

**WUYI INTERNATIONAL PHARMACEUTICAL COMPANY LTD:
THE PROSPECTUS RAISES MORE QUESTIONS THAN GIVES ANSWERS**

For a 7-year-old company, Wuyi International Pharmaceutical Company Ltd () (Code: 1889, Main Board, The Stock Exchange of Hongkong Ltd) appears to have been riding on a medical gravy train since being founded, with, virtually, no appreciable debt.

This publicly listed company could hardly be considered any more enticing, seductive or exciting than an oyster, just scraped off the hull of a sailing boat, but its financials, nevertheless, must be considered impressive.

For the 45-months, ended September 30, 2006, only the interest factor in respect of bank borrowings, repayable within 5 years, was anything of a drag on the Bottom Lines – and even that debt service, ranging from about 1.11 million renminbi to about 2.92 million renminbi, was a pittance, relative to the Company's Turnover and Net Profit Attributable to Shareholders, during that track-record period.

This Company is in the business of producing and selling 19 Western pharmaceutical products and 5 modern Chinese pharmaceutical products.

The majority of these pharmaceuticals are not new to the marketplace, being such things as 500-millilitre bottles of 5-percent glucose injectible (sic), 10-percent glucose injectible, glucose, glucose and sodium chloride injectible and sodium chloride injectible, etc, the fluids that patients, coming out of operations, are fed by drip feeds.

Wuyi International Pharmaceutical fully describes its business at Page 106 of its Global Offering Prospectus, dated January 22, 2007, as follows:

'We are a vertically integrated specialty pharmaceutical group focused on manufacturing, marketing, and selling our branded prescription and over-the-counter western pharmaceuticals and modern Chinese medicine products, including modern Chinese injectibles (sic), for the Chinese market. Our diversified product portfolio consists of 24 currently manufactured and marketed products that address significant medical needs in China in the therapeutic areas of respiratory, cardiovascular, gastrointestinal and infectious diseases and cancer. We have experienced significant growth in terms of turnover and profit since 2001. For the years ended December 31, 2003, 2004 and 2005, we generated sales of approximately RMB213.8 million, RMB316.2 million, and RMB417.3 million, respectively, representing a CAGR of 39.7% over the period. During the same period, our net profits were approximately RMB48.3 million, RMB78.8 million, and RMB117.2 million, respectively, representing a CAGR of 55.8%, and our net profit margins were 22.6%, 24.9% and 28.1%, respectively. For the nine months ended September 30, 2006, our turnover and net profits were approximately RMB372.6 million and RMB54.0 million, respectively, and our net profit margin was 14.5%. The decrease in profitability was due to a non-recurring charge of RMB55.8 million to adjust for the difference between the fair value of the Convertible Bonds at the time of issue and the fair value of Convertible Bonds at September 30, 2006. We are one of the leading non-state-owned pharmaceutical groups in China in terms of growth and profitability.

'Our principal products comprise a diversified set of 19 western pharmaceutical and five modern Chinese medicine products, of which 20 require a physician's prescription and the remaining four are over-the-counter drugs that can be obtained without a physician's prescription. These principal products form part of our diversified portfolio of 123 products,

for which we have received approval and registration from the SFDA (State Food and Drug Administration –), possess the requisite technology and capacity to manufacture, and stand ready to manufacture and market at any time when the market demand for and the anticipated margin commanded by a particular product justify the manufacture and marketing of such product. Based on our market research, we choose to manufacture and sell products that we anticipate will have strong market demand and that are likely to generate high margins. We currently choose to manufacture and sell 24 principal products because we believe they generate higher margins than other products included in our portfolio. While we do not currently manufacture and market all 123 products, we believe our broad product portfolio serves as a rich reserve that allows us to adjust and adapt our production output to optimize our product mix. As a result, we are able to promptly react to market conditions based on the price and profitability of our products, capitalize on attractive market opportunities and adapt to regulatory changes.'

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