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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your shares in **China Shineway Pharmaceutical Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

中國神威藥業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02877)

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting (“AGM”) of China Shineway Pharmaceutical Group Limited (the “Company”) to be held at Suite 5201, 52nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 27 May 2010 is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s principal place of business in Hong Kong at Suite 5201, 52nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish.

Hong Kong, 27 April 2010

CONTENTS

	<i>Page</i>
DEFINITIONS	1
 LETTER FROM THE BOARD	
1. Introduction	3
2. Repurchase Mandate	4
3. Share Issue Mandate	4
4. Re-election of Directors	4
5. Annual General Meeting	5
6. Voting by Poll	5
7. Closure of Register of Members	5
8. Recommendation	5
 APPENDIX I – EXPLANATORY STATEMENT	 6
 APPENDIX II – DETAILS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED	 10
 NOTICE OF ANNUAL GENERAL MEETING	 13

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Suite 5201, 52nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 27 May 2010, notice of which is set out on pages 13 to 16 of this circular or, where the context so admits, any adjournment thereof
“Articles”	the Articles of Association of the Company
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Shineway Pharmaceutical Group Limited, a company incorporated in the Cayman Islands on 14 August 2002 with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company for the time being
“Extension Mandate”	the proposed general mandate as defined in paragraph 3 of the Letter from the Board contained in this circular
“Forway”	Forway Investment Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling Shareholder of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 April 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China (and where the context requires, reference in this circular to the PRC do not apply to Hong Kong, Macau Special Administrative Region of the PRC or Taiwan)
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to repurchase Shares as defined in paragraph 2 of the Letter from the Board contained in this circular
“Repurchase Resolution”	the proposed ordinary resolution set out in the notice of the AGM as resolution no. 5(A)
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Share Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal in Shares as defined in paragraph 3 of the Letter from the Board contained in this circular
“Share Issue Resolution”	the proposed ordinary resolution set out in the notice of the AGM as resolution no. 5(B)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

中國神威藥業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02877)

Executive Directors:

Mr. Li Zhenjiang (*Chairman*)
Ms. Wang Zhihua
Ms. Xin Yunxia
Mr. Li Huimin
Mr. Hung Randy King Kuen

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office:

Luan Cheng
Shijiazhuang
Hebei Province
The PRC

Independent Non-executive Directors:

Mr. Ren Dequan
Ms. Cheng Li
Mr. Sun Liutai

Principal Place of Business

in Hong Kong:

Suite 5201, 52nd Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Company Secretary:

Ms. Wong Mei Shan

Hong Kong, 27 April 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and to provide you with information relating to the proposals for (i) the grant of the Repurchase Mandate; (ii) the grant of the Share Issue Mandate; (iii) the grant of the Extension Mandate; and (iv) the re-election of Directors.

LETTER FROM THE BOARD

2. REPURCHASE MANDATE

An ordinary resolution of the Company was passed on 15 May 2009 whereby a general mandate was given to the Directors to repurchase Shares.

Such general mandate will lapse at the conclusion of the forthcoming AGM. Therefore an ordinary resolution will be proposed at the AGM to grant a general mandate to the Directors to repurchase Shares up to a maximum of 10% of the total nominal value of the Shares in issue as at the date of passing the Repurchase Resolution (the “Repurchase Mandate”).

An explanatory statement, as required under the Listing Rules, providing the requisite information of the Repurchase Mandate is set out in Appendix I to this circular.

3. SHARE ISSUE MANDATE

Ordinary resolutions of the Company were also passed on 15 May 2009 whereby (i) a general mandate was given to the Directors to allot, issue and deal with Shares and (ii) such a general mandate was extended by way of adding thereto the Shares repurchased by the Company pursuant to the general mandate to repurchase Shares granted to the Directors on 15 May 2009.

Such general mandates will lapse at the conclusion of the forthcoming AGM. Therefore two ordinary resolutions will be proposed respectively at the AGM to grant the Directors (i) a general mandate to allot, issue and deal with Shares up to a maximum of 20% of the total nominal value of the Shares in issue as at the date of passing the Share Issue Resolution (the “Share Issue Mandate”) and (ii) an extension of such general mandate so granted to the Directors by adding thereto the Shares repurchased by the Company pursuant to the Repurchase Mandate, up to a maximum of 10% of the total nominal value of the Shares in issue as at the date of passing of the resolution approving such an extension (the “Extension Mandate”).

4. RE-ELECTION OF DIRECTORS

The Board currently consists of eight Directors, namely Mr. Li Zhenjiang, Ms. Wang Zhihua, Ms. Xin Yunxia, Mr. Li Huimin, Mr. Hung Randy King Kuen, Mr. Ren Dequan, Ms. Cheng Li and Mr. Sun Liutai.

Pursuant to Article 87(1) of the Articles, Mr. Li Huimin and Mr. Ren Dequan will retire by rotation at the AGM. Pursuant to Article 86(3) of the Articles, Mr. Sun Liutai, will hold office until the AGM. The above-mentioned Directors, being eligible for re-election, offer themselves for re-election.

Brief biographical details of the above-mentioned Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING

The notice convening the AGM to be held at Suite 5201, 52nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 27 May 2010, at which ordinary resolutions will be proposed to approve, inter alia, the Repurchase Mandate, the Share Issue Mandate, the Extension Mandate and the re-election of Directors, is set out on pages 13 to 16 of this circular.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong, at Suite 5201, 52nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. The completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

6. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the AGM shall therefore demand voting on all resolutions set out in the notice of AGM be taken by way of poll pursuant to Article 66 of the Articles.

7. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 24 May 2010 to Thursday, 27 May 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify the shareholders of the Company to attend, act and vote at the AGM and to qualify the entitlement of the proposed final dividend and special dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 20 May 2010.

8. RECOMMENDATION

The Directors consider that the proposals regarding the Repurchase Mandate, the Share Issue Mandate, the Extension Mandate and the re-election of Directors are all in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board
LI Zhenjiang
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide you with all the information necessary for your consideration of the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASES OF SECURITIES

The Listing Rules permit a company with primary listing on the Stock Exchange to repurchase its securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(a) Shareholders' approval

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval of a particular transaction.

(b) Source of funds

Repurchases must be made out of funds legally available for such purpose. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

(c) Trading restrictions

The shares proposed to be repurchased by a company must be fully paid up. A maximum of 10% of the existing issued share capital as of the date of resolution passed on the grant of a repurchase mandate may be repurchased on the Stock Exchange. A company may not issue or announce an issue of new shares for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a company shall not repurchase shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a company from repurchasing its own securities on the Stock Exchange if the repurchase would result in the number of that company's listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Listing Rules.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued Share capital of the Company comprised 827,000,000 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 82,700,000 Shares (representing 10% of the total nominal value of the Shares in issue as at the Latest Practicable Date).

3. REASONS FOR REPURCHASES

The Directors are of the view that the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and its assets and/or its earnings per share of the Company and will only be made when the Directors are of the view that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Articles and the applicable laws and regulations of the Cayman Islands. Pursuant to the Repurchase Mandate, repurchases will be made out of funds of the Company legally permitted to be utilized in this connection, including profits of the Company or out of a fresh issue of Shares made for such purpose of the repurchase or, if authorized by the Articles and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles and subject to the Companies Law, out of capital of the Company. The Company may not repurchase Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange prevailing from time to time.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report for the year ended 31 December 2009 in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing positions which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date:

	per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2009		
April	5.27	4.08
May	6.75	4.80
June	8.20	6.27
July	8.00	5.95
August	7.99	6.67
September	8.70	7.10
October	12.62	8.17
November	13.48	10.12
December	15.60	12.60
2010		
January	16.12	12.92
February	17.28	12.76
March	22.50	16.60
April (up to the Latest Practicable Date)	27.00	21.50

6. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases have been made by the Company of its Shares in the six months prior to the Latest Practicable Date.

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and the Memorandum of Association and the Articles.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates, has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any Share to the Company under the Repurchase Mandate.

No other connected persons (as defined in the Listing Rules) has notified the Company that they have a present intention to sell any Share to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and exercised by the Board.

8. EFFECT OF TAKEOVERS CODE

If, as a result of the exercise of the repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, 476,374,416 Shares are beneficially owned by Forway. The entire issued share capital of Forway is owned by Trustcorp Limited in its capacity as the trustee of The Li Family 2004 Trust, a discretionary trust, the founder (as defined in the SFO) of which is Mr. Li Zhenjiang and the discretionary objects of which are family members of Mr. Li Zhenjiang (excluding Mr. Li Zhenjiang himself). Accordingly, Mr. Li Zhenjiang, Forway and Trustcorp Limited are respectively deemed to be interested in the 476,374,416 Shares (representing approximately 57.60% of the total issued share capital of the Company as at the Latest Practicable Date) under the SFO.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then, (if the present shareholding remains the same) the attributable interests of Trustcorp Limited, Mr. Li Zhenjiang and Forway would be increased to approximately 64.00% of the issued share capital of the Company. The Directors are of the view that such an increase will not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

The Directors do not intend to exercise the Repurchase Mandate so as to reduce the issued share capital of the Company in public hands to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange from time to time).

Set out below are the particulars of the Directors who offer themselves to be re-elected at the AGM:

- (1) **Mr. Li Huimin (李惠民)**, aged 42, graduated from Hebei Party School in 1997 where he majored in economic administration. He is primarily responsible for the marketing and sales of the Group's products and, since joining the Group in 1992, focused on sales and marketing. Immediately prior to the corporate reorganisation in preparation of the listing of the Company in 2004, Mr. Li was the sales and marketing manager of Shineway Medical. He has developed a deep understanding of sales management in the PRC Chinese medicine industry with more than 12 years' experience.

Mr. Li has entered into a service contract with the Company for a term of 2 years from 1 October 2008. Mr. Li received annual aggregate remuneration of approximately HK\$832,000 for the year ended 31 December 2009. According to the service contract of Mr. Li, he is entitled to an annual director's fee of HK\$52,500 and an annual salary of HK\$699,340. Mr. Li is also entitled to a discretionary bonus to be determined by the Board at the Board's absolute discretion (and approved by its duly appointed remuneration committee) having regard to the performance of the Group, provided that the aggregate amount of the bonus payable to all Directors in respect of any financial year shall not exceed 5% of the audited consolidated net profits after taxation but before extraordinary items of the Company for the relevant financial year. There will be no change to Mr. Li's service terms upon his re-election.

Save as disclosed above, Mr. Li has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years and has not held any other position with the Company and other members of the Group. Mr. Li is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. Li Huimin as Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

- (2) **Mr. REN Dequan (任德權)** aged 66, was appointed as an independent non-executive Director of the Company on 3 July 2006. He graduated from East China Chemical Industry Institute (now known as East China Engineering University). He has previously served as the deputy general manager of China Medicinal Herbs Corporation, director of science and technology education of National Medicine Administrative Bureau, general manager of China Pharmaceuticals Corporation, deputy commissioner of National Chinese Medicine Administrative Bureau and deputy commissioner of National Drugs Surveillance Administrative Bureau. From March 2003 to March 2005, he was appointed as assistant commissioner of National Food and Drugs Surveillance Administrative Bureau. In 2005, he has retired and was appointed as the honorary president of the Modern Chinese Medicine International Association. Mr. Ren is currently a non-executive director of Shenzhen Neptunus Interlong Bio-technique Company Limited (stock code: 08329).

Mr. Ren has entered into a letter of appointment with the Company. The appointment of Mr. Ren as an independent non-executive Director is for a term of 2 years from 3 July 2008. Mr. Ren received annual aggregate director's fee of approximately HK\$132,000 for the year ended 31 December 2009. The emoluments of Mr. Ren were determined with reference to his duties, responsibilities and experience, as well as the Group's emolument policy for independent non-executive Directors. There will be no change to Mr. Ren's service terms upon his re-election.

Save as disclosed above, Mr. Ren has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years and has not held any other position with the Company and other members of the Group. Mr. Ren is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. Ren Dequan as Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

- (3) **Mr. SUN Liutai (孫劉太)**, aged 46, was appointed as an independent non-executive Director on 9 February 2010. He is a Chinese Certified Public Accountant. He was postgraduated in Economic Management Institute of North Western University. Mr. Sun has been working as a partner of Hebei Peking Certified Public Accountants form 2002 to present, during which, in 2003, he was appointed by Hebei Securities and Futures Commission to investigate a company listed on Shenzhen Stock Exchange. Mr. Sun has sound experience in accounting profession and finance. He worked as an assistant manager of general strategic department in China Investment Bank Hebei branch from 1987 to 1992, and worked as an assistant general manager in a Hebei Investment Management Consultancy Company in 1992 to 1995. He then worked as a principal accountant in Hebei Yongzhengde Certified Public Accountants from 1995 to 2002, during which he was engaged in audit of a company listed on the Shanghai Stock Exchange. Mr. Sun was a general committee of Hebei Society of Certified Public Accountants in 2002 to 2008, and was employed as an independent director and audit in-charge of Qinhuangdao Yaohua Glass Co., Ltd (a company listed on the Shanghai Stock Exchange, stock code: 600716) from May 2002 to June 2008.

Mr. Sun has entered into a letter of appointment with the Company for a term of 2 years from 9 February 2010. The annual aggregate remuneration payable for the 11 months ended 31 December 2010, for the year ending 31 December 2011 and 1 month ending 8 February 2012 are approximately HK\$121,000, HK\$132,000 and HK\$11,000 respectively. The emoluments of Mr. Sun are to be determined with reference to his duties, responsibilities and experience, as well as the Group's emolument policy for independent non-executive Directors. There will be no change to Mr. Sun's service terms upon his re-election.

Save as disclosed above, Mr. Sun has not held directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years and has not held any other position with the Company or other members of the Company. Mr. Sun is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. He does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. Sun Liutai as Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

中國神威藥業集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02877)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of China Shineway Pharmaceutical Group Limited (the “Company”) will be held at Suite 5201, 52nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong at 11:00 a.m. on Thursday, 27 May 2010, for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of directors and auditor for the year ended 31 December 2009.
2. To declare a final dividend and special dividend for the year ended 31 December 2009.
3. To re-elect directors and to authorize the board of directors to fix the remuneration of the directors.
4. To re-appoint Deloitte Touche Tohmatsu as auditor and to authorize the board of directors to fix their remuneration.
5. To consider, as special business and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(A) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares of the Company which the directors of the Company are authorized to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the law to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked, varied or renewed by an ordinary resolution of the shareholders of the Company in general meeting.”

(B) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, other than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; (iii) an issue of shares upon the exercise of the subscription or conversion rights under the terms of any warrants or any securities of the Company which are convertible into

NOTICE OF ANNUAL GENERAL MEETING

shares of the Company; or (iv) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the law to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied or renewed by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

- (C) “**THAT** subject to the passing of the Resolution nos. 5A and 5B set out in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Resolution no. 5B set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares capital of the Company repurchased by the Company under the authority granted pursuant to Resolution no. 5A set out in the notice convening this meeting, provided that such extended amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

By Order of the Board of
China Shineway Pharmaceutical Group Limited
LI Zhenjiang
Chairman

Hong Kong, 27 April 2010

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the meeting (or any adjournment thereof) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with any power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company's principal place of business in Hong Kong at Suite 5201, 52nd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Monday, 24 May 2010 to Thursday, 27 May 2010, both days inclusive, during which period no transfer of shares will be effected. In order to qualify the shareholders of the Company to attend, act and vote at the Annual General Meeting of the Company and to qualify the entitlement of the proposed final dividend and special dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 20 May 2010.
4. With regard to item no. 3 in this notice, the board of directors of the Company proposes that the retiring Directors namely, Mr. LI Huimin, Mr. REN Dequan and Mr. SUN Liutai, be re-elected as Directors of the Company. Details of these Directors are set out in Appendix II to the circular to shareholders of the Company dated 27 April 2010.
5. As at the date of this notice, the executive directors of the Company are Mr. LI Zhenjiang, Ms. WANG Zhihua, Ms. XIN Yunxia, Mr. LI Huimin, Mr. HUNG Randy King Kuen and the independent non-executive directors of the Company are Mr. REN Dequan, Ms. CHENG Li and Mr. SUN Liutai.