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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 ANNUAL RESULTS
FOR THE YEAR ENDED 31 MAY 2003**

The Board of the Company wishes to announce that as the Directors taking charge of the PRC operations of the Group have all resigned and the financial information of the Group's operations in the PRC are not available so far, the publication of the audited consolidated annual results of the Group for the year ended 31 May 2003 and the despatch of Annual Report would be postponed to a date considered by the Board as appropriate accordingly.

The delay in publication of the Annual Results and the despatch of the Annual Report of the Group, and in making an announcement of its inability to publish the Annual Results on time constitute a breach of paragraph 11(1), 11(3) and 8(1) of the Listing Agreement by the Company and that the Stock Exchange reserves its right to take appropriate action against the Company and/or its Directors as a result of such breach.

The Company requested a suspension of trading in its shares on the Stock Exchange effective 9:30 a.m. on 25 July 2003. The suspension of trading will continue pending an announcement to be issued by the Company regarding the change in control of the Company, clarification of some major and accounting issues referred to in the Group's interim results announcement for the six months ended 30 November 2002 published in the newspapers on 3 June 2003 and set out in the Company's interim report dated 2 June 2003, unaudited results for the year ended 31 May 2003 and the progress of the litigations against the Group.

Effective 5 August 2003, Mr. Sun Ying Chung (“Mr Sun”) and Mr. Hung Shui Nam have been appointed executive directors of Shanxi Central Pharmaceutical International Limited (the “Company”) and Mr. Sun has been elected Chairman of the board of directors (the “Board”). Now, the composition of the Board is as follows:–

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|-------------------------------|------------------------------------|
| (a) Mr. Sun | Chairman and Executive Director |
| (b) Mr. Dai Zhong Cheng | Executive Director |
| (c) Mr. Gao Guo Shi | Executive Director |
| (d) Mr. Hung Shui Nam | Executive Director |
| (e) Mr. Ko Siu Shing, Patrick | Independent Non-executive Director |
| (f) Mr. Siu Siu Ling, Robert | Independent Non-executive Director |

For the time being the Board has no intention to change the business operations and direction of the Company.

The Board of the Company wishes to announce that as the directors, namely, Madam Hou Li Ping, Mr. David Y.M. Shi and Mr. Luo Jian Xiang (collectively the “**Former Executive Directors**”), who are taking charge of the operations of the Company and the subsidiaries (the “**Group**”) in the People’s Republic of China (the “**PRC**”) have all resigned from the office of executive director of the Company with effect from 28 July, 2003 and have not replied to any calls and fax messages from the Board and the financial information of the Group’s operations in the PRC are not available so far, the publication of the audited consolidated annual results of the Group for the year ended 31 May 2003 (the “**Annual Results**”) will be postponed to a date considered by the Board as appropriate accordingly.

As the principal business activities of the Group are carried out by various subsidiaries incorporated in the PRC where the accounting books and records of these subsidiaries are kept, and, despite repeated requests, the staff there have not produced such records for review by the management in Hong Kong, therefore, the Company is unable to publish the unaudited results for the year ended 31 May 2003, pursuant to paragraphs 11(3) (i) (c) of the Listing Agreement. In the absence of financial information of the Group’s operations in the PRC, the Board is unable to determine when the audit will commence, the Annual Results will be available for publication and the audited annual report will be sent to the shareholders.

The Board will continue to contact the Former Executive Directors of the Company to obtain their assistance in the provision of financial information.

The Board will make a further announcement when it has a clear idea when the Annual Results of the Group are available.

The delay in publication of the audited and unaudited Annual Results and the dispatch of the Annual Report of the Group and in making an announcement constitute a breach of paragraphs 11(1), 11(3) and 8(1) of the Listing Agreement which require the Company to publish the Annual Results and to despatch the Annual Report within four months after the date upon which the financial year of the Company ended or to make an announcement within four months after the end of the financial year of its inability to publish the Annual Results on time. The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) reserves its right to take appropriate action against the Company and/or its Directors in respect of the breach of the Rules Governing the Listing of Securities on the Stock Exchange.

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By Order of the Board
Shanxi Central Pharmaceutical International Limited
Sun Ying Chung
Chairman

Hong Kong, 16 October 2003

* *for identification only*

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