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Jiwa Bio-Pharm Holdings Limited 積華生物醫藥控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 2327)

ANNOUNCEMENT UNUSUAL PRICE AND VOLUME MOVEMENTS PROPOSED INCREASE IN AUTHORISED CAPITAL

The board of directors (the “**Board**”) of Jiwa Bio-Pharm Holdings Limited (the “**Company**”) noted the recent increase in the share price and volume of the shares of the Company and wish to state that, as at the date of this announcement, the Company is in preliminary negotiation with an independent third party on a possible acquisition by the Company (the “**Proposed Acquisition**”) which, if materialises, will constitute a notifiable transaction for the Company. As at the date of this announcement, terms in relation to the Proposed Acquisition have not been finalised and no binding agreement in relation to the Proposed Acquisition has been entered into.

Save as aforesaid, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

The authorised and issued share capital of the Company as at the date of this announcement are HK\$10,000,000 divided into 1,000,000,000 shares of HK\$0.01 each and HK\$5,000,000 divided into 500,000,000 shares of HK\$0.01 each. The Directors are currently considering a bonus issue of shares (the “**Proposed Bonus Issue**”). Although the terms of the Proposed Bonus Issue are still being finalized, in order for the Proposed Bonus Issue to take place and to provide greater flexibility to issue shares, it is proposed that the authorised capital of the Company be increased from HK\$10,000,000 to HK\$100,000,000 by the creation of an additional 9,000,000,000 shares of HK\$0.01 each. After the increase, the authorized share capital of the Company will be HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each.

The Proposed Bonus Issue is not a condition to the proposed increase in the authorised capital of the Company.

A circular containing information regarding the increase in authorized capital and a notice of special general meeting to be convened to approve the proposed increase in authorized share

capital of the Company will be dispatched to the shareholders of the Company as soon as possible.

As the Proposed Acquisition and the Proposed Bonus Issue are still under consideration and may and may not materialise, shareholders and the public are reminded to exercise caution when dealing in the shares of the Company.

This announcement is made by the order of the Board of which the directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

By Order of the Board
Jiwa Bio-Pharm Holdings Limited
Lau Kin Tung

Vice Chairman and Chief Executive Officer

Hong Kong, 11 June 2007

As at the date of this announcement, the Board comprises Mr. Lau Yau Bor, Mr. Lau Kin Tung and Madam Chan Hing Ming as executive directors of the Company and Mr. Choy Ping Sheung, Mr. Fung Tze Wa and Mr. Seet Lip Chai as independent non-executive directors of the Company.

** For identification purposes only*

Please also refer to the published version of this announcement in the China Daily.