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香港藥業

HONG KONG PHARMACEUTICAL HOLDINGS LIMITED

香港藥業集團有限公司*

(Incorporated in Bermuda with limited liability)

FURTHER DELAY IN PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT

Further to the Announcements, the Directors announce that the publication of the Results and the despatch of the Annual Report will be further delayed for the reasons set out below. The Directors also announce that the board meeting to approve the Company's Results has been postponed from 27 November 2003 to 12 December 2003. The delay in publication of the said final results announcement and despatch of Annual Report constitute breaches of the Listing Agreement. The Stock Exchange reserves its right to take appropriate action against the Company and/or Directors in respect of such breaches.

Trading in the shares of the Company has been suspended since 9:30 a.m. on 28 November 2003 pending the release of another announcement dated 2 December 2003 relating to a major transaction and an application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 3 December 2003.

Further to the announcements of the Company dated 30 July 2003 and 30 September 2003 (the "Announcements"), the directors of the Company (the "Directors") wish to announce that the publication of the audited final results announcement of the Company for the year ended 31 March 2003 (the "Results") and the despatch of the annual report for the year ended 31 March 2003 (the "Annual Report") have to be further delayed as the auditors of the Company still have not received all necessary information and supporting evidence they required for their audit purposes. Such information primarily includes the confirmations from the banks in Hong Kong and the PRC (the "Banks") relating to the Company's debt restructuring and refinancing, which mainly involves extension of the repayment periods of the existing credit facilities. The Company needs debt restructuring so as to postpone and defer the existing loan repayments in order to free up financial resources for ongoing operation.

In the past two months, the Directors have held several meetings with the Banks to discuss the details of the debt restructuring, no agreement has been signed by the Banks and the Company. However, the Banks will notify the Company the results of the debt restructuring and finalise the terms of the debt restructuring before mid December. The Directors also announce that the board meeting to approve the Company's Results has been postponed from 27 November 2003 to 12 December 2003.

The Directors confirmed that all material information relating to the debt restructuring have been disclosed and except as those disclosed in this announcement, there are no other reasons for the further delay in the publication of the Results and the despatch of the Annual Report.

For the above reasons and in order to avoid disclosing any misleading financial information to the Shareholders of the Company, the Directors do not consider it appropriate for the Company to publish the Results before 30 November 2003 and to disclose the unaudited final results for the year ended 31 March 2003. The Directors expect that the Company will be in a position to publish the aforesaid unaudited final results and the Results on or around 10 December 2003 and 15 December 2003 respectively and to despatch the Annual Report on or around 22 December 2003 when all the abovementioned information and supporting evidence should have been obtained. As a result, the interim result and interim report for the six months ended 30 September 2003 will likely be released and despatched around mid January next year. However, the Company would try its best to release its interim result and despatch its interim report for the six months ended 30 September 2003 on or before 31 December 2003. Further announcement will be made by the Company if the aforesaid interim result and interim report cannot be released and despatched by 31 December 2003.

The delay in publication of the Results and despatch of the Annual Report and the omission of unaudited financial results in this announcement constitute breaches of paragraphs 8(1), 8(2), 11(1) and 11(3)(i)(c) of the Listing Agreement. The Stock Exchange reserves its right to take appropriate action against the Company and/or Directors in respect of such breaches.

The Directors have confirmed that they have not dealt in the shares of the Company since 1 July 2003 and have also undertaken not to deal in the shares of the Company until the publication of the results announcement. Trading in the shares of the Company has been suspended since 9:30 a.m. on 28 November 2003 pending the release of another announcement dated 2 December 2003 relating to a major transaction and an application has been made to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:30 a.m. on 3 December 2003.

By Order of the Board of Directors
Hong Kong Pharmaceutical Holdings Limited
Huang Shuyun
Deputy Chairman and Managing Director

Hong Kong, 2 December 2003

* For identification purpose only

Please also refer to the published version of this announcement in The Standard dated on 3-12-2003.