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SHANXI CENTRAL PHARMACEUTICAL INTERNATIONAL LIMITED

正中藥業國際有限公司*

(incorporated in Bermuda with limited liability)

ANNOUNCEMENT

On 26 June, 2002, the controlling shareholder of the Company, Healthlink International Inc. has disposed 320,000,000 shares in the Company, the prices of which are ranging from HK\$0.285 to HK\$0.30 per share to three independent third parties.

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Board of Directors (the “Board”) of Shanxi Central Pharmaceutical International Limited (the “Company”) has noted today’s increase in the trading volume of the shares of the Company and wish to state that it is not aware of any reasons for such increase save as disclosed below.

The Board confirms that as at the date of this announcement, no connected person (as defined in the Listing Rules Governing the Listing of Securities on the Stock Exchange) of the Company except Healthlink International Inc., the controlling shareholder of the Company, sold 320,000,000 shares of the Company, representing 15.23% of the issued share capital of the Company, the prices of which are ranging from HK\$0.285 to HK\$0.30 per share to three independent third parties for a total consideration of HK\$93,250,000 today. After the disposal of such shares, the shareholding of Healthlink International Inc. is decreased from 64.96% to 49.73%, and it remains to be the single largest shareholder of the Company. The Board further confirms that none of the parties will become a substantial shareholder of the Company after such disposal.

Except the above, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement and that it is not aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

In light of the above, shareholders and investors of the Company are requested to exercise caution in dealing in the Shares.

By Order of the Board
Shanxi Central Pharmaceutical International Limited
David Y.M. Shi
Managing Director

Hong Kong, 26 June, 2002

* *for identification only*

“Please also refer to the published version of this announcement in The Standard”.