

**JIWA BIO-PHARM HOLDINGS LTD:
IF YOU'RE NOT A LAU-FAMILY MEMBER, FORGET IT !**

About Jiwa Bio-Pharm Holdings Ltd: If one is not a close member of the Lau Family, which controls about 70 percent of the Issued and Fully Paid-Up Share Capital of this Chinese medicine Company, one is unlikely, ever, to get a look-see.

Which means, of course, that there is no way for this Company, ever, to be institutionalised.

Jiwa Bio-Pharm Holdings went public on the Main Board of The Stock Exchange of Hongkong Ltd (Code: 2327) on September 30, 2003, when it Placed 135 million, one-cent Shares at a Premium of not more than 49 cents Per Share.

As it turned out, the Offer Price was fixed at 48 cents per Share, 2 cents per Share less than the top of the Company's target price range of 50 cents per Share.

A tranche of 15 million, one-cent Shares was, also, Offered on the same terms as the Placed Shares.

All of the 150 million Shares were taken up, with the 15 million, Offered Shares, being oversubscribed about 175 times, while the 135 million, Placed Shares were oversubscribed about 2.80 times the number of Shares, which were allocated to institutional investors.

However, notwithstanding the fickle nature of the investing public of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), there is no way on the dark side of the moon that one could consider this enterprise as being a successful Company, regardless of the track-record statistics, contained in the Company's Prospectus, dated September 30, 2003.

The reasons for **TARGET's** negative assessment of this Company are:

Reason Number One

During the track-record period, Mr Lau Yau Bor, the Chairman and Founder of Jiwa Bio-Pharm Holdings, has been lending substantial amounts of money to the Company, interest-free, with no fixed repayment terms.

This is shown, clearly, by even the most cursory examination of the Consolidated Profit and Loss Account, located at Page 186 of the Prospectus:

	Financial Year ended March 31		
	2001	2002	2003
	All Figures are Denominated in \$HK'000 (except where otherwise specified)		
Turnover	177,909	186,395	188,762
Cost of Sales	(124,159)	(121,062)	(97,338)
Gross Profit	53,750	65,333	91,424
Gross Profit Margin*	30.21 percent	35.05 percent	48.43 percent
Other Revenue	265	408	178
Other Net/(Loss) Income	(152)	310	97

Selling Expenses	(6,871)	(10,277)	(23,953)
Administrative Expenses	(15,068)	(15,910)	(21,054)
Other Operating Expenses	(218)	(185)	(1,417)
Profit from Operations	31,706	39,679	45,275
Financing Costs	(364)	(839)	(1,600)
Profit from Ordinary Activities before Taxation	31,342	38,840	43,675
Taxation	(735)	(5,029)	(3,930)
Profit from Ordinary Activities after Taxation	30,607	33,811	39,745
Minority Interests	(8,282)	(9,018)	(8,932)
Profit Attributable to Shareholders	22,325	24,793	30,813
Net Profit Margin*	12.55 percent	13.30 percent	16.32 percent
Dividends Paid	Nil	8,000	16,000

*These are **TARGET**'s calculations

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