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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the circular of Jiwa Bio-Pharm Holdings Limited (the “**Company**”) dated 26 July 2013 in respect of, among others, the Special Deals (the “**Circular**”). Terms used herein shall have the same meanings as those defined in the Circular unless defined otherwise.

It has come to the attention of the Company that there are typographical errors in the Circular in relation to the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows set out in the Appendix III to the Circular.

In the unaudited pro forma consolidated statement of comprehensive income set out on page III-5 of the Circular, the pro forma adjustment 3(a) should be stated as in positive figures in the statement to reflect the estimated gain on the Property Disposal and the column of “Pro forma consolidated statement of comprehensive income of the Remaining Group for the year ended 31 March 2013” has been misstated accordingly. The unaudited pro forma consolidated statement of comprehensive income should be revised as follows:

* For identification purpose only

Unaudited Pro Forma Consolidated Statement of Comprehensive Income

| | Consolidated statement of comprehensive income of the Group for the year ended 31 March 2013 | | | Pro forma adjustments | | | | | Pro forma consolidated statement of comprehensive income of the Remaining Group for the year ended 31 March 2013 |
|--|---|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|---|
| | HK\$'000 (Audited) | HK\$'000 (Note 2a) | HK\$'000 (Note 3a) | HK\$'000 (Note 5) | HK\$'000 (Note 6) | HK\$'000 (Note 7) | HK\$'000 (Note 8) | HK\$'000 (Note 12) | HK\$'000 (Unaudited) |
| Revenue | 35,648 | — | — | — | — | — | — | — | 35,648 |
| Cost of sales | (27,720) | — | — | — | — | — | — | — | (27,720) |
| Gross profit | 7,928 | — | — | — | — | — | — | — | 7,928 |
| Other income | 6,278 | — | — | (1,970) | — | — | (1,707) | — | 2,601 |
| Administrative expenses | (12,891) | — | — | 10 | (2,640) | 4,847 | — | — | (10,674) |
| Other operating expenses | (4,476) | — | — | — | — | — | — | — | (4,476) |
| Other gains and losses | 19,557 | 103,451 | 972 | 10,766 | — | — | — | — | 134,746 |
| Operating profit | 16,396 | 103,451 | 972 | 8,806 | (2,640) | 4,847 | (1,707) | — | 130,125 |
| Finance costs | (4,435) | — | — | 1,439 | — | — | — | — | (2,996) |
| Share of results of associates | 35,352 | — | — | (45,837) | — | — | — | 10,485 | — |
| Profit before income tax | 47,313 | 103,451 | 972 | (35,592) | (2,640) | 4,847 | (1,707) | 10,485 | 127,129 |
| Income tax expense | (5,559) | — | — | 1,385 | — | — | — | — | (4,174) |
| Profit for the year | 41,754 | 103,451 | 972 | (34,207) | (2,640) | 4,847 | (1,707) | 10,485 | 122,955 |
| Other comprehensive income: | | | | | | | | | |
| Release of translation reserve upon disposal of a subsidiary | (1,002) | — | — | — | — | — | — | — | (1,002) |
| Other comprehensive income for the year | (1,002) | — | — | — | — | — | — | — | (1,002) |
| Total comprehensive income for the year | 40,752 | 103,451 | 972 | (34,207) | (2,640) | 4,847 | (1,707) | 10,485 | 121,953 |
| Profit for the year attributable to: Owners of the Company | 41,754 | 103,451 | 972 | (34,207) | (2,640) | 4,847 | (1,707) | 10,485 | 122,955 |
| Non-controlling interests | — | — | — | — | — | — | — | — | — |
| Profit for the year | 41,754 | 103,451 | 972 | (34,207) | (2,640) | 4,847 | (1,707) | 10,485 | 122,955 |
| Total comprehensive income for the year attributable to: | | | | | | | | | |
| Owners of the Company | 40,752 | 103,451 | 972 | (34,207) | (2,640) | 4,847 | (1,707) | 10,485 | 121,953 |
| Non-controlling interests | — | — | — | — | — | — | — | — | — |
| Total comprehensive income for the year | 40,752 | 103,451 | 972 | (34,207) | (2,640) | 4,847 | (1,707) | 10,485 | 121,953 |

Similarly, in the unaudited pro forma consolidated statement of cash flows set out on page III-7 of the Circular, the pro forma adjustment 3(a) should be stated in reverse sign to reflect the cash flow effect on the Property Disposal and the column of “Pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 March 2013” has been misstated accordingly. The unaudited pro forma consolidated statement of cash flows should be revised as follows:

Unaudited Pro Forma Consolidated Statement of Cash Flows

| | Consolidated statement of cash flows of the Group for the year ended 31 March 2013 | | | | | | | | | | | | Pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 March 2013 |
|--|--|-----------------------|-----------------------|----------------------|----------------------|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|--|
| | HK\$'000 (Audited) | HK\$'000 (Note 2a) | HK\$'000 (Note 3a) | HK\$'000 (Note 4) | HK\$'000 (Note 5) | Pro forma adjustments HK\$'000 (Note 6) | HK\$'000 (Note 7) | HK\$'000 (Note 8) | HK\$'000 (Note 9) | HK\$'000 (Note 10) | HK\$'000 (Note 11) | HK\$'000 (Note 12) | HK\$'000 (Unaudited) |
| Cash flows from operating activities | | | | | | | | | | | | | |
| Profit before income tax | 47,313 | 103,451 | 972 | — | (35,592) | (2,640) | 4,847 | (1,707) | — | — | — | 10,485 | 127,129 |
| Adjustments for: | | | | | | | | | | | | | |
| Interest income | (2,417) | — | — | — | 1,900 | — | — | — | — | — | — | — | (517) |
| Interest expense | 4,435 | — | — | — | (1,439) | — | — | — | — | — | — | — | 2,996 |
| Depreciation of property, plant and equipment | 472 | — | — | — | — | — | — | — | — | — | — | — | 472 |
| Share-based employee compensation | 2,027 | — | — | — | — | — | — | — | — | — | — | — | 2,027 |
| Amortisation of land use rights | 247 | — | — | — | — | — | — | — | — | — | — | — | 247 |
| Gain on disposals of property, plant and equipment | (80) | — | — | — | — | — | — | — | — | — | — | — | (80) |
| Gain on disposals of subsidiary and intangible assets | (23,529) | — | — | — | — | — | — | — | — | — | — | — | (23,529) |
| Gain on disposal of the Disposal Group | — | (103,451) | — | — | — | — | — | — | — | — | — | — | (103,451) |
| Fair value loss on derivative financial instruments not qualify as hedges, net | 6,218 | — | — | — | (2,579) | — | — | — | — | — | — | — | 3,639 |
| Fair value loss on Put option | 10,356 | — | — | — | (10,356) | — | — | — | — | — | — | — | — |

| Consolidated statement of cash flows of the Group for the year ended 31 March 2013 | Pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 March 2013 | | | | | | | | | | | | |
|--|--|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| | Pro forma adjustments | | | | | | | | | | | | |
| | HK\$'000 (Audited) | HK\$'000 (Note 2a) | HK\$'000 (Note 3a) | HK\$'000 (Note 4) | HK\$'000 (Note 5) | HK\$'000 (Note 6) | HK\$'000 (Note 7) | HK\$'000 (Note 8) | HK\$'000 (Note 9) | HK\$'000 (Note 10) | HK\$'000 (Note 11) | HK\$'000 (Note 12) | HK\$'000 (Unaudited) |
| Fair value gain on treasury products at fair value through profit or loss | (2,893) | — | — | — | — | — | — | — | — | — | — | — | (2,893) |
| Fair value gain on investment properties | (4,972) | — | (972) | — | — | — | — | — | — | — | — | — | (5,944) |
| Impairment of other receivables | 12,013 | — | — | — | — | — | — | — | — | — | — | — | 12,013 |
| Write back of impairment on other receivables | (7,500) | — | — | — | — | — | — | — | — | — | — | — | (7,500) |
| Share of results of associates | (35,352) | — | — | — | 45,837 | — | — | — | — | — | — | (10,485) | — |
| Operating profit before changes in working capital | 6,338 | — | — | — | (2,229) | (2,640) | 4,847 | (1,707) | — | — | — | — | 4,609 |

Saved as disclosed above, no change has been made to the information contained in the Circular, including “Letter from the Board”, “Letter from the Independent Board Committee”, “Letter from Somerley” and Appendices I to VI to the Circular. The Independent Financial Adviser confirms that there is no change in its opinion and recommendation contained in its letter of advice as set out in the Circular in view of the aforesaid changes.

By order of the board
Jiwa Bio-Pharm Holdings Limited
Chan Hing Ming
Executive Director and Chief Executive Officer

Hong Kong, 1 August 2013

As at the date of this announcement, the Board comprises executive Directors, Mr. Lau Yau Bor, Madam Chan Hing Ming and Mr. Lau Kin Tung; and independent non-executive Directors, Mr. Chiu Wai Piu, Mr. Choy Ping Sheung and Mr. Fung Tze Wa.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.