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CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 02877)

POSITIVE PROFIT ALERT

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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the Group’s unaudited consolidated management accounts, the Group’s profit attributable to the owners of the Company for the six months ended 30 June 2018 is expected to increase by approximately 40% as compared with that of the corresponding period of last year.

The expected increase in profit attributable to the owners of the Company is mainly attributable to the increased average selling price and sales volume of the Group’s products as compared with those of the corresponding period of last year which, in turn, resulted to increases in turnover, gross profit and gross profit margin for the period.

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 the six months ended 30 June 2018, 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 2018 are expected to be announced before the end of August 2018 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, 31 July 2018

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