

**SHANXI CENTRAL PHARMACEUTICAL INTERNATIONAL LTD**  
**A MANUFACTURER OF CURE-ALLS AND SNAKE OIL**

Without question, the United States' medical fraternity should sit down in order to have a very serious talk with the Founder of Shanxi Central Pharmaceutical International Ltd (Code: 327) -- because this Chinese lady appears to have discovered medical secrets, yet to be shared with the rest of the world.

According to the Prospectus of Shanxi Central, which plans to be listed on The Stock Exchange of Hongkong Ltd on the Main Board, it has developed a treatment for arthritis and rheumatism, among other things.

It appears that a Mrs Hou Li Ping, the Chairperson of Shanxi Central, *'inherited numerous prescriptions and ancient experience in the treatment of rheumatism and arthritis diseases from her father-in-law, Mr Shi Guang Ji who practised as a Chinese medical physician since 1951 for more than 40 years. Applying Madam Hou's pioneering theory, known as "Hou's Therapy", and its technological knowhow in product development, Taiyuan Hospital has been co-operating with other hospitals in the PRC (the People's Republic of China) since 1989 in the development and research of pharmaceutical products for the treatment of rheumatism and blood vessels blockage in cardiac organs and the brain ...'* Page 42 of the Company's Prospectus, dated July 14, 2000 (all mistakes in the above copy, those of the science and art of medicine as well as those of English grammar and spelling are for the account of the people who drafted this Prospectus)

Eureka! We are all saved!

Shanxi Central offered a total of 15 million, 10-cent shares at a Premium of 75 cents per share and, in addition, 45 million shares were Placed.

Also, Mr David Y.M. Shi, Deputy Chairman and Managing Director of Shanxi Central, as well as being the husband of Mrs Hou Li Ping, took this opportunity to unload some of his share holdings in the Company: All of 30 million shares.

The money to be raised in this exercise is earmarked for the following purposes, the Company's Prospectus states at Page 84:

1. \$HK7 million to be used to upgrade existing production facilities and to acquire new machinery;
2. \$HK20 million to be used for the construction of a new production plant;
3. \$HK7 million to be used for the installation of 4 new production lines in the new production plant;
4. \$HK3 million to be used for the installation of new equipment, instruments and machinery;
5. \$HK3 million to be used for marketing and advertising;
6. \$HK3 million to be used for conducting market and product image studies in order to ascertain the best way to attack the North American markets;
7. \$HK3 million to be used to obtain patent rights; and,
8. \$HK2.80 million to be tipped into the General Working Capital Account.

**The History**

Shanxi Central first saw the light of day in 1987 when Mr David Shi and his wife, Madame Hou Li Ping, established the Taiyuan Hospital for sufferers of rheumatism and arthritis and other related ailments.

Madame Hou, armed with, what the Prospectus claims, '*prescriptions and ancient experience*', appears to have been well versed in the art of this ancient Chinese medicine so that, today, she is looking at cures for thrombosis of the heart and the brain.

The world, no doubt, is awaiting with bated breath for her findings.

Since the establishment of this hospital, this Company appears to have done quite nicely, as far as the moneys, derived from treatments and the sales of medicine, are concerned.

The following is the Company's track record for the past 45 months:

	Financial Year ended May 31			
	1997	1998	1999	Nine Months to February 29, 2000
	(All Figures are Denominated in \$HK'000)			
<b><u>Turnover by Activity:</u></b>				
Manufacturing	19,377	21,870	81,324	98,742
Operation of Taiyuan Hospital	3,915	4,367	4,653	3,984
Trading	<u>38,792</u>	<u>46,429</u>	<u>27,461</u>	<u>20,619</u>
<b>TOTAL</b>	<b><u>62,084</u></b>	<b><u>72,666</u></b>	<b><u>113,438</u></b>	<b><u>123,345</u></b>
<b><u>Gross Profit:</u></b>				
Manufacturing	13,578	18,544	50,072	58,409
Operation of Taiyuan Hospital	623	650	738	636
Trading	<u>2,817</u>	<u>4,872</u>	<u>3,452</u>	<u>3,765</u>
<b>TOTAL</b>	<b><u>17,027</u></b>	<b><u>24,066</u></b>	<b><u>54,262</u></b>	<b><u>62,810</u></b>
Selling Expenses	(809)	(989)	(10,639)	(7,075)
Administration and Staff Expenses	(1,739)	(1,344)	(2,651)	(3,578)
Profit Before Taxation	14,479	21,733	40,972	52,157
Taxation	(1,019)	(995)	(218)	(1,593)
Profit Attributable to Shareholders	13,458	20,678	40,350	50,072
Dividends Paid to Shareholders	10,000	10,000	10,000	30,000

From the above, it is clear that the '*real*' money is coming into the Company's coffers from manufacturing activities.

For the Financial Year, ended May 31, 2000, the estimated combined ... [CLICK TO ORDER FULL ARTICLE](#)

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