



Through these five-day on-site inspections, Kunming Jida's capsules,

tablets, granules, suspensions and sterile injection solutions were certified by Colombia's INVIMA, thus paving the way for new exporting channels.

The Group then filed an application with Colombia's INVIMA for GMP certification for sterile preparations in late June this year. As a result, the Groups workshops and relevant departments are now making preparations for this application process. In addition, the Group is keeping a close watch on the market status of GMP products in Europe and the US to prepare itself for export business.



Kunming Jida Listed as "an Entity for Testing and Demonstration of Intellectual Property Rights among Yunnans Top 100 Enterprises"

To accelerate the development of independent intellectual property rights and famous brands in China, more competitively advantaged domestic and foreign enterprises have been implementing comprehensive strategies conducive to key industries and corporate intellectual property rights. On 17 April 2007, Yunnan Province convened workshops for testing and demonstration of intellectual property rights for Yunnans hundred provincial enterprises in order to promote independent innovation. In addition, industrial restructuring and technological upgrading were promoted to enhance efficiency and quality for corporate growth.

This three-year demonstration, from April 2007 to March 2010, will be undertaken in three stages: project kick-off, project progression and project completion. To date, Yunnan Province has confirmed 115 enterprises for testing and demonstration. Among them, five have been planned for demonstration, whereas the remaining 110 have been planned for testing. Through the Group's continuous efforts in intellectual property rights, Kunming Jida was confirmed to be one of the hundred testing enterprises. Other testing and demonstration enterprises include Yunnans 30 key state-supported enterprises, 10 enterprises supported through the doubling project, some technologies, key state-owned enterprises, import/export firms, and industries in Yunnan's 16 cities. The purpose of this project is to develop these enterprises into industrial leaders and medium-and-small high-tech enterprises.



Kunming Jida Named an "Advanced Entity of 2006 China's National Industrial Enterprises Reported Directly Via the Internet to the National Bureau of Statistics of China"

In the meeting for National Industrial Enterprises conducted directly via the Internet in April 2007, Kunming Jida was named an "advanced entity of 2006 China's National Industrial Enterprises reported directly via the Internet to the National Bureau of Statistics of China".

During the meeting, Mr. Yang Yiqun, deputy chairperson of Yunnan Provincial Bureau of Statistics, summed up 2006's statistical activities and jobs and highly recognised the statistical work undertaken for assessing the forty awarding enterprises. Among them, Kunming Jida was one of the forty Yunnan's awarding enterprises, thus creating a good reputation for corporate development and growth.

Kunming Jida Named a "Grade A Enterprise for Food Hygiene"

In China, enterprises' food hygiene level is classified into four grades: A, B, C and D. The new "Regulations Governing Food Hygiene License" stipulates that only Grade A enterprises are qualified for food processing. In view of this, Kunming Jida filed relevant information with Kunming Public Health Bureau in the beginning of 2007. In May 2007, Kunming Public Health Bureau conducted on-site inspections on Kunming Jida's departments, including production, quality assurance, quality control, warehousing and procurement and supply. These on-site inspections were successfully completed under the cooperation of Kunming Jida's departments.

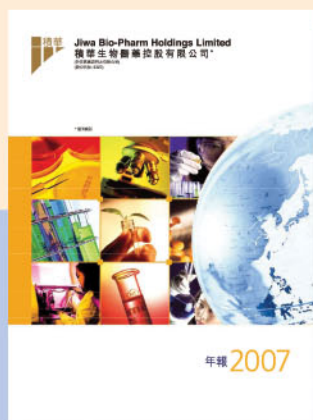
According to the standards for evaluating qualitatively graded management of food hygiene inspections conducted on food makers, Kunming Jida was certified as a "Grade A enterprise for food hygiene" by the accreditation committee on 1 June.

Kunming Jida's health food include Changbaishan radix ginseng powders, panax ginseng and panax quinquefolius L. (American ginseng) powders, Cordyceps sinensis extracts, Cordyceps sinensis polysaccharides, Houltuyia cordata Thunb., Sporoderm-broken Ganoderma Lucidum Spore tables, and Qi Xuetong. As a result, constantly strict quality control standards assure the Group's outstanding product quality.

Cephalosporin Workshop Granted a Manufacturing Permit

The construction in progress, civil engineering and installation for Cephalosporin manufacture in Jiangsu Jiwa Rintech Pharmaceutical Co., Ltd. ("Jiangsu Jiwa Rintech") are near completion. Additionally, they have successfully passed environmental protection and fire-fighting facility inspections, as well as on-site inspections conducted by the Food and Drug Administration of Jiangsu Province. Consequently, a manufacturing permit has been awarded.

Additionally, registrations for new drugs such as cefpirome are now under examination. Nonetheless, these products may proceed with production only upon receipt of official approval documents issued by the State Food and Drug Administration.



Jiwa Bio-Pharm Holdings Limited's 2007 annual report has been published. It contains the Group's annual financial reports as of 31 March 2007, as well as its business overview and future prospects.

Please download the Group's annual report at www.jiwa.com.hk ("Investors And Media Relations").

Market Digest and Product News

Imperative to Expand Its Vietnam's Market

Vietnam, in close proximity to China's Yunnan Province, has a population of almost 80 million. In response to reforms and opening-up between China and Vietnam, more people as well as goods are travelling between China and Vietnam along rivers in Yunnan Province, thus reflecting the economic prosperity of these two countries.

Through comprehensive studies conducted on this market last year, the Group made preparations for market expansion into Vietnam in the beginning of this year. On the basis of the feedback from different sources, drug types were selected, along with the preparation for registration information. Under concerted efforts and support of Kunming Jida for the past six months, and upon the verification by experts from Vietnam's Health Ministry, application documents for the registration of drug types were filed with Vietnam's Health Ministry for approval.



Along with the above activities, the Group dispatched personnel to Vietnam to conduct on-site investigation and negotiations. Through their negotiations with diverse pharmaceutical enterprises in Vietnam, the Group finally entered into an exclusive agency agreement with one Vietnam business that has attained well-established management standards, good business networks and a good reputation, thereby making good preparations for exporting the Group's products to Vietnam.



R&D Process of Active Pharmaceutical Ingredients (APIs)

Jiangsu Jiwa Rintech's Department of Technology is primarily engaged in the research and development of APIs and chemical intermediates. In addition to routine organic synthesis, diverse types of reactions, including anhydrous, anaerobic, hypothermic and unstable chemical reactions, may be conducted there. What is impressive is that good experimental conditions, along with good manufacturing and testing apparatuses, make it possible for the Group to conduct a wide range of tests there, including gram-scale and kilogram-scale chemical synthesis, laboratory-scale and pilot tests and commercialised batch runs.

In response to the fiercely competitive API market, the Group's Department of Technology, in line with the Group's business strategies, develops for both the domestic and international markets. Two major categories of core products are formed as a product mix with the other products.

The first major category of core products includes cephalosporin, such as the to-be-fabricated Cefpirome and Cefepime. These products are now primarily targeted at China's domestic market and may rapidly make their way into the international market, at the opportune time.

The second major category of core products includes antidepressants and psychiatric disorder drugs, such as Citalopram and Risperidone. Products under the same class are now under research and development. These products were primarily developed for both the domestic and international markets. To date, a drug master file (DMF) for Citalopram has been filed with the US FDA, resulting in the issuance of a registration number for this drug. Additionally, a DMF for Risperidone will soon be filed with the FDA for approval for registration. In summary, all these application activities have set a good foundation for the Group in making its way into the international market.

Other products include Loratadine for the treatment of nasosinusitis and allergies, Risedronate Sodium for the treatment of osteoporosis, and Tamsulosin Hydrochloride for the treatment of prostate gland-related illnesses. These products will soon enter the international market.

2007 Annual National Conference on Rheumatology

The "2007 Annual National Conference on Rheumatology" was held at the Shanghai International Convention Center in May. On the first afternoon of the official opening ceremony, Kunming Jida organised a symposium on its product "Artrodar" the world's first IL-1 inhibitor and an international research focus of osteoarthritis—on the third floor of the Conventional Center. Through the introduction of this internationally leading-edge product, the Group's Marketing Department took this opportunity to introduce the Group to the visitors, thereby boosting the Group's reputation and brand recognition.

During the conference, China's famous rheumatism experts introduced new principles and progresses achieved internationally for the treatment of osteoarthritis. For example, a new international concept, namely Disease-Modifying Osteoarthritis Drugs (DMOAD), is now a typical treatment for osteoarthritis. DMOAD's action is to primarily alleviate the course of disease and to secondarily alleviate pain. For example, "Artrodar" is a representative of this type of medication.

CPHI China

The annual "CPHI China" is China's important platform for domestic medicinal APIs and intermediate makers and sellers to expand their foreign markets. Jiangsu Jiwa Rintech was one of the participants in this exhibition. During this exhibition, domestic and foreign visitors from Canada, Pakistan, India, Bangladesh, New Zealand, Iran, Israel, Egypt, Japan and South Korea visited the Group's exhibition booth. Consequently, the Group's marketers seized this opportunity to introduce the Group to the visitors and obtained company information of numerous foreign clients and domestic exporters. This three-day CPHI China helped boost Jiangsu Jiwa Rintech's name and helped develop new business relationships with potential clients, creating new directions for future product development and market positioning.



Annual Academic Conference for Eastern China and Shandong Provincial Urology Association

Kunming Jida's Marketing Department participated in Jinan's "Annual Academic Conference for Eastern China and Shandong Provincial Urology Association" in mid-May this year. Participants included chief physicians, experts and physicians on urology in Fujian, Anhui, Shandong, Jiangsu,



Zhejiang, Jiangxi and Shanghai. During this conference, these participants, as well as physicians attending Shanghai's "Benign Prostatic Hyperplasia (BPH) Discussion Forum",

visited the Group's exhibition booth, thus reflecting the rising name recognition of the Group's Tamsulosm Hydrochloride Sustained Release Tablets (Brand Name: Jida Bente).

Sidelights of Corporate Activities

The "World Red Cross Day" and the Promotional Convention for the "Yunnan Red Cross Philanthropic Donation Harbour"

Opening a Red Cross Society in Kunming is an honourable endeavour. For all these years, diverse divisions under the Red Cross Society of China have launched disaster relief and provided first aid and care for the sick. They have made great achievements in the protection of the lives and health of people and in the promotion of social harmony and progresses, as well as provincial economic and social development.

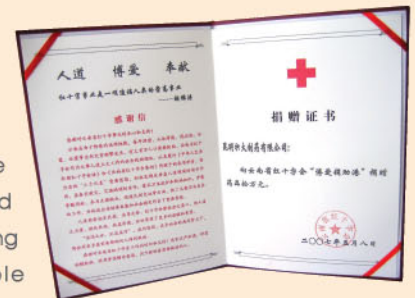
In commemoration of the sixtieth anniversary of "World Red Cross Day" on 8 May 2007, Kunming's Red Cross Society specially organised "World Red Cross Day" and the Promotional Convention for the "Yunnan Red Cross Philanthropic Donation Harbour", with the hopes to "Save and Help the Poor and the Weak through Charity; Build a Harmonious Society through Love; Care for the Peasants; Care for Health". Through the concerted efforts of the public and the Red Cross Society of China, a wider scope of more practical relief and services are now provided to the weak and the poor.



During these activities, Kunming Jida donated medicine valued at RMB100,000 to the "Yunnan Red Cross Philanthropic Donation Harbour". Under the ideals of "Care

for Life and Health", the "Yunnan Red Cross Philanthropic Donation Harbour" raised funds and commodities from all walks of life. To acknowledge the contribution of nine enterprises that donated funds and commodities valued at more than RMB100,000, a "Benevolent Donation" tablet

was awarded to each of these nine enterprises (including Kunming Jida). From now on, the Group will continue its active participation in social and charity activities, thus fulfilling its duties as a responsible enterprise citizen.



Disclaimer

Data and information contained in this e-Newsletter is provided for private circulation and informational purposes only and is for distribution only under such circumstances and to such recipients in such jurisdictions as may be permitted by applicable laws. This e-Newsletter is not intended to offer or solicit purchase or sale of shares in Jiwa Bio-Pharm Holdings Limited in any jurisdiction. Whilst reasonable effort has been made to ensure the information contained herein is not untrue or misleading at the time of circulation, the information contained herein may be changed. Use of any information herein shall be at the sole risk of the user. Jiwa Bio-Pharm Holdings Limited made no representation as to the accuracy and completeness of and expressly disclaimed any liability whatsoever for any loss howsoever arising from the information contained in this e-Newsletter.

This e-Newsletter may contain forward-looking statements that are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Jiwa Bio-Pharm Holdings Limited about its business and the industry and markets in which it operates. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, development outcomes, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, project delay, project approval, cost estimates and other risks, which are beyond the control of Jiwa Bio-Pharm Holdings Limited and are difficult to predict. Consequently, actual results could differ materially from those expressed or forecasted in the forward-looking statements.

Editorial

Chief Editor: Lau Kin Tung (Vice Chairman and CEO of the Group)

Executive Editor: Carol Yue

Editorial Board: Kelvin Chu, Feng Pu Chun, Sean Lau, Ma Ze Wen, Weng Zi Zhong, Yang Min, Yu Qi

Enquiries: carol-finc-hk@jiwa.com.hk

Website: www.jiwa.com.hk