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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)

POSTPONEMENT OF RELEASING THE AUDITED FINAL RESULTS FOR THE YEAR ENDED 31 MAY 2002

The Board of the Company wishes to announce that the Board meeting approving the audited Final Results of the Company for the year ended 31 May, 2002 will be postponed and be expected to be convened on or before 28 October, 2002. Accordingly, the announcement of the Final Results and despatch of the Annual Report which should be made on or before 30 September, 2002 as required under paragraphs 8(1) and 11(1) of the Listing Agreement will be postponed and be expected to be made on or before 29 October, 2002 and 31 October, 2002 respectively.

The delay in publication of the audited Final Results of the Company constitutes a breach of paragraphs 8(1) and 11(1) of the Listing Agreement by the Company and that the Stock Exchange reserves its right to take action against the Company and/or its directors as a result of such breach.

The Company advises its shareholders and investors to exercise caution when dealing in the Company's securities.

The board of directors of the Company (the "**Board**") of Shanxi Central Pharmaceutical International Limited (the "**Company**") wishes to announce that the Board meeting approving the audited final results for the year ended 31 May, 2002 (the "**Final Results**") will be postponed and be expected to be convened on or before 28 October, 2002. Accordingly, the announcement of the Final Results and despatch of annual report for the year ended 31 May, 2002 (the "**Annual Report**") which should be made on or before 30 September, 2002 as required under paragraphs 8(1) and 11(1) of the Listing Agreement will be postponed and be expected to be made on or before 29 October, 2002 and 31 October, 2002 respectively.

REASONS FOR POSTPONEMENT OF THE FINAL RESULTS

The delay in publication of the Final Results of the Company and its subsidiaries (collectively, the "**Group**") and the delay in despatch of the Annual Report is partly due to the substantial drop in the share price of the Company on 19 July, 2002, consequentially and subsequently the management has put in substantial manpower and effort in attending enquiries regarding the cause of such event. The Company received numerous enquiries from its suppliers, customers, shareholders, brokerage firms, banks and fund managers in relation to this matter within the period resulting in significant manpower of the management of the Company was engaged in attending to these enquiries. The commencement in auditing and

preparation of the Final Results initially scheduled to be commenced in July, 2002 so as to meet the deadline was therefore postponed, resulting in delay in the progress of the particularly time consuming auditing as discussed below and the preparation of the Final Results. Reference is made to the announcement of the Company dated 26 July, 2002 in respect of the said event.

In addition to the abovementioned cause of delay, there are certain outstanding financial information regarding the investments in 94 hospitals in the People's Republic of China (the "PRC"), which was made during the year ended 31 May, 2002 of approximately HK\$165 million for setting up and promoting the treatment centers of rheumatoid and/or arthritis with 94 hospitals spreading over the PRC for the purpose of extending its sales network and strengthening the existing strategic alliance with these hospitals during the year which require the auditors carrying out additional audit procedures including site visits for the purpose of auditing. Since the investments involved 94 hospitals are spreading all over different provinces/cities of the PRC, the auditors need further time to complete the audit of the investments and the time consuming process of carrying out site visits to these wide spreading hospitals all over the PRC by the auditors for the purpose of auditing forms the other part of the reason for the delay.

EXPECTED DATE OF RELEASE OF FINAL RESULTS AND ANNUAL REPORT

As considerable time will be required to enable the Company's auditors to carry out additional audit procedures including site visits to the 94 hospitals spreading all over the PRC in order to complete auditing the Company's investments in the 94 hospitals and to enable them to assess the overall financial impact to the Group, the Company is unable to meet the deadline to publish the Final Results on or before 30 September, 2002. Various site visits to the 94 hospitals have been and are being carried out by the auditors for auditing purpose. The Board meeting of the Company is expected to be held on or before 28 October, 2002 to consider the Final Results which are expected to be published on or before 29 October, 2002. The Annual Report of the Company is expected to be despatched to shareholders on or before 31 October, 2002.

UNAUDITED FINAL RESULTS

The following is the extract of the unaudited final results of the Group for the year ended 31 May, 2002 reviewed by the audit committee of the Company:—

	Year ended 31 May	
	(Unaudited)	(Audited)
	2002	2001
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	280,066	235,359
Profit before tax	38,064	49,667
Tax	(9,005)	(9,132)
Profit after tax	29,059	40,535
Net profit from ordinary activities attributable to shareholders	28,692	40,095

GENERAL

The directors of the Company (the “**Directors**”) confirm that they have not dealt in any of the securities of the Company during the past one month immediately preceding the date of this announcement, i.e. since 1 September, 2002 and the Directors have also agreed to give their undertakings to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) that they will not deal with the securities of the Company until the Final Results are published.

The delay in publication of the Final Results and dispatch of the Annual Report constitutes a breach of paragraphs 8(1) and 11(1) of the Listing Agreement which require the Company to publish in the newspaper its preliminary results in respect of each financial year and to despatch the Annual Report which comprises the Final Results within four months after the financial year end of the Company. The Stock Exchange reserves its right to take appropriate action against the Company and/or the Directors in respect of the breaches of the Rules Governing the Listing of Securities on the Stock Exchange.

In the meantime, shareholders and investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 30 September, 2002

* *for identification only*

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