

**CHINA BIO-MEDICAL GROUP LTD :
INSOLVENT OR NOT, PAY UP!**

The walls are closing in on Global Link Shipping Ltd, a 70-percent-owned subsidiary of publicly listed China Bio-medical Group Ltd (Code: 140, Main Board, The Stock Exchange of Hongkong Ltd) because it has failed to pay nearly \$HK2 million to the Government of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

When one owes a great deal of money to an individual or a company, one may enter into talks with a view to rescheduling the debt, but, in the case of the HKSAR Government, there is no room for negotiations: Put up or shut up!

That is the contention of the Commissioner of Inland Revenue of the HKSAR, who has served notice on the company to pay \$HK1,965,496, forthwith, in respect of monies, allegedly owed in respect of back taxes of Global Link Shipping.

The Notice was served on China Bio-medical Group, according to TARGET's information, on July 24.

This is the latest chapter in the continuing saga of this investment holding company, which can't seem to make up its mind as to an appropriate name for the company.

It has changed its name twice in the past year, from Kong Tai International Holdings Company Ltd, to Global Link Cyber International Ltd, to the present name: Global Bio-medical Group Ltd.

That this Company is in dire straits is hardly news, but when a company cannot pay its taxes to the Government, then, it must be considered, not just in financial trouble, but in deep financial trouble.

Because governments are not known to be generous when it comes to obtaining their pound of flesh.

On May 30, 2001, Arthur Anderson and Company, Global Link's Auditors, qualified the accounts of the Company, saying, inter alia:

'In forming our opinion, we have considered the adequacy of disclosures made in the financial statements concerning the possible outcome of (i) the negotiations with the group's bankers for rescheduling the repayment terms of certain of the group's bank borrowings, and (ii) the issuance of convertible notes. The financial statement have been prepared on a going concern basis, the validity of which depends upon future funding being available and the success of the group's future operations. The financial statements do not include any adjustments that would result from the failure of rescheduling the repayment terms of certain of the group's bank borrowings or the issuance of convertible notes, or should the group's future operations not be successful ...'.

Arthur Anderson and Company replaced KPMG Peat Marwick as the Company's Auditors on December 15, 2000, after KPMG Peat Marwick had held the position for the previous 3 Financial Years.... [CLICK TO ORDER FULL ARTICLE](#)

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