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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)

(Stock Code: 327)

ANNOUNCEMENT

WINDING UP PETITION

On 28 September 2004, the Company announced that the solicitor acting for DBS Bank (Hong Kong) Limited, a judgement creditor of the Company, had petitioned to the High Court for the winding up of the Company. The judgement debt due by the Company to this judgement creditor is approximately HK\$32.4 millions. The petition would be heard on 20 October 2004.

At the hearing on 20 October 2004, the solicitor acting for the judgement creditor has requested to adjourn the hearing of the petition for the winding up of the Company to 10 November 2004. Further announcement will be made to update the progress of this hearing in due course.

RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Effective 18 October 2004, Mr. SIU Siu Ling, Robert resigned as an independent non-executive director of the Company due to his personal reasons. There is no disagreement between Mr. SIU and the board of directors of the Company. Mr. SIU has confirmed that there is no other matters that need to be brought to the attention of the shareholders of the Company.

The board would like to express its gratitude to Mr. SIU for his valuable contribution and service to the Company.

SUSPENSION OF TRADING IN THE COMPANY'S SHARES

Trading of the shares of the Company remains suspended until further notice.

* *for identification only*

BOARD OF DIRECTORS

As at the date of this announcement, the board of the Company comprises of two executive directors, Mr. SUN Ying Chung and Mr. HUNG Shui Nam, and one independent non-executive director (“INED”), Dr. KO Siu Shing, Patrick.

In view of the problems the Company is faced with, the board has experienced great difficulties in inviting competent professionals to join the Company as INEDs.

The board will continue to take effort to invite suitable candidates to fill the post as INEDs as soon as possible in order to comply with the requirement of at least 3 INEDs in the board of the Company under the Listing Rules.

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

Hong Kong, 21 October 2004

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