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山東新華製藥股份有限公司  
**Shandong Xinhua Pharmaceutical Company Limited**

*(a joint stock company established in the People's Republic of China with limited liability)*

(Stock Code: 00719)

**NOTICE OF THE EXTRAORDINARY  
GENERAL MEETING AND OF MEETING OF  
THE SHAREHOLDERS OF H SHARES**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“**EGM**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”), the Class Meeting (the “**A Shareholders’ Class Meeting**”) of the Shareholders of A Shares (the “**A Shareholders**”) and the Class Meeting (the “**H Shareholders Class Meeting**”; together with the EGM and the A Shareholders’ Class Meeting, the “**Meetings**”) of the Shareholders of H Shares (the “**H Shareholders**”; together with the A Shareholders, the “**Shareholders**”) of the Company will be held at the Company’s conference room at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, The People’s Republic of China (the “**PRC**”) on Tuesday, 22 December 2020 from 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions and special resolution.

The details of the Meetings are provided as follows:

**A. CONVENING OF THE EGM**

**1. Time of the Meetings**

The EGM and the H Shareholders Class Meeting will commence at 2:00 p.m. and 4:00 p.m. (or immediately after the conclusion or adjournment of the A Shareholders’ Class Meeting) respectively on Tuesday, 22 December 2020.

## **2. Venue of the physical Meetings**

The Meetings will be held at the Company's conference room at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, The People's Republic of China (the "PRC").

## **3. Convenor**

The Meetings were convened by the Board.

## **4. Ways of conducting the Meetings**

The A Shareholders or the duly appointed proxies thereof may vote at the EGM and the A Shareholders' Class Meeting by way of physical voting or online voting, whereas the H Shareholders or the duly appointed proxies thereof may vote at the EGM and the H Shareholders Class Meeting by way of physical voting.

## **5. Eligible attendees**

### ***(1) Shareholders***

The EGM:

All the A Shareholders whose names appear on the register of members, kept by China Securities Depository and Clearing Corporation Limited, Shenzhen Office, as at the close of A share trading session on Shenzhen Stock Exchange on Tuesday, 15 December 2020.

For information on the attendance of the A Shareholders, please refer to the notice(s) to A Shareholders in respect of the EGM and A Shareholders' Class Meeting published by the Company on the website of the Shenzhen Stock Exchange of even date.

All the H Shareholders whose names appear on the register of members of H shares of the Company ("**H Shares**") at 4:30 p.m. on Wednesday, 16 December 2020.

The H Shareholders Class Meeting:

All the H Shareholders whose names appear on the register of members of H Shares on Wednesday, 16 December 2020 at 4:30 p.m..

- (2) Proxies duly appointed by the Shareholders;
- (3) Directors (“**Directors**”), supervisors (“**Supervisors**”) and senior management (with the meaning ascribed thereto under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the “**Senior Management**”) of the Company;
- (4) Legal advisors to the Company; and
- (5) Auditors of the Company.

## **B. MATTERS FOR CONSIDERATION AND APPROVAL AT THE EGM**

The following resolutions will be submitted for consideration and approval at the EGM:

### **ORDINARY RESOLUTIONS** *Notes 1, 2*

1. To consider and approve the re-election of Mr. Zhang Daiming as executive director of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
2. To consider and approve the re-election of Mr. Du Deping as executive director of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
3. To consider and approve the re-election of Mr. Xu Lie as non-executive director of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
4. To consider and approve the re-election of Mr. Lo Wah Wai as independent non-executive director of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
5. To consider and approve the re-election of Mr. Tao Zhichao as supervisor of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
6. To consider and approve the re-election of Mr. Xiao Fangyu as supervisor of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.

7. Mr. He Tongqing be elected as executive director of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
8. Mr. Cong Kechun be elected as non-executive director of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
9. Mr. Pan Guangcheng be elected as independent non-executive director of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
10. Mr. Zhu Jianwei be elected as independent non-executive director of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.
11. Mr. Liu Chengtong be elected as supervisor of the Company by cumulative voting for a period of 3 years with effect from the date of approval by the Shareholders.

#### **SPECIAL RESOLUTION** *Note 3*

12. To consider and approve the Proposed Amendments to the Share Option Scheme.

“**THAT** the Proposed Amendments to points 2, 5 and 6 of Clause 2 under Chapter 13 of the Share Option Scheme, as set out in the Letter from the Board of the circular to the Shareholders dated 2 December 2020 and contained in the revised Share Option Scheme, a copy of which has been produced to this meeting marked “A” and for the purpose of identification initialed by the chairman of this meeting be and are hereby approved and the board of directors of the Company be and is hereby authorised to deal with on behalf of the Company all relevant procedures and matters to effect the amendments.”

## **C. MATTERS FOR CONSIDERATION AND APPROVAL AT THE H SHAREHOLDERS CLASS MEETING**

The following resolution will be submitted for consideration and approval at the H Shareholders Class Meeting:

### **SPECIAL RESOLUTION** <sup>Note 3</sup>

1. To consider and approve the Proposed Amendments to the Share Option Scheme.

“**THAT** the Proposed Amendments to points 2, 5 and 6 of Clause 2 under Chapter 13 of the Share Option Scheme, as set out in the Letter from the Board of the circular to the Shareholders dated 2 December 2020 and contained in the revised Share Option Scheme, a copy of which has been produced to this meeting marked “A” and for the purpose of identification initialed by the chairman of this meeting be and are hereby approved and the board of directors of the Company be and is hereby authorised to deal with on behalf of the Company all relevant procedures and matters to effect the amendments.”

## **D. REGISTRATION OF THE MEETINGS**

1. The register of members of the Company will be closed from 17 December 2020 to 22 December 2020 (both days inclusive), during which period no H Share transfers will be registered. Shareholders whose names appear on the register of members of the Company kept by the Hong Kong Registrars Limited at 4:30 p.m. on Wednesday, 16 December 2020 and on the register of members kept by the China Securities Registrar Company Limited Shenzhen Branch after the closing of Shenzhen Stock Exchange on Tuesday, 15 December 2020 and the Directors, the Supervisors and the Senior Management are entitled to attend the EGM or any adjournment thereof.
2. H Shareholders who wish to attend the EGM shall lodge their share transfer instruments accompanied by the relevant share certificates with the share registrar for the Company’s H Shares not later than 4:30 p.m. on Wednesday, 16 December 2020.

The address of the share registrar for the Company’s H Shares:

Hong Kong Registrars Limited  
17M Floor, Hopewell Centre  
183 Queen’s Road East, Wanchai, Hong Kong

3. Shareholders who intend to attend the EGM and/or H Shareholders Class Meeting are requested to send the completed and signed reply slip for attendance despatched to the Shareholders together with this notice to the office of the secretary to the Board (see Note 8 below) or to the share registrar for the Company's H Shares (see Note 2 above) on or before 21 December 2020, by hand, by post or by facsimile. The written reply will not affect the right of the Shareholders to attend and vote at the EGM and/or the H Shareholders Class Meeting.
4. Shareholders entitled to attend and vote at the EGM and/or the H Shareholders Class Meeting may appoint one or more proxies (whether the person is a Shareholder or not) to attend and vote on his/her/its behalf at the EGM and/or the H Shareholders Class Meeting. When a Shareholder appoints more than one proxy, such proxies may only vote by way of poll.
5. Shareholders may only appoint a proxy or proxies in writing i.e. the proxy forms ("**Proxy Forms**") despatched to the Company's shareholders together with this notice or a copy thereof, which shall be in compliance with the instructions thereon and signed by the person appointing the proxy or proxies or by his/her/its duly authorised attorney. If the form of proxy is signed by an attorney, the document appointing the attorney must be certified by a notary public. If the appointing Shareholder is a legal entity, its seal or the signature of its director(s) or representative(s) duly authorised in writing is required. To be valid, a notarised power of attorney or other authority (if any) and the forms of proxy must be received by the office of the secretary to the Board (see Note 8 below) 24 hours prior to the commencements of the EGM and the H Shareholders Class Meeting (as the case may be). The completion and deposit of a form of proxy will not preclude any Shareholder from attending and voting in person at the EGM and/or the H Shareholders Meeting (as the case may be) or any adjournment thereof.
6. Shareholders or their proxies shall present proof of identity as required upon attending the EGM and/or the H Shareholders Class Meeting (as the case may be). Should a proxy be appointed, the proxy shall also present his/her form of proxy.
7. The Meetings are expected to last half a day. Shareholders who attend any of the Meetings shall bear their own traveling and accommodation expenses.

8. The address of the office of the secretary to the Board is as follows:

No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC  
Postal Code: 255086  
Telephone: 86 533 2196024  
Facsimile: 86 533 2287508

9. All references to time herein refer to Hong Kong time.

10. For the arrangements applicable to the A Shareholders in respect of the EGM and the A Shareholders' Class Meeting, please refer to the notice(s) to A Shareholders published by the Company on the website of the Shenzhen Stock Exchange of even date.

#### **E. DOCUMENTS AVAILABLE FOR INSPECTION**

1. Resolutions passed at the thirteenth meeting and fourth extraordinary meeting of the ninth session of the Board; and
2. Resolutions passed at the first extraordinary meetings of the ninth session of the Supervisory Committee.

By Order of the Board  
**Shandong Xinhua Pharmaceutical Company Limited**  
**Zhang Daiming**  
*Chairman*

2 December 2020, Zibo, PRC

*Notes:*

1. When Directors/or Supervisors are elected through cumulative voting at the EGM, the number of total votes that a Shareholder can exercise is decided by the following factors: (i) the number of shares held by such Shareholder, and (ii) the number of Directors/or Supervisors to be elected. A Shareholder can give all his or her votes to one of the candidates for Directors/or Supervisors or divide his or her votes among several candidates for directors/or supervisors. Directors/or Supervisors are elected based on the total number of votes a candidate receives at the EGM.
2. The biographical details of the candidates of the Directors and Supervisors for appointment and re-election have been set out in the announcement of the Company dated 19 November 2020 and the circular dated 2 December 2020.
3. The Proposed Amendments to the Share Option Scheme of the Company have been set out in the announcement of the Company dated 22 October 2020 and the circular dated 2 December 2020.

As at the date hereof, the Board comprises:

*Executive Directors:*

Mr. Zhang Daiming (*Chairman*)

Mr. Du Deping

*Non-executive Directors:*

Mr. Ren Fulong

Mr. Xu Lie

*Independent Non-executive Directors:*

Mr. Du Guanhua

Mr. Li Wenming

Mr. Lo Wah Wai