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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)

# e-Newsletter

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## Corporate News

### CPPCC (Chinese People's Political Consultative Conference) Monthly ran a cover story about Dr. Lau Yau Bor, Chairman of the Group

In October of last year, the study tour of overseas Chinese from the Committee of Overseas Chinese in Hong Kong, Macau and Taiwan of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) visited the Group's production base in Yunnan, China for information exchange and research. The reporter from CPPCC Monthly who accompanied the tour was deeply impressed by the Company and by Dr. Lau's road to entrepreneurship and Jiwa's innovative development. After returning to Beijing, she consulted with the magazine's editors and later invited Dr. Lau to be the subject of the cover story for the second issue of CPPCC Monthly in 2010.

The headline of this cover story was "Helping the commoners with a kind heart"; the article gives an account of the extraordinary journey of Dr. Lau in his healthcare career and examines various aspects of his work, including "Acting according to circumstances", "Stick to the truth to fulfill his aspirations", "Predestined chances", "Blessings", "A lasting career", "A virtuous gentleman", and "An overseas Chinese businessman who cares for the homeland".



CPPCC Monthly is published by the General Office of the National Committee of CPPCC. It is a publication of the State authority that covers political issues and authoritative information and news, and is published domestically and abroad. Leveraging on the unique advantages of the National Committee of CPPCC, whose connections reach the central government and extend to the four seas through an international network, and coupled with the political and social influence it has held since it was first published five decades ago, CPPCC Monthly wins the attention and support of the leaders of the State and the acclaim of domestic and overseas Chinese as well as a large number of other readers.



Being the publication of the National Committee of the CPPCC, the coverage of CPPCC Monthly has political, authoritative, and literary value. In order to fully reflect the achievement and graceful bearing of the Chinese and the members of the National Committee of the CPPCC and bring into play the unique publicity function of the magazine, CPPCC Monthly will, based on the relevant spirit of the central government and the National Committee of the CPPCC and on its own annual coverage plan, invite one to three distinguished Chinese representatives, who have made significant contributions in a certain area in China and abroad, to appear on the cover of the magazine each year. Each cover story can only be published upon the approval of the leaders of the General Office of the National Committee of CPPCC. In recent years, people appearing on the cover of CPPCC Monthly have included leaders of the Party and the State, distinguished representatives of the members of the National Committee of CPPCC, renowned scientists, and famous leaders of overseas Chinese.

For more on the coverage of Dr. Lau, please visit the following website:  
<http://www.jiwa.com.hk/FileDownloadCount.aspx?uploadID=534>

## Numerous Projects of the Group Receive Government Support

In order to cater to the "innovative" development of the State, the Kunming provincial government provides funds to tax-paying foreign-invested enterprises in the Kunming High-tech Industrial Development Zone based on the total amount of tax these enterprises pay to the country annually. The funds are to be used for construction of the enterprise's major projects. Since the beginning of 2010, the Group has received support funds for enterprise informatization construction. In addition, the Group received a monetary award for being one of the top ten small or medium sized enterprises in the Kunming High-tech Industrial Development Zone in 2009. This monetary award highlights the Group for being a distinguished enterprise in investment promotion and a capital attraction in the Zone. The commendation monetary award of the Zone amounts to a total of approximately RMB1.4 million. The support fund and the monetary award will help the Group to promote other innovative projects.

### Fluconazole Capsules (Lai Chu An) will be Launched into the Market Soon

The Group has recently received production approval for the Fluconazole Capsule (Lai Chu An) and it expects to commence production and launch the product into the market this year. Fluconazole was a product in the "National Essential Drug List" in 2009. Since the product is a "national essential drug", its quality and sales channel coverage are particularly important. A high quality product and multi-channels are needed to satisfy the demand from the large number of primary care doctors and patients.

Fluconazole is one of the best-selling antifungal drugs in the world. It was listed as an essential antifungal drug by the World Health Organization (WHO) in 1991 and is the only oral preparation approved by US's CDC to be used in the treatment of monilial vaginitis. Fluconazole shows high antibiotic activity against monilia and cryptococcus, which makes it the preferred drug for the treatment of deep fungal infection caused by monilia and cryptococcus.

Kunming Jida's positive reputation in the area of anti-infection drugs and its extensive market networks have boosted the sales of the product; it is believed that sales of this product will soon be on the projected growth track, which will drive earnings growth.

### Market Information about Edaravone and its Latest Sales Progress



Edaravone Injection (Jiwa Youmin) is the only product of its type among all of the company's launched products that registered sales of more than RMB10 million in the first year it was launched into the market. Entering 2010, Edaravone Injection has maintained its strong growth momentum, and sales in the first quarter were encouraging.

In the next three months, the local Medical Insurance Catalogues that will be released and implemented in all the provinces and cities will affect the future sales of Edaravone. The new State Medical Insurance Catalogue stipulates that Edaravone can only be used in tertiary hospitals or for patients suffering from industrial injury. Whether or not the local Medical Insurance Catalogues subsequently released in all the provinces and cities follow the conditions of restrictive use laid down by the State will significantly affect the sales of Edaravone in hospitals at levels lower than tertiary hospitals. At the same time, competition among all the manufacturing plants for tertiary hospital clients will be even more intense.

In the first quarter of 2010, the sales for Edaravone were strong, with sales surging by 41% compared with the fourth quarter of 2009. The number of hospital clients successfully developed exceeded 500. This will lay a solid foundation for the Group to reach its objective of doubling the annual sales of Edaravone compared with last year's sales. The management believes that Edaravone will be developed into the star product of Jiwa in the next three years and will be a source of huge income for the Group.

## Actively Promote Risedronate

The "Shanghai Spring Forum on Osteoporosis 2010", hosted by Professor Zhu Han Min from HuaDong Hospital of Shanghai and Professor Liu Jian Min from Ruijin Hospital, kicked off on 25 March 2010. This forum was jointly organized by Jiwa Bio-Pharm Holdings Ltd. and the Association of Geriatrics in Shanghai, with the goal of promoting Risedronate Tablets (Jiwa Gusong) by rapidly capturing the market and seizing current business opportunities.



During the forum, Professor Zhang Zhen Lin from the Sixth's People Hospital of Shanghai gave an outstanding speech entitled "The Treatment of Osteoporosis – From a Guide to Clinical Treatment". Professor Zhang reviewed the overseas treatment guides of osteoporosis, summarized the overseas authoritative clinical trials of Risedronate, and confirmed that Risedronate is a first-line drug for treatment of the ailment that can effectively prevent and cure fractures resulting from osteoporosis.

Subsequently, Professor Zhang Quan from Huashan Hospital of Shanghai gave a report about the "Sequential Treatment of Fractures Resulting from Osteoporosis". Professor Zhang Quan stated that different drugs should be used for intervention treatment before and after operations for fractures resulting from osteoporosis based on the conditions of the patients. He also said that Risedronate is the preferred drug to prevent and cure repeated fractures resulting from osteoporosis. Numerous overseas authoritative studies have found that, compared with Alendronate Sodium (Fosamax), Risedronate can prevent and cure fractures resulting from osteoporosis in a safer and more effective manner. Professor Zhang expressed that osteoporosis is an "invisible killer", that there is a pressing need to prevent and cure osteoporosis, and that Risedronate is no doubt a first-line drug for the prevention and treatment of osteoporosis.

"Jiwa Gusong" is the first domestic Risedronate tablet launched into the market. The marketing department will seize the opportunities brought about by the State's medical insurance policy, rapidly tap into the market, and establish the specialist brand of "Jiwa" in the area of the treatment of bone and muscle diseases.

## Sidelights of Corporate Activities

### The Association of Overseas Chinese Businessmen of Yunnan Province Holds New Year Cocktail Party

On 30 January 2010, the Association of Overseas Chinese Businessmen of Yunnan Province held a New Year cocktail Party in Kunming. During the party, Wang Zhi Qiang, Deputy Director of the Local Taxation Bureau of the Province, explained to the overseas Chinese businessmen the taxation policies for foreign-invested enterprises. Director Wang Wei Wei of the Foreign Investment Complaint Centre of the Province introduced Yunnan Province's protection of the legal interests of foreign investment. Member representatives also introduced information about the international financial environment and the ways enterprises can properly manage risk.

Dr. Lau Yao Bor Receives Outstanding Entrepreneur Award In December 2009, Dr. Lau Yau Bor, Chairman of the Group, received the "2nd Outstanding Entrepreneur Award for Domestic and Overseas Chinese Professionals" granted by the Overseas Chinese Affairs Office of the State Council. This is a national award whose recipients were selected from distinguished domestic and overseas Chinese professionals throughout the country based on the comparisons and appraisals conducted by the relevant department. There were only a hundred award winners throughout the country and just two in Yunnan Province. It is indeed hard to be selected for this honor. Under the entrustment of the Overseas Chinese Affairs Office

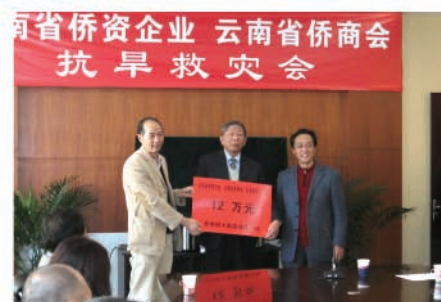




of the State Council, the Overseas Chinese Affairs Office of Yunnan Province conferred the medals and certificates to the award winners in Yunnan Province. Dr. Lau is the Vice President of the Association of Overseas Chinese Businessmen of Yunnan Province. He made a special trip to Kunming to attend this cocktail party and receive the medal and certificate for the "2nd Outstanding Entrepreneur Award for Domestic and Overseas Chinese Professionals" conferred by the Overseas Chinese Affairs Office of the State Council.

## Kunming Jida Offers Donations to the Masses Affected by the Drought

A rare and severe drought has occurred in Kunming since autumn of last year. Besides having a serious impact on the production and livelihood of urban and rural residents in the disaster areas, the drought has caused significant loss in industrial and agricultural production. The drought is now spreading rapidly and is increasingly severe, and combating the drought is extremely challenging. The Party's Central Committee, the State Council, and provincial committees and provincial governments attach great importance to drought control and disaster relief work and have adopted measures and devoted strong efforts to fight the disaster and provide relief. The central government and the province have allocated a large fund for fighting the disaster, providing relief, and resolving the living problems encountered by the masses affected by the drought. The public in the disaster areas have also actively organized production to aid the population. However, given the drought's long period,



its wide area of occurrence, and its severity, the population that has difficulty in getting drinking water and lacks food supplies is huge, and the masses in the disaster areas still face great difficulty in production. In order to help the masses in the disaster areas to combat the drought and survive through this difficult period, the provincial committees and provincial governments decided to organize donation activities to help the drought-stricken areas throughout the province. The Group also offered donations to the masses, and all the staff of the company start with themselves when it comes to saving every drop of water and every bit of energy possible.



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