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CHINA SHINEWAY PHARMACEUTICAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2877)

ANNOUNCEMENT IN RELATION TO

(1) APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

(2) CESSATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

(3) CHANGE OF COMPOSITION OF BOARD COMMITTEES

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (“**Directors**”) of China Shineway Pharmaceutical Group Limited (the “**Company**”) is pleased to announce that Ms. Wang Guihua (“**Ms. Wang**”) has been appointed as independent non-executive director of the Company with effect from 1 April 2023.

Ms. Wang, aged 62, is a holder of undergraduate degree and a deputy chief pharmacist. She successively served in management positions in the science and technology department, production department and international cooperation department of China Traditional Chinese Medicine Co., Ltd.* (中國中藥有限公司)(formerly known as Chinese Medicine Company* (中國藥材公司)) from August 1983 to October 2000, served as the PRC general manager of Thailand Orient Pharmaceutical Co., Ltd.* (泰國東方藥業有限公司) from September 1996 to October 1998; the deputy general manager and chairman of the labor union of Huahe Pharmaceutical Co., Ltd.* (華禾藥業股份有限公司) from October 2000 to August 2005; an independent director of Shandong Wohua Pharmaceutical Technology Co., Ltd.* (山東沃華醫藥科技股份有限公司)(the shares of which are listed on the Shenzhen Stock Exchange (“**SZSE**”) (stock code: 002107))(“**Wohua Pharmaceutical**”) from June 2014 to February 2019; a director of Wohua Pharmaceutical from February 2019 to February 2022; an independent director of Hunan Fangsheng Pharmaceutical Co., Ltd.* (湖南方盛製藥股份有限公司)(the shares of which are listed on the Shanghai Stock Exchange (“**SHSE**”) (stock code: 603998)) from June 2015 to April 2017; an independent director of Chongqing Huasen Pharmaceutical Co., Ltd.* (重慶華森製藥股份有限公司)(the shares of which are listed on the SZSE (stock code: 002907)) from September 2015 to September 2021; an independent director of Guangdong Taientang Pharmaceutical Co.,

Ltd.* (廣東太安堂藥業股份有限公司)(the shares of which are listed on the SZSE (stock code: 002433)) (“**Guangdong Taiantang**”) from May 2016 to January 2023; an independent director of Henan Lingrui Pharmaceutical Co., Ltd.* (河南羚銳製藥股份有限公司) (the shares of which are listed on the SHSE (stock code: 600285)) from March 2016 to March 2019; an independent director of Inner Mongolia Furui Medical Technology Co., Ltd.* (內蒙古福瑞醫療科技股份有限公司)(the shares of which are listed on the SZSE (stock code: 300049)) from April 2016 to April 2019, and has served as the secretary general of the China Association of Traditional Chinese Medicine/National Technical Committee of Standardization of Traditional Chinese Medicine* (中國中藥協會/全國中藥標準化技術委員會) since August 2005; an independent director of Hainan Huluwa Pharmaceutical Group Co., Ltd. (海南葫蘆娃藥業集團股份有限公司)(the shares of which are listed on the SHSE (stock code: 605199)) since November 2018; an independent director of Beijing Tongrentang Co., Ltd.* (北京同仁堂股份有限公司)(the shares of which are listed on the SHSE (stock code: 600085)) and an independent director of Sailing Pharmaceutical Technology Group Co., Ltd.* (賽靈藥業科技集團股份有限公司) since June 2021.

On 11 January 2023, the SZSE issued a decision on disciplinary actions against Guangdong Taiantang and relevant individuals concerned (Shen Zheng Shang [2023] No. 15) (the “**SZSE Decision**”). According to the SZSE Decision, the SZSE, (among other things) in view of the event that Guangdong Taiantang failed to disclose the 2021 annual report and the 2022 first quarterly report before the prescribed deadline (whereas such event was the only matter under the SZSE Decision for which Ms. Wang was held responsible), expressed “notice of criticism” (通報批評) (“**Notice of Criticism**”) against the independent directors of Guangdong Taiantang (which included Ms. Wang as a then independent director of Guangdong Taiantang), and at the same time, issued “public censure” (公開譴責) against Guangdong Taiantang and other directors and senior management of Guangdong Taiantang. In addition, according to the SZSE Decision, the SZSE, in view of the event that certain non-operating funds of Guangdong Taiantang were appropriated by the controlling shareholder of Guangdong Taiantang during the period from January 2019 to February 2020 in violation of the requirement under the Listing Rules* (股票上市規則) and the Guidelines for the Standardized Operation of Listing Companies* (上市公司規範運作指引) of the SZSE, issued “public censure” (公開譴責) against Guangdong Taiantang and certain directors and senior management of Guangdong Taiantang (which did not include Ms. Wang as a then independent director of Guangdong Taiantang). Ms. Wang on her own initiative ceased to serve as an independent director of Guangdong Taiantang in January 2023.

The Board and the Nomination Committee of the Company considered that Ms. Wang

is suitable to act as independent non-executive director of the Company for the reasons set out below:

- (1) To the best knowledge of the Board having made all reasonable enquiries, the abovementioned incidents did not involve any dishonesty, fraud or issues of integrity on the part of Ms. Wang, nor did the SZSE raise any concern on the character or integrity of Ms. Wang in the SZSE Decision;
- (2) To the best knowledge of the Board having made all reasonable enquiries, as an independent director of Guangdong Taiantang, Ms. Wang was not involved in the daily operation of Guangdong Taiantang;
- (3) As confirmed by Ms. Wang, as at the date of this announcement, the SZSE has not taken any further action against Ms. Wang in relation to the abovementioned incidents since the expression of the Notice of Criticism; and
- (4) Based on the information currently available to the Board and taking into account of the expertise, skills and experience of Ms. Wang, the Board considered that there is no evidence that would put the integrity and honesty of Ms. Wang into question and the abovementioned incidents do not impugn on the integrity, character, experience and competence of Ms. Wang as independent non-executive Director under Rules 3.08 and 3.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Saved as disclosed above, Ms. Wang did not hold any other directorships in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas. As at the date of this announcement, Ms. Wang (1) does not hold any other position with the Company or other members of the Company’s group, (2) does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company; and (3) 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).

Ms. Wang confirmed that she meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

The Company will enter into an appointment letter with Ms. Wang for a term of two years commencing from 1 April 2023 and is subject to retirement and re-election provisions in the articles of association of the Company. The director’s fee payable to Ms. Wang is fixed at HKD156,000 per annum which is determined with reference to the director’s fee of other independent non-executive Directors.

Saved as disclosed above, Ms. Wang has confirmed that there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and

the Company is not aware of any other matters in relation to her appointment that need to be brought to the attention of shareholders of the Company.

The Board would like to take this opportunity to welcome Ms. Wang to join the Company.

CESSATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board announces that with effect from 1 April 2023, Ms. Cheng Li (“**Ms. Cheng**”) will cease to serve as an independent non-executive Director in order to devote more time to pursue her personal interests.

Ms. Cheng has confirmed that she has no disagreement with the Board and that she is not aware of any matters in relation to her cessation as an independent non-executive Director need to be brought to the attention of the shareholders of the Company. The Board would like to express its sincere gratitude to Ms. Cheng for her valuable contributions to the Company during her tenure of service.

CHANGE OF COMPOSITION OF BOARD COMMITTEES

The Board announces that following the above changes, with effect from 1 April 2023:

1. Ms. Wang has been appointed as the chairman of the Remuneration Committee of the Company and a member of the Audit Committee and the Corporate Social Responsibility and Sustainability Committee of the Company; and
2. Ms. Cheng has ceased to act as the chairman of the Remuneration Committee of the Company and a member of the Audit Committee and the Corporate Social Responsibility and Sustainability Committee of the Company.

By order of the Board

China Shineway Pharmaceutical Group Limited

Li Zhenjiang

Chairman

Hong Kong, 20 March 2023

As at the date of this announcement, the executive Directors are Mr. Li Zhenjiang, Ms. Xin Yunxia, Mr. Li Huimin and Mr. Liu Tiejun; the non-executive Director is Mr. Zhou Wencheng and the independent non-executive Directors are Ms. Cheng Li, Mr. Liu Shun Fai and Mr. Yew Yat On.

** English names of the entities are transliteration of their Chinese names for reference only and shall not be regarded as their formal names.*