

**KINETANA INTERNATIONAL BIOTECH PHARMA LTD :
ONLY FOR PLAYERS OF CRAPS**

The only honest way to describe Kinetana International Biotech Pharma Ltd is to say that it is one, big gamble.

The Company has never made a dime in its history – and the chances of it ever becoming a success within the next decade are somewhere between zero and minus 100.

Kinetana International went public on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd on May 22, 2002 when it Placed 120 million, one-cent Shares at a Premium of between 49 cents per Share and 67 cents per Share.

It, also, Offered 12 million, one-cent Shares to anybody with the ‘bread’ on the same basis as the Placed Shares.

The Underwriters charged the Company a 5-percent commission for its work – which is one of the highest levels charged by any underwriter in the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC) – ever.

There had to be a good and valid reason for 17 underwriters to squeeze Kinetana International for such a relatively high financial whack.

Perhaps, the underwriters determined, at the outset, that this was going to be one, very difficult sell.

This Company is said to be engaged in consulting services, conducting pre-clinical and clinical studies in pharmacokinetics and pharmacodynamics for pharmaceutical and biotechnological companies.

Translation: Kinetana International tests substance candidates and tries to determine what they do to the human body, when they do it to the human body (if at all), how they do it to the human body (if at all), the absorption rate in humans of the substances, being tested, and the long-term effects (if any) of the substances on the human body.

The Company was founded in 1987 and its mission, today, is described at Page 84 of the Prospectus as follows:

‘The core competency of the Group is pharmacokinetics and pharmacodynamics ... and the Group’s mission is to accelerate the discovery and development of synthetic drugs and natural products, including TCM (Traditional Chinese Medicine).

‘Understanding PK/PD (pharmacokinetics and pharmacodynamics) is crucial to the success of a drug: if a potent compound, or compound with activities, cannot reach the site in the body that is being treated, it cannot exert its effect...

‘The main bottleneck in the development process before a drug candidate is introduced into humans is predicting the degree to which a drug candidate taken by mouth will be absorbed through the intestine and into the body. To help to solve this bottleneck, the Group has focused its research program on developing a platform technology called SimBioDAS technology to predict how well a drug candidate will be absorbed into the human body ... ’.

Kinetana International came to The GEM in order to raise about \$HK46 million, the Prospectus states at Page 151, that tidy sum of money is to be used as follows:

1. \$HK17 million for the acquisition of chemical analysis equipment and machines;
2. \$HK12 million to hire some staff;
3. \$HK4 million to match funding obligations;
4. \$HK2 million to establish a facility in Canada for the development of an automated SimBioDAS system;
5. \$HK1 million to acquire equipment in order to perform contract services;
6. \$HK5 million to be used for marketing and promotional activities; and,
7. \$HK5 million to be used as addition manpower costs in respect of herbal product development.

Kinetana International had no money, prior to turning to The GEM for some financing, and, as TARGET stated at the outset of this analysis, this Company is an outright gamble.

This situation, it is said, was one of the reasons that The GEM was born: For sophisticated investors, wanting to take a gamble.

This Company has never made a cracker, and, as at February 28, 2002, it was enjoying a negative Shareholders' Equity of about \$HK6.54 million ... [CLICK TO ORDER FULL ARTICLE](#)

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