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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)

FURTHER DELAY IN DISPATCH OF CIRCULAR AND APPOINTMENT OF DIRECTORS

Reference is made to the announcements of the Company dated 4 November, 9 December and 31 December, 2002 in respect of the Hospital Investments.

The date of dispatch of the Circular giving full details of the Company's investments in 94 hospitals in the PRC has been further delayed to a date which is on or before 14 February, 2003.

This announcement also sets out the biographical information of Mr. Gao Guoshi and Mr. Dai Zhongcheng who have been appointed as the executive directors and Mr. Siu Siu Ling, Robert who has been appointed as the independent non-executive director by the Board of the Company.

The delay in dispatch of the Circular constitutes a breach of Rule 14.13(2) of the Listing Rules which requires the Company to dispatch circulars to their shareholders within 21 days after the publication of the First Announcement in relation to the major transaction. The Stock Exchange reserves its right to take appropriate action against the Company and/or the Directors in respect of the breach of the Listing Rules.

Reference is made to the announcements of the Company dated 4 November, 2002 (the “**First Announcement**”), 9 December, 2002 (the “**Second Announcement**”) and 31 December, 2002 (the “**Third Announcement**”) in respect of the Company's investments in 94 hospitals in the PRC. Unless otherwise stated, terms used in this announcement shall have the same meaning as those defined in the First Announcement, the Second Announcement and the Third Announcement.

Under Rule 14.13(2) of the Listing Rules, a circular (the “**Circular**”) giving full details of the Hospital Investments and other relevant information is required to be posted by the Company to its shareholders within 21 days after publication of the First Announcement. The Company had announced in the Third Announcement the reason for the delay of the dispatch of the Circular to a date on or before 30 January, 2003.

The Directors of the Company are pleased to announce that Mr. Gao Guoshi and Mr. Dai Zhongcheng have been appointed as the executive directors and Mr. Siu Siu Ling, Robert has been appointed as the independent non-executive director of the Company on 29 January, 2003. Their biographical information is set out as follows:

- 1) Gao Guoshi, aged 49, doctor, graduated from the clinical medicine department of Hunan Medical College. He has over twenty years experience in the PRC medical and health field. He had also been the head of the public health bureau of Liuyang City and Changsha City, Hunan Province and Nanshan District, Shenzhen City. At present, he is the vice-general manager of Shenzhen Yizhi Pharmaceutical Company Limited.
- 2) Dai Zhongcheng, aged 41, professor and economist, had been worked for large state enterprises and investment companies in the PRC. He has extensive experience in investment and corporate finance and had participated in the merger and acquisition and restructuring of Jintian Enterprises (Holdings) Company Limited and Yili Mineral Water Company Limited, companies listed on the Shenzhen Stock Exchange.
- 3) Siu Siu Ling, Robert, aged 50, is a sole practitioner of the firm Messrs. Robert Siu & Co., Solicitors and an independent non-executive director of Incutech Investments Limited, a company listed on The Stock Exchange of Hong Kong Limited. Mr. Siu holds a bachelor degree in laws and a postgraduate certificate in laws. He has been a solicitor since 1992 and has been admitted as solicitor of England and Wales since 1993. His practice is mainly in the field of commercial and corporate finance.

The new executive directors are appointed to take over the Hong Kong operations of the Company and the new independent non-executive director is appointed to strengthen the supervision resources of the Company. As the new management team has just been appointed, they would need more time to take charge of the preparation of the Circular. In this regard, it is expected that the time limit proposed in the Third Announcement cannot be complied with. The Company therefore proposes to delay the dispatch of the Circular to a date which is on or before 14 February, 2003.

The delay in dispatch of the Circular constitutes a breach of Rule 14.13(2) of the Listing Rules which requires the Company to dispatch circulars to their shareholders within 21 days after the publication of the First Announcement in relation to the major transaction. The Stock Exchange reserves its right to take appropriate action against the Company and/or the Directors in respect of the breach of the Listing Rules.

By Order of the Board
Shanxi Central Pharmaceutical International Limited
Hou Li Ping
Chairman

Hong Kong, 29 January, 2003

* *for identification purpose only*

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