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CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2877)

ANNOUNCEMENT

The Company is pleased to announce its financial information of turnover, which has not been reviewed by its auditors, for the nine months ended 30 September 2006.

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 2006 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 2006 increased by approximately 5.3% as compared with the same period of 2005 to approximately RMB613 million, and in particular:

- Turnover of injection products increased by approximately 5.9% as compared to the same period of 2005 to approximately RMB344 million;
- Turnover of soft capsule products increased by approximately 1.1% as compared to the same period of 2005 to approximately RMB185 million;
- Turnover of granule products increased by approximately 8.4% as compared to the same period of 2005 to approximately RMB74 million; and
- Products in other forms recorded turnover of approximately RMB10 million for the nine months ended 30 September 2006.

In terms of product mix, injection products, soft capsule products and granule products accounted for approximately 56.2%, 30.2% and 12.0% of total turnover which has not been reviewed by the auditors.

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, 27 October 2006

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

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