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JIWA BIO-PHARM HOLDINGS LIMITED
積華生物醫藥控股有限公司
(於百慕達註冊成立之有限公司)

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Corporate News

Chairman of the Group Among 100 Overseas Chinese Professionals Receiving the “Outstanding Entrepreneur Award”

With the view of recognising the achievements and contributions of overseas Chinese in participating in building the country, the Overseas Chinese Affairs Office of the State Council organised the election activities for the “2006–2008 100 Star Enterprises funded by Overseas Chinese” and the second “Outstanding Entrepreneur Award” for 100 overseas Chinese professionals.

The lists of candidates for the awards were arrived at after reviews were conducted by the industrial and commercial, environmental protection, taxation and safety production departments, the customs and the foreign economic and trade commissions of all regions and the overseas Chinese affairs offices of all provinces (autonomous regions and municipalities directly under the Central Government). An evaluation was made by a panel of judges formed by the “Five Overseas Chinese Affairs Institutions” under the Central Government, research institutions and media groups. The election targets were enterprises funded by overseas Chinese and established

in Mainland China upon approval of foreign economic and trade departments and returning overseas Chinese professionals setting up businesses in China in recent years and making outstanding achievements.

Dr. Lau Yau Bor, Chairman of the Group, was granted the “Outstanding Entrepreneur Award,” demonstrating that his business achievements and his contribution to China’s pharmaceutical market was once again recognised and confirmed by all walks of life.



Jiwa Group Included in the “Top 500 Overseas Chinese Business in China (Mainland) Market”

The “Top 500 Overseas Chinese Business in China (Mainland) Market” ranks enterprises according to their turnover in the Chinese market in 2008. According to the final assessment, the Group ranked 198th.

This activity was organised by Hong Kong’s “Ta Kung Pao” and “Overseas Digest,” a magazine of global Chinese business and was co-organised by relevant government departments and academic institutions, such as the Global Chinese Business Research Centre of the Political and Economic Research Institute of the Chinese Academy of Social Sciences and the Chinese Business Research Group of the Economic Research Institute of Tsinghua University, and organisations such as the Chamber of Commerce of the Western Returned Scholars Association, the Chinese General Chamber of Commerce and the Macao Chamber of Commerce.

The ranking result reflects that the Group, one of the Chinese businesses, is playing an increasingly important role in the Chinese market.



Chairman of the Group Appeared on the Cover of “China’s Foreign Trade” Magazine

Dr. Lau Yau Bor, Chairman of the Group, was invited by “China’s Foreign Trade” magazine recently to tell readers the story of his business ventures and his views on the pharmaceutical market.

“China’s Foreign Trade” magazine was established in 1956 under the direct leadership of Premier Zhou En Lai and is now organised by the China Council for the Promotion of International Trade and China Chamber of International Commerce. It was the first English international periodical on foreign economic and trade affairs distributed overseas since the establishment of the PRC. It is distributed to more than 170 countries and regions all over the world and is now China’s English magazine with the largest overseas readership.

“China’s Foreign Trade” analyses hot topics on domestic and foreign trade and the economy, introduces international trade practices, discusses domestic and foreign economic and trade arbitration cases, offers international economic and trade information and provides coverage on the operation and management experience of successful domestic and overseas enterprises and international economic and trade development.

Dr. Lau’s business venture story was published in the December 2009 issue. For details of the content, please log on to <http://www.jiwa.com.hk/FileDownloadCount.aspx?uploadID=515>.



Edaravone and Risedronate Included in the State Medical Insurance Catalogue

Edaravone (Product name: Jiwa Youmin) successfully entered the State Medical Insurance Catalogue, which means that from 2010, it will finally break through the medical insurance restriction in four municipalities directly under the Central Government that originally did not allow for reimbursement of expenses on the drug under medical insurance policies – Beijing, Shanghai, Tianjin and Chongqing and eight provincial and municipal autonomous regions with large drug consumption such as Guangdong, Shandong, Sichuan and Inner Mongolia. Edaravone will then become one of the drugs generally available to a large number of patients suffering from acute cerebrovascular diseases. The new drug market created as a result of medical insurance coverage will represent a new momentum that drives sales of “Jiwa Youmin” in 2010!

In addition, Risedronate (product name: Jiwa Gusong), used for the treatment of osteoporosis, was also included in the State Medical Insurance Drug Catalogue. Bisphosphonate drugs have developed rapidly for the treatment of metabolic bone diseases in the past 20 years. Since these drugs create slight gastrointestinal reactions, do not cause other adverse reactions or pose cancer risk, do not have their efficacy affected by long-term drug use and are suitable for a wide range of patients, they have now become the first-line drugs for the treatment of osteoporosis. In China, bisphosphonate drugs capture a market share of approximately 23% - 25%. The room for market growth remains enormous. It is expected that the number of potential osteoporosis patients will increase to 114 million and 150 million in 2010 and 2025 respectively. With the aging of its population, China has become the country with the largest number of osteoporosis patients in the world.

“Jiwa Gusong” and “Jiwa Youmin” will bring unprecedented growth opportunities for the company. The company will launch large-scale academic promotions for these products to increase their coverage, strengthen and grow their business and significantly increase their sales volume.

The Tender Award Results for Essential Drugs are Satisfactory

As one of the important elements of the new medical reform, the “National Essential Drug List” was published in August 2009. Besides selecting 307 essential drug varieties, the new list stipulates that essential drugs used by medical institutions operated by the government shall be procured online in a centralised manner by provincial governments via open tender and that procurement prices



should not be higher than the guiding prices published by the National Development and Reform Commission. The State intends to clean up the pharmaceutical industry and change the current fragmented and chaotic status and mediocre standards of the industry by establishing an essential drug system. This will result in a new round of industry reshuffling and inevitably lead to deep adjustments. The purified industry will then benefit from market expansion. However, the market will not grow indefinitely. The balance between price and quality will lead to the elimination of pharmaceutical enterprises without the ability to survive. As such, drug prices and tenders under the essential drug system will be crucial factors to be taken into account when enterprises scramble for markets.



Since the implementation of the essential drug system in 2009, ten varieties of Kunming Jida's products included in the essential drug catalogue have reported encouraging results in provincial tenders conducted all over the country that have concluded to date. Our products were awarded 11 provincial tenders at relatively high prices in Yunnan, Heilongjiang, Jiangxi, Sichuan, Guangdong, Guangxi, Fujian, Hunan, Jiangsu, Zhejiang and Qinghai. We believe that the varieties included in the essential drug catalogue will be able to maintain a relatively high tender award ratio in the other provincial tenders that will commence soon in 2010. Winning tenders for these projects also ensures that sales of Kunming Jida's products will continue to grow drastically in 2010.

Opportunities for Jiangsu Jiwa Rintech

With two products, namely Cefpirome Sulfate and Cefdinir, being officially included in the State Medical Insurance Catalogue, Jiangsu Jiwa Rintech seizes the opportunities to again make big strides. Currently, Cefpirome Sulfate has the GMP certificate and the new sterile Cefpirome Sulfate technology has been developed after optimisation. Given the efforts of the research department, the production cost of Cefpirome Sulfate will become the most competitive in the country. On the other hand, the company's technicians have worked hard to significantly adjust the technology bought from India for Cefdinir and succeeded in achieving a gross yield higher than that of the Indian technology. This has effectively reduced the cost of the raw materials and has drastically improved the market competitiveness of Cefdinir. We believe that batch sales of Cefpirome Sulfate and Cefdinir will enable Jiangsu Jiwa Rintech to successfully realise its established sales objectives in 2010.



Pharmacokinetic Trial of Palonosetron Hydrochloride Injection Completed Successfully

After working for more than half a year, the medical department of the Group successfully completed the pharmacokinetic trial of the Palonosetron Hydrochloride injection as scheduled under the increasingly regulated and stringent conditions prescribed for clinical trials by the State.

Palonosetron Hydrochloride injection belongs to Type 3.1 variety of chemical drugs and demonstrates high efficacy in preventing nausea and vomit caused by chemotherapy. According to the requirements of the "Measures for the Administration of Drug Registration," application for production can only be made after the completion of the pharmacokinetic trial and randomised controlled trials on at least 100 pairs of patients. The trial results show that the pharmacokinetic parameters of Palonosetron Hydrochloride injections researched, developed and produced by the Group are completely consistent with the parameters specified in domestic and overseas literature and that the injections are safe and achieve the anticipated objectives.

The pharmacokinetic trial is a crucial part of the clinical trial of a new drug. The trial results can reflect the best dosage for clinical use and whether the drug is safe, and provide the basis for determining the drug dosage for follow-up clinical trials.

Sidelights of Corporate Activities

Study Tour of Overseas Chinese from the Committee of Hong Kong, Macau, Taiwan and Overseas Chinese Affairs of the National Committee of the Chinese People's Political Consultative Conference Inspected and Received Guidance from Kunming Jida

Lin Zhao Shu, Deputy Director of the Committee of Hong Kong, Macau, Taiwan and Overseas Chinese Affairs of the National Committee of the Chinese People's Political Consultative Conference and original Chairman of the National Federation of Returned Overseas Chinese, led a group of returned overseas Chinese that attended the plenary meetings of the National Committee of the Chinese People's Political Consultative Conference in a study tour to Yunnan. On 28 October 2009, the study tour inspected and received guidance from Kunming Jida. Leaders of the overseas Chinese affairs offices, committee of Hong Kong, Macau, Taiwan and overseas Chinese and foreign affairs of the Provincial Committee of the Chinese People's Political Consultative Conference, also accompanied the tour. Being the only overseas Chinese invested enterprise visited by the study tour, the Company was recognised as a representative of Yunnan Province.





The First Science and Technological Achievement Fair of Famous Research Institutes and Universities in Kunming, China

From 16 to 19 October 2009, the Group participated in the “First Science and Technological Achievement Fair of Famous Research Institutes and Universities in Kunming, China.” The fair was organised by the people’s government of Yunnan in association with the Science and Technology Department of Yunnan Province. Based on the theme of “Innovation, Cooperation and Win-Win,” the fair intended to create a cooperation and exchange platform for famous research institutions and universities, industries and enterprises all over the country. The fair promoted scientific and technological innovation and the combination of production, education and research, the accelerated transfer of technological innovation resources to Yunnan and the gathering of such resources in Yunnan, the conversion of technological achievements, and helped enterprises enhance their capability to withstand risk and advocated the adjustment of economic structure and changes in economic development methods in the province.

The exhibition items came from three major parties, namely the technology suppliers, the technology buyers and the investment and financing institutions. More than 1650 technology projects from all over the country participated in this fair. The Group’s biotechnology cooperation project also took part in the fair. As a party involved in an important technology cooperation project, the Group attended the centralised signing ceremony.

The 62nd National Pharmacy Trade Conference

From 26 to 28 November 2009, the Group participated in the “62 nd National Pharmacy Trade Conference.” This conference was held in Chengdu Century City-New International Convention & Exhibition Centre and attracted approximately 100,000 visitors from all over the country. Two thousand manufacturers participated in the exhibition.

At the exhibition, the company focused on the promotion of the enterprise and six key products: “Jida Youqia,” “Jiwa Youmin,” “Huo Duo Shi,” “Bei La Xin,” “Jida Bente” and “Shi Si Tai,” and achieved remarkable results in building the brands of the Group’s key products, in particular “Jiwa Youmin.”

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