ASENSIO .com

May 27, 2009

CSKI's New Drugs: One Kills People, the Other Is 27 Years Old.

Yesterday China Sky One Medical, Inc. (NASDAQ: CSKI) issued a press release stating that the company had obtained production approval for "two of its newly developed drugs" from China's State Food and Drug Administration. One drug is "acyclovir gel," used to treat herpes simplex. The other drug is "Shuanghuanglian suppositories," used for cold and flu symptoms.

Despite China Sky's suggestion that these drugs are "newly developed," both have long been manufactured by other firms in different forms.

Shuanghuanglian is an old Chinese herbal remedy. It is sold in China in many different forms. It is even available for sale in the US in capsule form as an herbal supplement. China Sky appears new only in offering the herbal remedy as a "suppository."

An injectable Shuanghuanglian product reportedly caused the death of a person who used it earlier this year, which prompted Chinese health authorities to suspend sales of the injectable form of the product (See press reports 1, 2, and 3). There are even press reports of three people falling sick from using Shuanghuanglian in the city of Harbin, where China Sky's operating company is based.

The other drug mentioned in the press release, acyclovir, dates at least from 1982, when Burroughs Wellcome Co. filed to obtain a US patent for a method of producing acyclovir. A US patent for acyclovir gel, the product CSKI is claiming to make, was filed in 1993. China issued a patent on acyclovir in 1995. There are dozens of other patents for different forms and preparations of the drug.

One might expect more innovative product offerings from a company describing itself as "a leading fully integrated pharmaceutical company."