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CHINA LOGISTICS GROUP LIMITED

(incorporated in Hong Kong with limited liability)

DELAY IN PUBLICATION OF FINAL RESULTS

The publication of the audited final results announcement of the Group for the year ended 31 March 2002 and the despatch of the annual report for the same period of the Group has been delayed for the reasons set out below.

The delay in publication of the said final results announcement and despatch of annual report constitute breaches of paragraphs 8(1), 11(1) and 11(2) of the Listing Agreement. The Stock Exchange reserves its right to take appropriate action against the Company and/or directors of the Company in respect of such breaches. **Investors are advised to exercise caution when dealing in the shares of the Company.**

Under paragraphs 8(1), 11(1) and 11(2) of the Listing Agreement (the "Listing Agreement") made between China Logistics Group Limited (the "Company") and The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company is required to announce its final results and send to its shareholders the annual report containing its audited consolidated financial statements in respect of each of its financial year not later than four months after the end of that financial year. Accordingly, in respect of its financial year ended 31 March 2002, the Company is required to announce its final results and send to its shareholders its annual report in respect of the financial year ended 31 March 2002 not later than 31 July 2002.

The directors (the "Directors") of the Company wish to announce that the publication of the audited final results announcement of the Company in respect of the financial year ended 31 March 2002 and the despatch of the annual report in respect of the financial year ended 31 March 2002 to its shareholders have to be delayed, pending the following matters:

- (1) the Company aims to announce the audited interim results for the period ended 30 September 2001 on or before 15 August 2002 and despatch the audited interim report to the shareholders in mid August 2002. In the Company's announcement of 6 February 2002, the Company has committed to publish an audited interim accounts to the shareholders. In view of the significant provisions for the Heat Supply Project, Acquisition of Shanghai Pudong CNCC Logistics Development Limited and account receivables to be made in the forthcoming audited interim accounts, substantial management's time and effort are being diverted to deal with these three issues; and
- (2) the Company encountered enormous difficulties and devoted substantial time in locating documents and information relating to various transactions which are likely to have a major impact on the financial position of the Group. Difficulties encountered mainly in retrieving relevant documents to substantiate the three aforesaid matters and the sudden departure of the former Chairman of the Company who had been closely involved in these matters which the majority of the present Directors were appointed after these transactions have been entered into.

The audit field work in respect of the annual accounts for the year ended 31 March 2002 only commenced on 15 July 2002, the audited figures of the management accounts for the year ended 31 March 2002 is not available due to insufficient information. The management accounts are expected to be released in the end of September 2002.

The Directors expect that the Company will be able to publish the Company's audited final results for the financial year ended 31 March 2002 and to despatch the Company's annual report for the financial year ended 31 March 2002 on or before 31 October 2002.

The delay in publication of the audited final results announcement and despatch of the annual report constitute breaches of paragraphs 8(1), 11(1) and 11(2) of the Listing Agreement under the Rules Governing the Listing of Securities on the Stock Exchange. The Stock Exchange reserves the right to take appropriate action against the Company and/or Directors in respect of such breaches.

The Directors have not dealt in any of the securities of the Company during the month preceding the date of this announcement and they have undertaken not to deal in the securities of the Company until the audited final results for the financial year ended 31 March 2002 are published. **Investors are advised to exercise caution when dealing in the shares of the Company.**

Trading in the Company's shares was suspended with effect from 9:30 am on 28 May 2002, pending an announcement in relation to price sensitive information.

By order of the Board
China Logistics Group Limited
Li Tiefeng
Executive Director

Hong Kong, 31 July 2002

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