神威藥業
SHINEWAY

CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02877)

PROFIT WARNING

This announcement is made by China Shineway Pharmaceutical Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2017, the Group's profit attributable to the owners of the Company for the six months ended 30 June 2017 is expected to decrease by approximately 35% as compared with that of the corresponding period in 2016. The Group recorded an unaudited profit attributable to the owners of the Company of RMB276,466,000 for the six months ended 30 June 2016.

The expected decrease in profit attributable to the owners of the Company is mainly due to the decreases of average selling price and sales volume of the Group's pharmaceutical products as compared with those of the corresponding period in 2016 which, in turn, lowered the gross profit for the period. Besides, the withholding tax related to dividend distribution is also increased as compared with that of the corresponding period in 2016.

The information contained in this announcement is only based on the Board's preliminary assessment with reference to the Group's unaudited consolidated management accounts for six months ended 30 June 2017, which as at the date of this announcement are yet to be reviewed or audited by the Company's auditors and may therefore be subject to change. The Group's interim results for the six months ended 30 June 2017 are expected to be announced before the end of August 2017 in accordance with the Listing Rules.

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

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

Hong Kong, 3 August 2017

As at the date of this announcement, the executive Directors are Mr. Li Zhenjiang, Ms. Xin Yunxia, Mr. Li Huimin, Ms. Lee Ching Ton Brandelyn, and Mr. Chen Zhong. The independent non-executive Directors are Ms. Cheng Li, Mr. Sun Liutai and Prof. Luo Guoan.