



**Huifeng Bio-pharmaceutical  
Technologies Inc.  
(OTCBB: HFGB)  
August, 2008**



# Safe Harbor

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# Company Snapshot

*Huifeng is a leading Chinese producer of plant extracts used in pharmaceutical and nutraceutical products*



**Ticker symbol:** OTC BB: HFGB

**Shares Outstanding:** 20.5M

**Market capitalization:** \$20.5 M

**Float:** 2.1 M

**SEC Auditor:** Jimmy CH Cheung, Hong Kong

**SEC Counsel:** Crone Rozyngo LLP



# Business Overview

- Produces plant extracts, pharmaceutical intermediates and pharmaceutical products
- Currently dominant Chinese producer of rutin; poised to become a dominant producer of diosmin
- Serves a diverse domestic and international client base
- Maintains all qualifying certifications for domestic and international sales of plant extracts and related products
  - Includes ISO9000:2001 and multiple national GMP qualifications
  - Expecting European COS approval in fall 2008
- Company's headquarters and production facilities: Xi'an, China



# Products

Rutin

Troxerutin

Quercetin

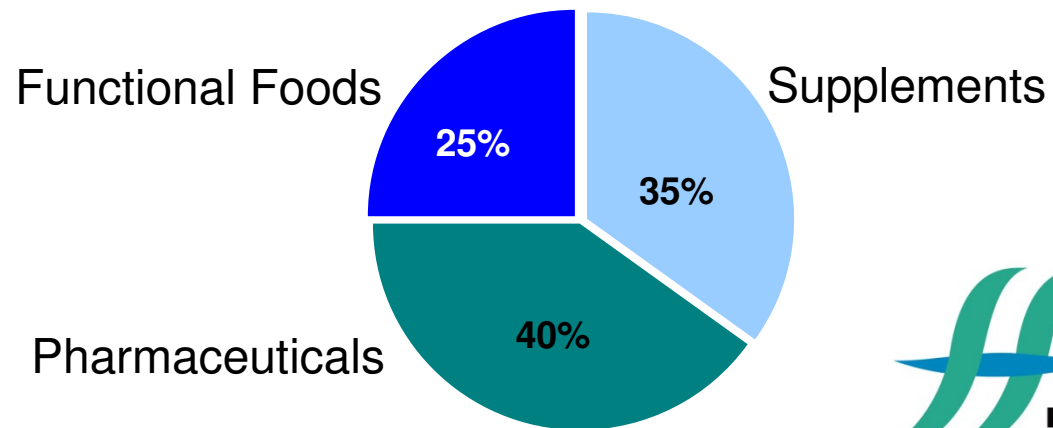
Ginkgo Biloba Extract

L-Rhamnose and

Diosmin

*Company products are primarily in the chemical category called flavonoids, with medicinal benefits and multiple endmarkets, including pharma and nutraceuticals*

2007 9-month Revenues by end market



# Building Competitive Advantages

Since founding Company in 2000, Huifeng has gained a dominant position in Chinese rutin market

Rutin is only produced in China & Brazil

Huifeng holds the only Chinese patent issued for the most efficient method of Rutin production

Huifeng is the **only** GMP-approved Chinese vendor of Diosmin

Developed Diosmin and L-Rhamnose production methods in 2005

New production facilities on line in late 2006

Chinese competition several years behind

COS application in place for European markets

Significant sales agreement in 2007 with Safic Alcan

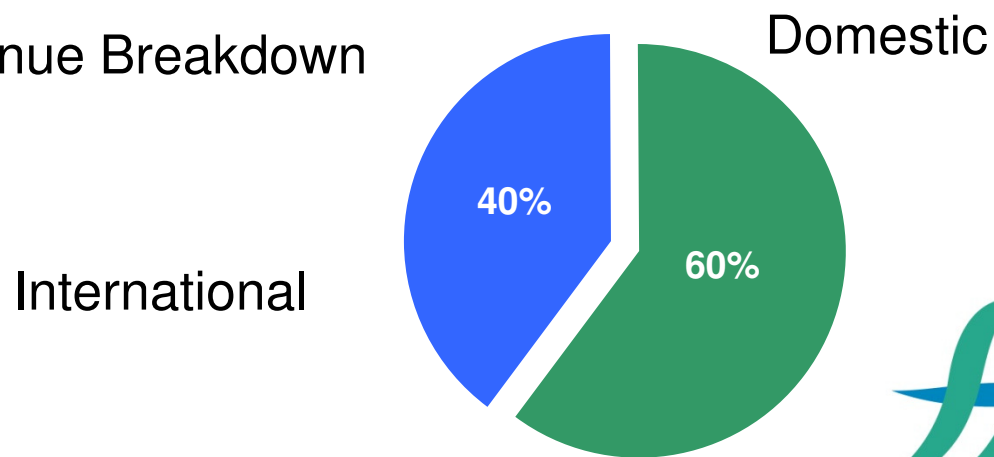


# Customers

In 2005 Company successfully focused on growing its international client base of pharmaceutical and food/beverage manufacturers

In 2007 Huifeng products were sold in China, France, Japan, Hong Kong, Russia, India, Germany and the U.S.

Geographic Revenue Breakdown  
9 months 2006



# Pharmaceutical Market Growth Drivers

- Chinese pharmaceutical market is expected to reach \$60 billion by 2010 and rank 5<sup>th</sup> in the world
- Chinese population aged 60+ to reach 15% of population by 2015
- Plant-based pharmaceuticals approximately 40% of the Chinese medical system

# Nutraceutical Market Growth Drivers

Rising Chinese consumer purchasing power is bringing

- Surging demand for health and wellness products in China
- Growth in consumption of nutraceuticals, functional food and drinks in China
- Nutraceuticals fill similar space in market as traditional medicine products

International trends related to pharma market growth

- A growth in demand for functional foods based on an aging population
- A rise in the use of preventative medicine as a reaction to rising health care costs

# Huifeng Product Endmarkets: Pharma

*While drug product formulations are proprietary, SFDA-accepted research supports the following ingredient functions*

<u>Chemical</u>	<u>Drug action/function</u>
Rutin	Increases in blood vessel strength and permeability; anti-inflammatory properties; Fat reduction in liver tissue
Quercetin	Protects against the buildup of fat in heart tissue and thrombosis; Can reduce blood pressure; Immune system strengthener; Diminishes free radicals in body & inhibits the growth of tumor cells
Diosmin	Treats venous diseases and hemorrhoids; Increases the strength of venous walls by pressure reduction
L-Rhamnose	Used in the manufacture of anti-viral and anti-tumor drugs
Troxerutin	Used to treat varicose veins and hemorrhoids; Can reduce the occurrence of stroke, hardening of the arteries and circulatory problems



# Huifeng Product Endmarkets: Nutraceuticals

## Health Supplements & Functional Food/Beverages

- Rutin: Multivitamin and Ester C products
- Quercetin: Vitamin C varieties, functional drink mix powders; specialized eye health supplements
- Ginkgo Biloba: Weight loss aids & multivitamins, energy and attention deficit products and functional drink mixes
- L-rhamnose: Multivitamin drink mixes & as a basis for fruit flavorings in foods

# Growth Drivers

Utilize R&D for further product development & access state support for commercialization

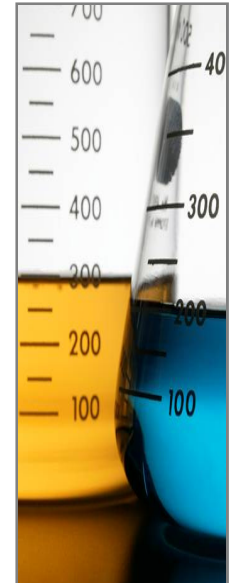
- Current state and province-funded projects include:  
Rutin commercialization and diosmin research

Strategic Acquisitions

Cooperation/research relationships with

China's medical and chemical engineering institutes:

- Shaanxi GAP Engineering Research Center
- Military Medical University
- Northwest A&F University
- Dalian Institute for Light Industrial Design



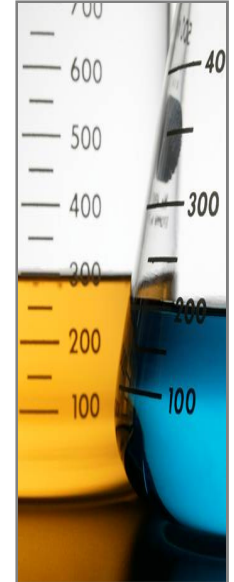
# Financials: Highlights

2008 Year to Date results show increase in revenue of 78% and gross profit growth of 88%

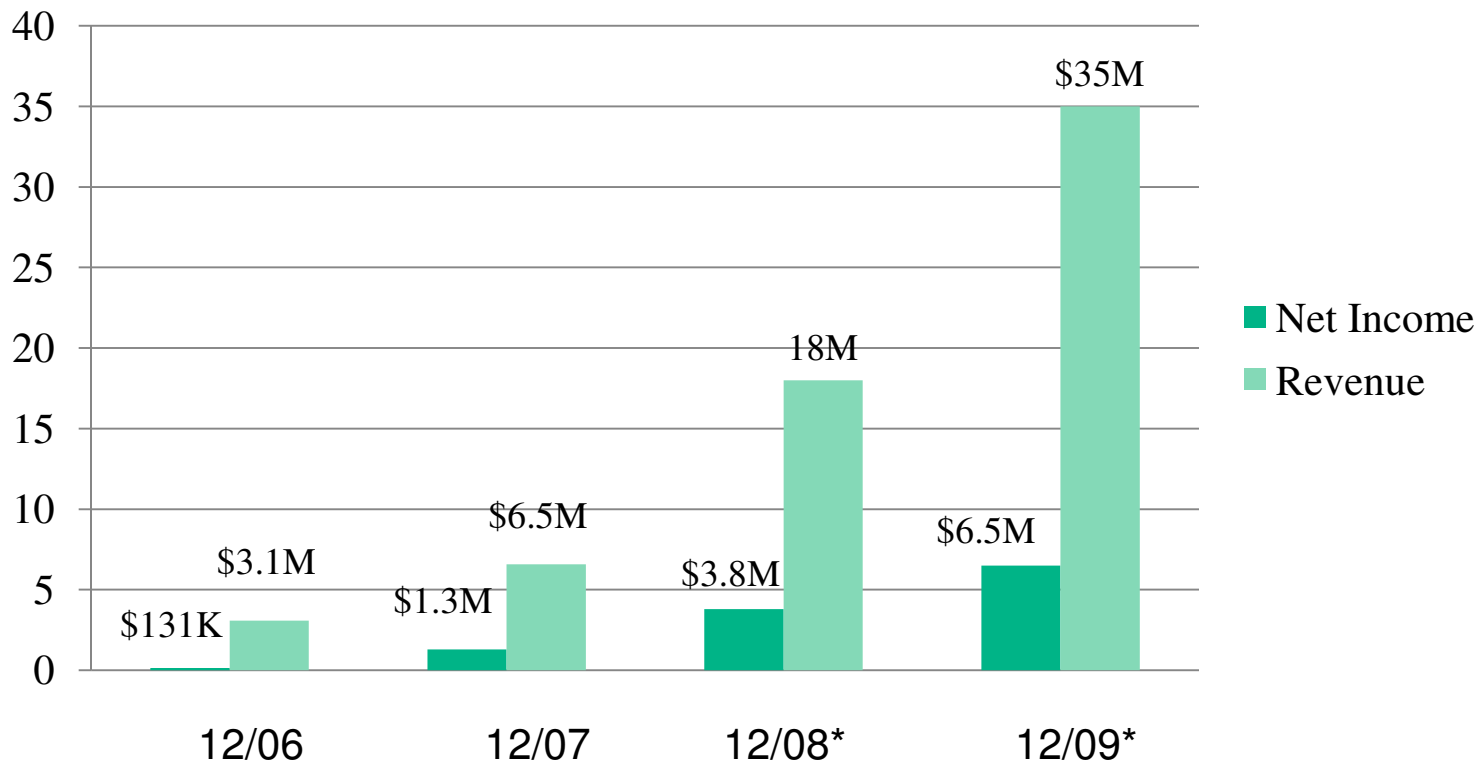
Gross Margins have expanded to 34%

Net Income expected to accelerate in second half of 2008 as Corporate Infrastructure Spending Initiatives demonstrate results

Targeting \$3.8M in Net Income for 2008: 18 Cents per share



# Huifeng Revenue & Net Income (USD Millions)



\* Forecasted



# 2007 Year End Results

	<u>2007</u>	<u>2006</u>	<u>Y/Y Growth</u>
Sales	6,571,531	3,076,779	114%
Cost of Sales	4,594,219	2,619,261	75%
Gross Profit	1,977,312	457,518	332%
Gross Profit Margin	30%	15%	
Total Operating Expenses	576,327	469,694	23%
Income from Operations	1,400,985	-12,176	N/A
Net Income	1,283,683	131,736	874%
Net Margin	20%	4%	
Net Income per Share, Basic & Diluted	0.07	0.01	600%



# 2008 First Half Results

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Y/Y Growth</u>
Sales	5,351,442	3,008,147	78%
Cost of Sales	3,512,315	2,031,889	73%
Gross Profit	1,839,127	976,258	88%
Gross Profit Margin	34%	32%	
Total Operating Expenses	747,604	202,274	270%
Income from Operations	1,091,523	773,984	41%
Net Income	698,073	698,830	0%
Net Margin	13%	23%	
Net Income per Share, Basic & Diluted	0.04	0.04	0%



# Balance Sheet

**June 30, 2008**

## CURRENT ASSETS

Cash and cash equivalents

945,293

Total Current Assets

8,188,982

Total Assets

13,038,590

Total Property, plant and equipment, net

4,699,769

## LIABILITIES AND SHAREHOLDER'S EQUITY

Accounts payable & accrued expenses

459,756

Notes payable

2,097,450

Total liabilities

3,280,133

Minority Interest

505,595

Total shareholder's equity

9,252,862



# Management

Jing`An Wang

Chief Executive Officer, President and founder

San Ding Tao

Chief Financial Officer

Xin Wen Hou

Company Secretary



# Investment Highlights

- International demand growing in multiple end markets
- Dominant position in Chinese sales of Rutin
- The only GMP-approved Chinese vendor of Diosmin
- Company profitable, low P/E multiple
- Numerous acquisition opportunities
- European sales contracts in place
- Committed management



# Thank You!

