



CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2877)

RESIGNATION AND APPOINTMENT OF DIRECTORS, MEMBERS OF AUDIT COMMITTEE AND MEMBER AND CHAIRMAN OF REMUNERATION COMMITTEE

The board of directors (the “Board”) of China Shineway Pharmaceutical Group Limited (the “Company”) announces that Dr. Wang Jianping (“Dr. Wang”) and Prof. Zhou Chaofan (“Prof. Zhou”) resigned as the independent non-executive directors of the Company (“INEDs”) due to personal reasons with effect from 3rd July, 2006. Dr. Wang also resigned as a member of the audit committee and a member and the Chairman of the remuneration committee of the Company and Prof. Zhou also resigned as a member of the audit committee of the Company on the same day. They confirmed that they have no disagreement with the Board and that there is no matter relating to their resignation that needs to be brought to the attention of shareholders of the Company (“Shareholders”).

The Board would like to express its thanks to Dr. Wang and Prof. Zhou for their valuable contribution to the Group during their tenure of office.

The Board also announces that Ms. Cheng Li (“Ms. Cheng”) and Mr. Ren Dequan (“Mr. Ren”) have been appointed as the INEDs with effect from 3rd July, 2006. Ms. Cheng has also been appointed as a member of the audit committee and a member and the Chairman of the remuneration committee of the Company and Mr. Ren has also been appointed as a member of the audit committee of the Company with effect from the same day.

Ms. Cheng Li, aged 46, a partner of Commerce & Finance Law Office. She has a legal science bachelor’s degree and the legal science master’s degree from the law department of Japan Specially Repairs University. She also studied in Japan and Chinese Investment Trade Promotion Association. She joined Commerce & Finance Law Office in 1995 and became a partner of Commerce & Finance Law Office in 2005. She is currently a member of Beijing Lawyer Association. Ms. Cheng did not hold directorships in any other listed public companies in the last three years and has not held any position with the Company and other members of the Company’s Group. Ms. Cheng is not connected with any directors, senior management, substantial or controlling shareholders of the Company. As at the date hereof, Ms. Cheng does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company has entered into an appointment letter with Ms. Cheng. The term of Ms. Cheng’s appointment letter is 2 years ending on 2nd July, 2008 and is subject to retirement and re-election provisions in the articles of association of the Company. The director’s fee payable to Ms. Cheng is fixed at RMB120,000 per annum which is determined with reference to the fee of the other INEDs.

Save as disclosed above, there are no other matters relating to her appointment that need to be brought to the attention of the Shareholders and there is no information required to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Mr. Ren Dequan, aged 62, 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, assistant commissioner of National Chinese Medicine Administrative Bureau and assistant 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 appointed as the honorary president of the Modern Chinese Medicine International Association. Mr. Ren did not hold directorships in any listed public companies in the last three years and has not held any position with the Company and other members of the Company's Group. Mr. Ren is not connected with any directors, senior management, substantial or controlling shareholders of the Company. As at the date hereof, Mr. Ren does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company has entered into an appointment letter with Mr. Ren. The term of Mr. Ren's appointment letter is 2 years ending on 2nd July, 2008 and is subject to retirement and re-election provision in the articles of association of the Company. The director's fee payable to Mr. Ren is fixed at RMB120,000 per annum which is determined with reference to the fee of other INEDs.

Save as disclosed above, there are no other matters relating to his appointment that need to be brought to the attention of the Shareholders and there is no information required to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The Board would like to take this opportunity to welcome Ms. Cheng and Mr. Ren to join the Company.

As at the date of this announcement, the executive directors of the Company are Mr. Li Zhenjiang, Ms. Wang Zhihua, Ms. Xin Yunxia, Mr. Li Huimin and Mr. Hung Randy King Kuen and the INEDs are Mr. Li Kung Man, Ms. Cheng Li and Mr. Ren Dequan.

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

Hong Kong, 3rd July, 2006.

*Please also refer to the published version of this announcement in
The Standard and Sing Tao Daily.*