



**JIWA BIO-PHARM HOLDINGS LIMITED**

**積華生物醫藥控股有限公司**

(incorporated in Bermuda with limited liability)

[www.jiwa.com.hk](http://www.jiwa.com.hk)

# e-Newsletter

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## Corporate News

### Jiwa Accredited as "Best Under a Billion" by Forbes Asia

Jiwa Bio-Pharm Holdings Limited has been accredited as "Best Under a Billion" in 2009 by Forbes Asia, an internationally renowned business magazine.

Forbes Asia's "Best Under a Billion" comprises 200 enterprises with substantial growth in sales and profit in the past three years and a promising future. These enterprises are selected out of 12,000 listed companies in the Asia-Pacific region with annual sales of up to USD1 billion. According to Forbes Asia, this year's list of the best small- and midsize companies throughout the Asia Pacific region is chock-full of survival stories and lessons for entrepreneurs. Unprecedented dislocations in the global economy disrupted supply chains over the past 12 months, froze lines of credit, depleted consumer coffers and sent business spending into hibernation. The 64 companies returning from last year are a testament to fearless management; 136 new entrants have seized opportunities arising from the economic uncertainty. Being accredited as "Best Under a Billion" this year fully demonstrates that the Company is extraordinarily resilient and has a strong competitive edge in this challenging economic environment.

With the view of capturing the opportunities brought about by medical reform in China, the Group has actively undertaken research in new technologies in recent years to create competitive advantages through "low cost" and "high efficacy," and to enable our products to penetrate into all major towns, cities and rural markets in China.



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According to Mr. Lau Kin Tung, CEO of the Company, "We are indeed honoured to have been accredited as one of the "Best Under a Billion" by Forbes Asia. The award demonstrates that the Company not only attracts the attention of the media and investors in Hong Kong, but that it has won recognition from the international media, which has boosted Jiwa's confidence in extending its reach in the international market."



Mr. Lau Kin Tung, CEO of the Company, added, "The Group has been introducing European drugs into the Chinese market since 1987 and has established an extensive business network, through which we stay fully abreast of the market. In recent years, the Group has actively explored the US and European markets for its drug exports. In addition, China's Yunnan Province, the Group's key pharmaceutical manufacturing base, enjoys the geographical advantage of being close to ASEAN, and is therefore favourable to the Group's exports to this region. The Group is committed to developing its competitive advantages and improving its international competitiveness with its "innovative" technology."



## "Honourable Doctorate Degree of Management" conferred on Lau Yau Bor, Chairman of the Group

The Canadian Chartered Institute of Business Administration (CIBA) and Lincoln University held the "2009 Ceremony for the Conferment of Fellowship and Honorary Qualifications" in the Rayson Huang Theatre at the University of Hong Kong on 20 September 2009 to confer honorary qualifications on 33 distinguished people. Lau Yau Bor, Chairman of the Group, was one of them, receiving a "Fellowship" from the CCIBA and an "Honourable Doctorate Degree of Management" from Lincoln University in the USA.

The CCIBA was incorporated by the "Letters Patent from the Government of Canada" and is renowned for its "Action Learning" pattern. Its honorary qualifications are granted to distinguished people who contribute to society and education.

Dr. Lau's eagerness to learn and courage in putting theory into practice have been responsible for his achievements to date. Dr. Lau earned an M. Phil. degree in Engineering from the University of Hong Kong and, not long after setting up his own business venture, furthered his studies while developing his business. The "Honorable Doctorate Degree of Management" was conferred on Dr. Lau thanks to his philosophy of "action learning", which he has practiced for more than 30 years, and the ongoing example of "perpetual learning" he sets for the Group.





## Kunming Jida receives the title “Double Outstanding Foreign-invested Enterprise in Yunnan Province” in 2008

On 17 September 2009, the Department of Commerce of Yunnan Province convened the “Commendation Conference for Outstanding Foreign-invested Enterprises in Yunnan Province” at which Kunming Jida Pharmaceutical Co., Ltd., the Group’s key subsidiary, received the title “Double Outstanding Foreign-invested Enterprise in Yunnan Province”. By comparing enterprises receiving this title last year and this year, the leaders at the conference analysed the development trend

among foreign-invested enterprises in Yunnan Province under the current environment. Overall, most enterprises have managed to achieve steady growth, although many are also facing challenges. With the concerted efforts of its staff, Kunming Jida has overcome the difficulties caused by the financial tsunami and achieved remarkable results by capturing the opportunities presented by national medical reform.



## Kunming Jida named among “Ten Star Enterprises with Overseas Chinese Investment”

Enterprises with overseas Chinese investment have become an important part of foreign-invested enterprises in Yunnan Province, and a driving force in promoting the economic and social development of Yunnan Province. On 29 September 2009, ten enterprises in the province with overseas Chinese investment were given the honorary designation of “Ten Star Enterprises with Overseas Chinese Investment” from the People’s Government of Yunnan Province and were commended.



According to the introduction by the Overseas Chinese Affairs Office of Yunnan Province, the “Ten Star Enterprises with Overseas Chinese Investment” in Yunnan Province were appraised and selected by numerous departments based on stringent criteria. The ten enterprises ultimately given the title represent industries that encourage or permit foreign investment, with the amount of paid-up capital and sales revenue for three consecutive years topping the list of enterprises with overseas Chinese investment in the same industries. The total amount invested in these ten enterprises was US\$1.56 billion, while their total sales last year exceeded US\$3.6 billion and the total tax paid was approximately US\$500 million. In addition, these enterprises attained the environmental protection standard, paid tax in accordance with the regulations, were not involved in smuggling and/or tax evasion, and did not have any major safety accidents during the appraisal year.

The sales profit of Kunming Jida has risen steadily over the past three years, not only because the Company operates in a relatively favourable industry, but also due to the first mover advantage created by management, which has given the Company a competitive edge.



### Group products receive gold, silver and bronze awards at the National Invention Exhibition

The 18th National Invention Exhibition was held at the Kunming International Convention and Exhibition Centre from 12-15 August 2009. This year, the Exhibition was hosted by the China Association of Inventions and the People's Government of Yunnan Province, and organised by the Province's Department of Technology. Under the theme of "innovating development, improving capability, strengthening cooperation and serving the economy", the exhibition showcased and exchanged information about new inventions, technologies and products throughout the country in recent years. A total of 1,740 projects participated in the exhibition.

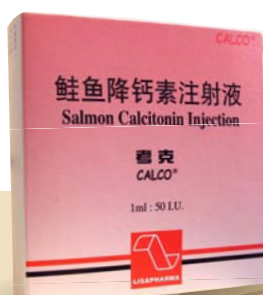


The Group's three newest drugs and one invention patent that were showcased at the exhibition won high acclaim. Risedronate Sodium tablets, the new category II chemical drug for the treatment of osteoporosis, received a gold award; and the Edaravone injection, the new category II chemical drug for the treatment of acute brain infarction, and the Tamsulosin Hydrochloride sustained-release tablets, the new category V chemical drug for the treatment of hyperplasia of the prostate, both received silver awards. The oral drug combination of Citalopram and Betacyclodextrin for the treatment of depression received a bronze award. These awards play an active role in enhancing corporate image and increasing public recognition of these products.

### RMB1 million in funding earmarked for Palonosetron Hydrochloride injections by the Department of Technology of Yunnan Province

The Palonosetron Hydrochloride injection, the new category III chemical drug developed by the Group, has been included in the key new product development project organised by the Department of Technology of Yunnan Province. Technological support funding of RMB1 million was allocated for the development of the drug, and has been used primarily for phases I and II of the clinical trials.

Palonosetron Hydrochloride is a new type of highly effective and highly selective 5-HT<sub>3</sub> receptor antagonist, and can effectively control cancer patients' acute and delayed nausea and vomiting caused by chemotherapy. Its efficacy rate and effective period are the best among the same type of drugs currently on sale in the market, and its development will bring significant social and economic benefit.



### Calco receives re-registration approval documents

The Calcitonin Salmon injection (product name: Calco) is a product imported from Italy, for which the Group acts as the distribution agent. The product received the "Registration Certificate for Imported Drugs" on re-registration, which is valid until 2014. The success of the re-registration of such a variety of drug means that the Group has the chance to capture early opportunities in the Calcitonin Salmon injection market and can continue to satisfy growing clinical demand in China. As such, the Group is set to increase its market share and enjoy substantial profits over the next five years.

## Intellectual property rights in line with national strategies

The report on the work of the government this year placed intellectual property rights side by side with the strategies of strengthening the country through science, education and talents, highlighting the State's strong emphasis on intellectual property right strategies. The Group has formulated intellectual property right strategies according to its follow-up development plan so that products' competitiveness will be improved and their useful lives lengthened by exploring innovative points in the course of imitation on the one hand and promoting innovation at source on the other hand. The Group completed the application for seven patents within three quarters, and will continue to increase investment in research and development as it pursues sustainable development strategies that are built on "talents" and directed towards "innovation".

## Group's growth gathers momentum with the compilation of essential drug list

Five of the Group's products are included in the essential drug list for the first group of primary medical institutions announced by the State. Following this inclusion in the list, the drugs' market capacity will increase significantly. According to Mr. Yu Qi, Marketing Director of Kunming Jida, the products included in the list have already had a certain degree of coverage in some markets and their distinguished quality has been widely recognised, giving the products a competitive edge. While continually guaranteeing and improving product quality, the Company has changed its traditional raw material procurement, production and packaging patterns, and reduced production cost. Leveraging its cost advantage, the Company will expand its target markets from key markets to all markets in order to lay a solid foundation for continuous and rapid development.

## Edaravone and Tamsulosin Hydrochloride witness rapid growth

Given the preparation in the first half of 2009, the Group's key products witnessed a significant growth in sales in the third quarter and entered the period of rapid sales growth. The average monthly sales of Edaravone injections (product name: Jiwa Youmin) as at the end of September had increased by approximately 65% compared with the first half of the year. In the third quarter, sales of Tamsulosin Hydrochloride sustained-release tablets (product name: Jida Bente) also has a substantial increase in sales as compared to the same period last year.



As the Company commences and carries out work on tenders in new provinces, adopts a more precise product positioning and steps up academic promotion, the number of hospitals using "Jiwa Youmin" and "Jida Bente" will increase further. The growth in the sales of these products will continue beyond the third quarter, contributing to the Group's profits.



## Sidelights of Corporate Activities



### Reception celebrates 60th anniversary of the founding of the People's Republic of China

On 29 September, the government of Yunnan Province held a reception to celebrate the 60th anniversary of the founding of the People's Republic of China. Some 700 people, including the party, political and military leaders of Yunnan Province, foreign experts, renowned people from foreign enterprises and social celebrities, attended the reception. In his address, Qin Guang Rong, Governor of the Province, pointed out that Yunnan Province will further strengthen its relationship with friends all over the world, deepen exchanges and cooperation with countries in Southeast Asia and South Asia, and strengthen exchanges and promote cooperation in wider areas. As the representative of enterprises with overseas Chinese investment, Chairman of the Group, Dr. Lau Yau Bor, was invited to attend the reception, where he enjoyed warm exchanges with Governor Qin.



### Artrodar Activity in the Jiuzhaigou Valley

Customers of Artrodar from all over the country gathered in Chongqing on 3 September 2009. Two guest speakers - Professor Zou He Jian (Shanghai Huashan Hospital) and Professor Cai Dao Zhang (Third Affiliated Hospital of Zhongshan University) - were invited to give speeches on the "New Progress in the Treatment of Osteoarthritis" and the "Current and Future Development of DMOAD", respectively. The gathering came to a conclusion with academic discussions and exchanges. Subsequently, the participants joined a three-day tour to the Jiuzhaigou Valley and Huanglong, leaving a deep impression on them and effectively increasing the influence of the products.

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