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**CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2877)**

**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 (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 its shareholders (the “**Shareholders**”) 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 year ended 31 December 2021 (the “**Period**”) is expected to increase by approximately 85% to 95% as compared with that for the corresponding period of 2020 in the amount of approximately RMB295,033,000.

The expected increase in the profit attributable to the owners of the Company is mainly attributable to the following factors:

- (i) the absence for the Period of the one-time non-recurring impairment charge (the “**Impairment Charge**”) related to the intangible assets, goodwill, and other assets of a wholly-owned subsidiary of the Group made during the year ended 31 December 2020 in an aggregate amount of approximately RMB204,375,000 (the details of which are set out in the profit warning announcement of the Company dated 5 March 2021 and the annual report for the year ended 31 December 2020 of the Company);
- (ii) a reduction in the amortization expense (net of deferred tax) for the Period as a result of the Impairment Charge;
- (iii) a reduction in the finance costs for the Period as a result of the repayment of all outstanding bank loans of the Group during the Period; and
- (iv) the overall improvement in the Group’s operating results 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 Period, which as at the date of this announcement are yet to be audited or reviewed by the Company's auditors and may therefore be subject to change. The Group's annual results for the Period are expected to be announced in due course in accordance with the Listing Rules.

**Shareholders 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 March 2022

*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 non-executive Director is Mr. Zhou Wencheng and the independent non-executive Directors are Ms. Cheng Li, Prof. Luo Guoan and Mr. Liu Shun Fai.*