



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: 2877)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at the Gloucester Room, 2/F, Mandarin Oriental, Hong Kong, 5 Connaught Road Central, Hong Kong on 12 May, 2005 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Report of the Directors and Auditors for the year ended 31 December, 2004.
2. To re-elect Directors and to fix the remuneration of Directors.
3. To re-appoint Deloitte Touche Tohmatsu as Auditors and authorise the Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass (with or without modification) the following resolution as an ordinary resolution:

“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 power 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 recognised 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 or of any other stock exchange (“Listing Rules”) as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Directors of the Company are authorised to repurchase pursuant to the approve 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 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 in general meeting of the Company.”

5. As special business, to consider and, if thought fit, pass (with or without modification) the following resolution as an ordinary resolution:

“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 power 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 authorise 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 power after the end of the Relevant Period;
- (c) the aggregate nominal amount of 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, otherwise than (i) a Right 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 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 issue share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution, “Relevany 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 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 in general meeting of the Company.

“Right 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 exclusions 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

6. As special business, to consider and, if thought fit, pass (with or without modification) the following resolution as an ordinary resolution:

“**THAT** subject to the passing of the Resolution nos. 4 and 5 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.5 set out in the notices convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution no.4 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 the said Resolution.”

7. As special business, to consider and, if thought fit, pass (with or without modification) the following resolution as special resolution:

“**THAT** Article 87(l) of the Articles of Association of the Company be deleted in its entirety and replaced by the following:

“Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to and not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.””

By Order of the Board
Li Zhenjiang
Chairman

Hong Kong, 19 April, 2005

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 9 May, 2005 Monday to 12 May, 2005 Thursday, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the all share transfers, accompanied by the relevant share certificates, 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 for registration not later than 4:30 p.m. on 6 May, 2005 Friday.
4. With regard to item no.2 in this notice, the Board of Directors of the Company proposes that the retiring Directors namely, Ms. Wang Zhihua, Ms. Xin Yunxia, Mr. Hou Jiangtao, Mr. Li Huimin, Mr. Li Kung Man, Dr. Wang Jianping and Prof. Zhou Chaofan be re-elected as Directors of the Company. Details of these Directors are set out in Appendix II on p.10 to p.14 of the circular to shareholders dated 19 April, 2005.
5. As at the date of this notice, the executive Directors of the Company are Mr. Li Zhenjiang, Ms. Wong Zhihua, Ms. Xin Yunxia, Mr. Hou Jiangtao and Mr. Li Huimin and the independent non-executive Directors of the Company are Mr. Li Kung Man, Dr. Wang Jianping and Prof. Zhou Chaofan.