

**SHANXI CENTRAL PHARMACEUTICAL INTERNATIONAL LTD:
ANOTHER DAY; ANOTHER CLAIM**

For a company, which can raise \$HK49 million in its Initial Public Offering (IPO), not to be able to come up with \$HK53 million in respect of alleged claims against it, one may be tempted to be a little understanding.

But, to be having difficulty in coming up with the seemingly paltry sum of \$HK204,138.60 with regard to the services of a public relations company, then, one has to wonder: Just how tight are the finances of the company?

This appears to be the case in respect of publicly listed Shanxi Central Pharmaceutical International Ltd, a company that is listed on the Main Board of The Stock Exchange of Hongkong Ltd, Stock Code Number 327.

According to iOne Financial Press Ltd, it is owed \$HK204,138.60, but *'Despite repeated requests and/or demands included a letter dated 6th May 2003, from the Plaintiff's Solicitors ... to the Defendant, the Defendant has failed and/or refused to settle the outstanding sums ...'* (Paragraph 4 of the Statement of Claim, attached to the Writ of Summons, Number 2724, District Court, the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC))

According to the latest claim against Shanxi Central Pharmaceutical International, iOne Financial Press issued a total of 18 invoices between October 30, 2002 and March 24, 2003 for work, allegedly performed for and on behalf of Shanxi Central Pharmaceutical International.

iOne Financial Press is, now, demanding its money plus interest at the rate of 2.50 percent per month.

Only last Friday did TARGET report that Management of Shanxi Central Pharmaceutical International must be having one big headache and that, perhaps, the snake-oil company ought to consider re-inventing the aspirin in order to cure what ails it, rather than churning out medicines, which are alleged to be cure-alls for diseases in man, ranging from myocardial infarcts to rheumatoid arthritis to premature ejaculation.

In that report (Please see [TARGET Intelligence Report, Volume V, Number 91](#), dated May 16, 2003), this medium said that, within just 49 days, claims against it had hit not less than \$HK53 million.

Up until last Friday, the latest claims had been an allegation in respect of a dishonoured cheque in the amount of \$HK17.55 million.

That claim was against a wholly owned subsidiary of Shanxi Central Pharmaceutical International, Central Pharmaceutical Holdings (BVI) Ltd, as the Principal Defendant, with the publicly listed company, Chairlady Hou Li Ping, and her husband Deputy Chairman, Mr Shi Yue Ming (also known as David Y.M. Shi), being the alleged guarantors of the purported cheque.

TOLFIN (TARGET's Computerised Online Financial Intelligence Service and Credit-Checking Provider) indicates, in its records, that Dao Heng Bank Ltd has laid a \$HK30.22-million claim against Shanxi Central Pharmaceutical International in respect of money due and owing as has CITIC Ka Wah Bank Ltd, which has claimed about \$HK5.60 million from the publicly listed company.

It must be only too apparent, now, that Shanxi Central Pharmaceutical International is going to shock its shareholders ... [CLICK TO ORDER FULL ARTICLE](#)

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