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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: 2877)

Announcement

The Company is pleased to announce its financial information of turnover, which have not been reviewed by its auditors, for the nine months ended 30 September 2005.

The board of directors (the “Board”) of China Shineway Pharmaceutical Group Limited (the “Company”) is pleased to announce the preliminary financial information of turnover of the Company and its subsidiaries (together, the “Group”) for the nine months ended 30 September 2005 based on its management accounts which have not been reviewed by the auditors.

Total turnover of the Group, which has not been reviewed by the auditors, for the nine months ended 30 September 2005 increased by approximately 15.9% as compared with the same period of 2004 to approximately RMB582 million, and in particular:

- Turnover of injection products increased by approximately 18.6% as compared to the same period of 2004 to approximately RMB325 million;
- Turnover of soft capsule products increased by approximately 15.4% as compared to the same period of 2004 to approximately RMB183 million;
- Turnover of granule products increased by approximately 8.8% as compared to the same period of 2004 to approximately RMB68 million; and
- Products in other forms recorded turnover of approximately RMB6 million for the nine months ended 30 September 2005.

In terms of product mix, injection products, soft capsule products and granule products accounted for approximately 55.9%, 31.4% and 11.7% of total turnover which have not been reviewed by the auditors.

In accordance with the sales strategies and stringent cost controls of the Group, there had been no material changes in the sales prices of principal products and principal raw material costs between July to September in 2005.

Shareholders and investors are advised to exercise caution in dealing in the shares of the Company.

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

Hong Kong, 14 October 2005

As at the date of this announcement, the executive Directors are Mr. Li Zhenjiang, Ms. Wang Zhihua, Ms. Xin Yunxia, Mr. Li Huimin and Hung Randy King Kuen and the independent non-executive Directors are Mr. Li Kung Man, Dr. Wang Jianping and Prof. Zhou Chaofan.