



China Pharma Holdings, Inc. is a specialty off-patent brand and newly developed drug manufacturer based in Haikou City, Hainan province. With fully-integrated pharmaceutical capabilities, the company develops, manufactures, and markets both Western and Chinese bio-pharmaceutical products in China that treat a wide range of conditions, including infections, hepatitis, cardiovascular, cerebrovascular, CNS and other prevailing diseases. The company has eight scalable GMP certified manufacturing lines, a strong R&D platform supported by strong relationships with multiple national research institutions and universities, a broad portfolio of products and a pipeline of six products in different stages of the approval process.

INVESTMENT HIGHLIGHTS

- From 2003 to 2007, the Company's net income has CAGR of 72%.
- Positioned within the largest segment of the Chinese fast-growing pharmaceutical market.
- Diversified portfolio of 18 approved drugs which address large patient populations and focus on the treatment of CNS, cardiovascular, cerebrovascular, and infectious diseases.
- A pipeline of 9 drugs in different stages of the R&D process including two awaiting SFDA production approval, and a newly formulated Cephalosporin antibiotics with anti-resistance profile which has never been marketed in the world.
- Scalable GMP certified manufacturing facilities with eight different modern production lines that manufacture medicines in a variety of delivery mechanisms.
- Extensive distribution network with 16 sales offices and 680 proxy agents covering 30 provinces in China
- Highly professional and experienced management team with over 20 years experience in pharmaceutical manufacturing business and who maintain significant stock ownership.



China Pharma Holdings, Inc.

SECTOR: Healthcare
INDUSTRY: Drug
Manufacture

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CHINA'S PHARMACEUTICAL INDUSTRY

- With CAGR over 16% from 2005 to 2010, China is the 8th largest pharmaceutical market in the world today. China is forecasted to be the 5th largest pharmaceutical market by 2010 and the largest by 2050 according to Price Water-house Coopers (PWC).
- China's pharmaceutical industry is extremely fragmented with the top ten players contributing only 15% of the total industry sales.
- Inexpensive Chinese generic drugs and traditional Chinese medicines (TCMs) account for about 90% of China's national medical insurance drug list.
- Domestic drug manufacturers have 65% of market share and expensive imported drugs are prohibited or restricted by China's national medical insurance.
- OTC sales currently account for less than 20% of the country's pharmaceutical market, yet are growing faster than the overall pharmaceutical market.
- Recent approvals from the SFDA potentially indicates a positive trend for drug companies is emerging.

SELECT FINANCIALS

CPHI : OTCBB	
Fiscal Year End:	Dec. 31st
Current Price (09/30/08):	\$2.08
Fully Diluted Shares Outstanding:	42.2 M*
Market Cap:	\$87.78M
Revenue (YTD)	\$35.6M
Net Income (YTD)	\$12.5M
EPS (YTD)	\$0.32
Trailing P/E (YTD)	~4X
Auditor:	Hansen, Barnett & Maxwell, P.c.
Legal:	King & Wood LLP

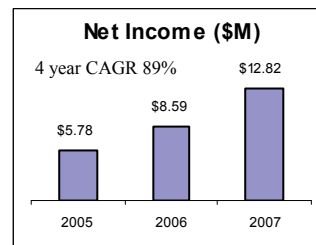
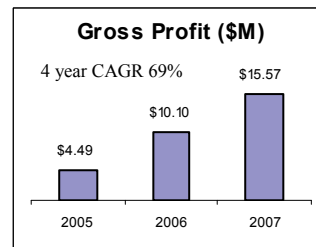
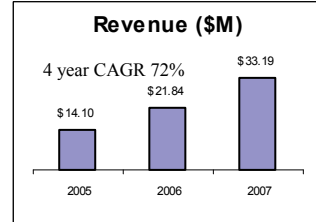
* Doesn't include 1.25 MM warrants.



TREATMENT	CHINA PHARMA PRODUCTS	
CNS and Cardiovascular Diseases	Cerebroprotein Gastrodin Ozagrel Bumetanide	Bufloemedil Alginic Sodium Diester Propylgallate
Infectious Diseases	Cefaclor Clarithromycin Cefalexin	Roxithromycin Andrographolide
Respiratory Diseases	Pusen OK – 1st to market OTC product comparable to Aleve-D®	
Tumor Diseases	Granisetron Hydrochloride	
Digestive Diseases	pHGF	
Wound Recovery	rh-aFGF	
Immune System	Thymopolypeptides Vitamin B6	

FINANCIAL HIGHLIGHTS

- Revenue & Net Income for 2007 vs. 2006 increased 51.9% to \$33.2M and 49.3% to \$12.8M respectively. Diluted EPS for the fiscal year of 2007 were \$.34 compared to \$.25 for fiscal year 2006.
- Compared to the first nine months of 2007, Revenue & Net Income for the first nine months of 2008 increased 47.76% to \$35.6 million and 42.05% to \$12.5 million with EPS of \$0.32. The Company provided guidance of 45% growth in revenue for 2008.
- Gross and operating margins were 50.2% and 38.6% respectively in First Nine months of 2008.



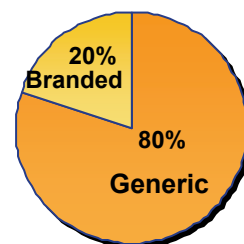


TARGETED THERAPEUTIC DRUGS

- **Cardiovascular & cerebrovascular drugs** are top selling medications representing approximately 20% of the worldwide market share and are the second largest selling medications in China with approximately a 15% market share. In 2004, the global market size for these drugs (including all therapeutic forms) reached \$104.7 billion.
- **Anti-microbial agents** are top selling drugs in China with a growth rate of 20%.
- **Wound recovery and rehabilitation therapies** are used to speed the rehabilitation of a wide variety of wounds ranging from lacerations and burns to tissue damage. Annual sales within China are estimated to be \$153 million as of 2004 and growing.
- **OTC cold & flu medicine** are part of the Chinese OTC market which occupies 5.7% of the global OTC market. In 2005, cold & flu medicines accounted for 8.3% of the retail sales of the \$4.2 billion OTC market. Sales of cold & flu medicine are impacted by seasonality.

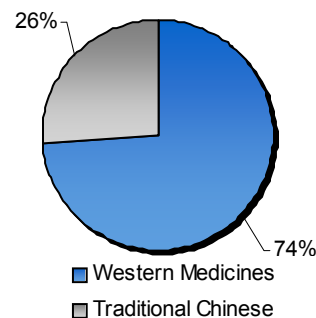
COMPETITIVE ADVANTAGES

- Diversified product portfolio, disciplined cost control and a strong sales network enables the Company to compete in the highly fragmented pharmaceutical industry.
- Strong R&D capacity enables the Company to develop and launch new and off-patent brand products based on market demand while providing its therapeutics in a variety of delivery mechanisms such as tablet, capsule, injection, granule, powder, and oral fluid (suspension). Additionally, it utilizes various patient-focused delivery systems to enhance its competitive position in the market.
- Maintains a strong position in the generics market which dominates the Chinese market and accounts for 98% of drugs manufactured and 80% of drugs sold in China.
- Experienced management team provides the Company with clear market insights, technical knowledge and dynamic marketing capabilities.



MARKET DRIVERS

- China's rapid economic growth, increase in disposable income, new Rural Cooperative Medical System and aging population create a long-term secular growth opportunity for the industry and for China Pharma.
- The growth of the pharmaceutical industry is being driven by increased income level, and consumers' desire to improve the quality of their life through **western-style healthcare**.
- Most imported medicines are restricted from China's Social Medical Insurance and Chinese generic medicine companies dominate Chinese pharmaceutical market.
- New Rural Cooperative Medical System (CMS) promoted by Chinese government and increasing government spending in rural areas open a \$1 billion potential market.



GROWTH STRATEGIES

- Continue to develop and launch new and off-patent brand products with large market potential by combining internal product development and strategic alliances.
- Develop high margin biotech products to sustain the Company's long-term growth and enhance margins.
- Expand pipeline to cover prevailing diseases in China including CNS, cerebrovascular diseases, cardiovascular diseases, diabetes and infectious diseases.
- Develop niche markets by producing new or improved dosage forms of existing products for special patient groups.
- Expand traditional Chinese products and market modern Chinese medicines in China and overseas.
- Capitalize on a fragmented market by making strategic acquisitions to complement product portfolio and overall growth.
- Secure and develop new sales channels and expand the current distribution network to new markets to increase overall market share.

MANAGEMENT TEAM

Ms. Zhilin Li, President & CEO - Ms. Li has extensive experience in pharmaceutical industry. She has served as the President and CEO of the Company since October 20, 2005. She was one of the founders of Helpson, where she served as chairman and CEO since 1993. Prior to that, Ms. Li was the president of Haikou Bio-engineering Institute, and the Vice-President of the Sichuan Institute of Biology. She graduated from Sichuan University, where she majored in biology, and later became an instructor.

Mr. Xinhua Wu, CFO - Mr. Wu has served as the Chief Financial Officer of the Company since October 20, 2005. He has served as CFO of Helpson since 1999. Mr. Wu was CFO and assistant to the CEO at Hainan Guobang Enterprises Inc., from 1992 to 1999. Mr. Wu graduated from Jiangxi Financial College with a Bachelor's degree in Finance.

Ms. Yao Huang, CTO - Ms. Huang started at Helpson in 1994. She is a certified senior engineer and registered pharmacist with over 20 years of professional experience in pharmaceutical manufacturing. Ms. Huang graduated from Chengdu Chinese Medicine and Pharmaceutics University.

Ms. Jian Yan, Secretary of Board - Ms. Yang has served as the Secretary of the Company since October 20, 2005. She is one of the founders and a director of Helpson. Ms. Yang was a technician at the Sichuan Institute of Biology in 1990 and Vice-President of Haikou Biomedicine Engineering Co., Ltd. In 1991, Ms. Yang earned her MBA degree at the University of Wales, England.

Statements included in this document may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks and uncertainties such as competitive factors, technological development, market demand, and the company's ability to obtain new contracts and accurately estimate net revenues due to variability in size, scope and duration of projects, and internal issues in the sponsoring client. As a result, actual results may differ materially from any financial outlooks stated herein. Further information on potential factors that could affect the company's financial results can be found on www.sec.gov. This information does not provide an analysis of the Company's financial position and is not a solicitation to purchase or sell securities of the Company.