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CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2877)

VOLUNTARY ANNOUNCEMENT

On 22 April 2010, Shineway Pharmaceutical, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement to acquire the entire equity interest in ZCP Co. at a cash consideration of RMB55,424,600 (equivalent to approximately HK\$63,378,030).

On 22 April 2010, Shineway Pharmaceutical, an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement to acquire the entire equity interest in ZCP Co. at a cash consideration of RMB55,424,600 (equivalent to approximately HK\$63,378,030). The vendor is an independent third party not connected with the Company and its connected person (as defined under the Listing Rules).

Since the Board believes that the products manufactured by ZCP Co. are able to enrich products portfolio of Shineway Pharmaceutical, the Board considers that it is in the interests of the Group to acquire ZCP Co..

The Acquisition will complete upon completion of certain procedures. Currently the production facilities of ZCP Co. are under the process of technological make-over. Manufacturing work of ZCP Co. had therefore been temporarily suspended and is expected to resume in July 2010.

The Group is principally engaged in research and development, manufacture and trading of Chinese pharmaceutical products.

ZCP Co. is principally engaged in manufacture and trading of Chinese pharmaceutical products.

The Acquisition Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and the announcement is made on a voluntary basis.

DEFINITIONS

“Acquisition”	acquisition by Shineway Pharmaceutical of the entire equity interest in ZCP Co. pursuant to the terms of the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 22 April 2010 entered into between Shineway Pharmaceutical and the vendor in relation to the Acquisition
“Board”	the board of Directors
“Company”	China Shineway Pharmaceutical Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shineway Pharmaceutical”	神威藥業有限公司 (Shineway Pharmaceutical Co., Ltd.*), a wholly foreign-owned enterprise incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZCP Co.”	張家口長城藥業有限責任公司 (Zhangjiakou Changcheng Pharmaceutical Company Limited*), a company incorporated in the PRC with limited liability

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

Hong Kong, 18 June 2010

As at the date of this announcement, the executive Directors are Mr. Li Zhenjiang, Ms. Wang Zihua, Ms. Xin Yunxia and Mr. Li Huimin and the independent non-executive Directors are Mr. Ren Dequan, Ms. Cheng Li and Mr. Sun Liutai.

In this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1.00 = HK\$1.1435. The translation shall not be taken as representation that RMB could actually be converted into Hong Kong dollars at that rate, or at all.

**For identification purposes only*