

The core business of Jiwa Bio-Pharm Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") includes research and production of pharmaceutical products in China and trading and distribution of pharmaceutical products of European pharmaceutical companies. In recent years, the Group has also started to produce prescription Chinese medicines and Chinese health-care products, and planned to develop the Southeast Asian, European and US markets in steps.

At the beginning of its establishment, the Group was principally engaged in the production and trading of anti-infectious and other specialized pharmaceutical products. In recent years, the Group has made a strategic adjustment to its product mix and focus on developing drugs on five therapeutic categories in response to changing market demands and state policy changes in the PRC. In addition to the existing anti-infectious, gastro-intestinal and musculo-skeletal drugs, cerebro-cardiovascular, anti-depressant and psychiatric disorder drugs would also be

developed. The Group anticipates that the proportion of the two new categories of drugs in the turnover of the Group would increase gradually in the future.

The Group will continue to import sophisticated new drugs in these five therapeutic areas under exclusive agency arrangement from European principals into China as well as production under its own brands. Besides pharmaceuticals, the Group also develops prescription Chinese medicines and Chinese health-care products. The Group would also be developing soon to manufacture pharmaceutical bulk materials to complement its current expertise in producing finished products.

The Group dedicates itself to the overall development of its pharmaceutical business from research and development to production and distribution of its products. This is to ensure reliability of product quality, cost efficiency in production and first hand information on markets.

CORPORATE STRUCTURE



* For identification only