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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shandong Xinhua Pharmaceutical Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND
NOTICE OF THE ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 1 to 6 of this circular.

A notice convening the AGM to be held at the conference room of the Company at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC on Friday, 13 June 2025, at 2:00 p.m. is also set out on pages AGM-1 to AGM-3 of this circular.

The proxy form and reply slip in relation to the AGM are enclosed and are published and available for downloading on the websites of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk and of the Company at <http://www.xhzy.com>.

Whether or not you intend to attend the AGM, we encourage you to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours prior to the commencement of the AGM (or any adjournments thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish. Shareholders who intend to attend the AGM should also complete and return the reply slip in accordance with the instructions printed thereon.

14 May 2025

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DEFINITION

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	A Share(s) of RMB1.00 each in the capital of the Company which is/are listed and traded on the Shenzhen Stock Exchange
“A Share Shareholder(s)”	holder(s) of A Shares
“AGM”	the annual general meeting for the year of 2024 of the Company to be held at 2:00 pm on 13 June 2025 at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC
“Articles of Association”	the articles of association of the Company, as may be amended from time to time
“Board”	the board of Directors of the Company
“Company”	山東新華製藥股份有限公司(Shandong Xinhua Pharmaceutical Company Limited), a joint stock limited company incorporated in the PRC, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shenzhen Stock Exchange respectively
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each and is(are) listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITION

“PRC”	the People’s Republic of China which, for the purposes of this circular only (unless otherwise indicated), excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	A Share(s) and/or H Share(s)
“2021 A-Share Share Option Scheme”	the 2021 Share Option Incentive Scheme (A Shares) of the Company which was adopted on 31 December 2021
“Shareholder(s)”	holder(s) of Share(s)
“Supervisor(s)”	supervisor(s) of the Company
“Shenzhen Stock Exchange”	the “Shenzhen Stock Exchange”
“%”	per cent

If there is any inconsistency between names or words in Chinese and their English translations in this circular, the Chinese expressions shall prevail.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. He Tongqing (*Chairman*)

Mr. Xu Wenhui

Mr. Hou Ning

Registered address:

Chemical Industry Area

Zibo Hi-tech Industry Development Zone,

Zibo City, Shandong Province, PRC

Non-executive Directors:

Mr. Xu Lie

Mr. Zhang Chengyong

Principal place of business:

No. 1 Lutai Ave.,

Hi-tech Industry Development Zone, Zibo

City, Shandong Province, PRC

Independent Non-executive Directors:

Mr. Pan Guangcheng

Mr. Zhu Jianwei

Mr. Ling Peixue

Ms. Cheung Ching Ching, Daisy

14 May 2025

To Shareholders

Dear Sir or Madam,

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF THE ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and certain information to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

LETTER FROM THE BOARD

2. ANNUAL REPORT FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the annual report for the year 2024. Please refer to the annual report for the year ended 31 December 2024 of the Company (the “**2024 Annual Report of the Company**”) dated 28 April 2025 and published on the websites of the Hong Kong Stock Exchange and the Company respectively.

3. REPORT OF THE BOARD FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the report of the Board for the year 2024. Please refer to pages 90 to 128 of the report of the Board in the 2024 Annual Report of the Company.

4. REPORT OF THE SUPERVISORY COMMITTEE FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the report of the supervisory committee of the Board for the year 2024. Please refer to pages 142 to 145 of the report of the supervisory committee of the Board in the 2024 Annual Report of the Company.

5. FINANCIAL REPORT FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the financial report for the year 2024. The audited financial statements prepared in compliance with China Accounting Standards for Business Enterprises and the auditor’s report of the Company for the financial year ended 31 December 2024 are set out in pages 157 to 415 of the 2024 Annual Report of the Company.

6. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2024

An ordinary resolution will be proposed at the AGM to approve the profit distribution plan of the Company for the year 2024. Please refer to page 16 of the 2024 Annual Report of the Company for details.

7. RE-APPOINTMENT OF AUDITORS FOR THE 2025 FINANCIAL YEAR

An ordinary resolution will be proposed at the AGM to approve the re-appointment of auditors for the financial year ending 31 December 2025 and the audit service fee of 2025 is RMB760,000. Please refer to the 2024 Annual Report of the Company for details.

LETTER FROM THE BOARD

To maintain the continuity of the Company's audit work, the Board proposed to re-appoint Grant Thornton Zhitong Certified Public Accountants LLP (Special General Partnership) ("**Zhitong**") as the auditor of the Company for conducting an audit on the consolidated financial statements of the Company for the financial year ending 31 December 2025 (in accordance with the China Accounting Standards for Business Enterprises) with a term ending at the conclusion of the next annual general meeting of the Company.

The audit committee of the Board has carried out a review of the appropriateness of the proposed re-appointment of Zhitong in accordance with the corporate governance policy of the Company and with reference to guidelines concerning reappointment of auditors published by the Financial Reporting Council of Hong Kong. Such review included, without limitation, a review of the experience and leadership of the audit team members; the quality and performance of audit work conducted and audit methodology adopted concerning previous engagements as well as the reasonableness of audit fees based on the nature, size and complexity of the audit involved. Further, there was nothing known to the audit committee that brought into question the integrity, technical competency or sufficiency of the independence of Zhitong relevant to the proposed re-appointment. On the basis of such review, the audit committee concluded that the re-appointment of Zhitong as auditors of the Company would be in the interest of the Company and its stakeholders and wider public interest.

With the recommendation from the audit committee of the Company, the Board proposes to re-appoint Zhitong as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

The audit service fee that are incurred in connection with the professional skills required, nature of work and the workload undertaken by Zhitong, as determined by the number of staff required and days and the daily fee per staff for the year ending 31 December 2025 are RMB0.76 million (including tax), of which: RMB0.65 million (including tax) for annual report audit service and RMB0.11 million (including tax) for internal control audit service.

8. REMUNERATION OF THE DIRECTORS AND THE SUPERVISORS FOR THE YEAR 2025

An ordinary resolution will be proposed at the AGM to approve and authorise the Board to determine the remuneration of each of the Directors and Supervisors. In making relevant determinations, the Board would be required to comply with all applicable laws, regulations, regulatory provisions as well as the remuneration policy stipulated by the remuneration committee of the Company.

LETTER FROM THE BOARD

9. PROPOSED AMENDMENTS TO THE BUSINESS SCOPE AND ARTICLES OF ASSOCIATION

Reference is made to the Company's announcement dated 28 March 2025. Following the completion of the second exercise period of the first grant of the Share Option Scheme adopted by the Company in 2021, the issued share capital of the Company has increased by 7,368,900 ordinary shares (from 682,407,635 ordinary shares to 689,776,535 ordinary shares) on 14 January 2025 as a result of exercise of options under the Share Option Scheme.

In addition, due to the absorption and merger of Ronghua (Zibo) Property Services Co., Ltd. (榮華(淄博)物業服務有限公司) (a wholly-owned subsidiary of the Company) in 2024, the Company will undertake the relevant property management, housing rental and non-residential real estate rental businesses. The business scope of the articles of association of the Company is required to be revised to reflect such contents accordingly. For details, please refer to the announcement of the Company dated 29 October 2024.

The Board convened a meeting of the Board on 28 March 2025, and approved, among others, the resolutions in relation to the change in issued share capital of the Company and the change in the business scope of the Company. Unless otherwise defined in this circular, capitalised terms used in this paragraph shall have the same meanings as those defined in the Announcement.

Given such increase in share capital of the Company and the change in the business scope, the Board has proposed certain amendments (the “**Proposed Amendments**”) to the Articles of Association to reflect the amended the change in issued share capital of the Company and the change in the business scope of the Company for consistency and certainty in accordance with Company Law of the People's Republic of China and the Articles of Association of the Company.

As such, a special resolution will be proposed at the AGM to approve the Proposed Amendments.

The Company confirms that the Proposed Amendments will not have any adverse effect to the existing businesses and operations of the Company and its subsidiaries and the Directors confirm that the Proposed Amendments are in compliance with the Listing Rules. The Company's legal advisers have confirmed that the Proposed Amendments to the Articles of Association are in compliance with the requirements of the Listing Rules and the relevant PRC laws and regulations. The Company also confirmed that there is nothing unusual about the Proposed Amendments to the Articles of Association for a company listed in Hong Kong.

The full text of the Proposed Amendments, which were prepared in the Chinese language, are set out in Appendix I to this circular, respectively. The English translation is for reference only. In the event of any discrepancy between the Chinese and the English version of the Proposed Amendments, the Chinese version shall prevail.

LETTER FROM THE BOARD

10. AGM

The AGM will be convened to consider and, if thought fit, approve resolutions relating to, among others, the Proposed Amendments.

A notice convening the AGM to be held at the conference room of the Company at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, PRC on 13 June 2025, Friday at 2:00 p.m. is also set out on pages AGM-1 to AGM-3 of this circular.

The proxy form and reply slip in relation to the AGM are enclosed and also published and available for downloading on the websites of the Hong Kong Stock Exchange at www.hkex.com.hk and of the Company at <http://www.xhzy.com>.

Whether or not you intend to attend the AGM, we encourage you to complete and return the proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours prior to the commencement of the AGM (or any adjournments thereof). Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish. Shareholders who intend to attend the AGM should also complete and return the reply slip in accordance with the instructions printed thereon.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the special resolution in relation to the Proposed Amendments at the AGM.

11. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the AGM will exercise his power under the Articles of Association to demand a poll in relation to all proposed resolution at the AGM.

12. RECOMMENDATIONS

The Board considers that the resolutions set out herein (including but not limited to the proposed re-appointment of Zhitong as the auditor of the Company and the Proposed Amendments) proposed to be resolved at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of these resolutions at the AGM.

LETTER FROM THE BOARD

13. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board

Shandong Xinhua Pharmaceutical Company Limited

He Tongqing

Chairman

14 May 2025, Zibo, the People's Republic of China

Particulars of the Proposed Amendments

Articles of Association of the Company	
Existing Articles	Amended Articles
<p>Article 14</p> <p>Registered in accordance with the law, the scope of the Company's businesses covers production, wholesale and retail of medicine, chemical raw materials, food additives, healthcare food, solid beverages, veterinary products, fish oil, pharmaceutical equipment, medicine inspection instruments and apparatus; technology transfer, service, consultancy and training for projects independently developed by the Company; wholesale and retail of traditional Chinese medicine, traditional Chinese medicine decoction pieces, medical devices (Class I, Class II and Class III), contact lens and solutions, test strips (testing reagent), healthcare food, maternity and childcare products, dairy products (including infant milk formula), cosmetics, cleansing products, pre-packaged food, bulk food, general merchandise, elementary agricultural products, seafood, sexual health and family planning products; sales of chemical active pharmaceutical ingredients, chemical products, chemical reagents, pharmaceutical intermediates (the above three categories exclude hazardous and precursor chemicals); import and export business; warehousing services (excluding hazardous goods) and Internet information consultancy and services; and e-commerce entrusted operation (Projects that require approval according to law can only be operated after being approved by relevant departments).</p>	<p>Article 14</p> <p>Registered in accordance with the law, the scope of the Company's businesses covers production, wholesale and retail of medicine, chemical raw materials, food additives, healthcare food, solid beverages, veterinary products, fish oil, pharmaceutical equipment, medicine inspection instruments and apparatus; technology transfer, service, consultancy and training for projects independently developed by the Company; wholesale and retail of traditional Chinese medicine, traditional Chinese medicine decoction pieces, medical devices (Class I, Class II and Class III), contact lens and solutions, test strips (testing reagent), healthcare food, maternity and childcare products, dairy products (including infant milk formula), cosmetics, cleansing products, pre-packaged food, bulk food, general merchandise, elementary agricultural products, seafood, sexual health and family planning products; sales of chemical active pharmaceutical ingredients, chemical products, chemical reagents, pharmaceutical intermediates (the above three categories exclude hazardous and precursor chemicals); import and export business; warehousing services (excluding hazardous goods) and Internet information consultancy and services; and e-commerce entrusted operation; <u>property management, housing leasing, non-residential real estate leasing</u> (Projects that require approval according to law can only be operated after being approved by relevant departments).</p>

Articles of Association of the Company	
Existing Articles	Amended Articles
<p>Article 20</p> <p>By approval of the companies examination and approval department authorised by the State Council, the total number of ordinary shares of the Company could issue was 457,312,830 shares, including 217,440,000 state-owned shares issued to the promoter of the Company at the time when the Company was established, 16,719,500 legal person shares and 33,153,330 employee shares. As approved by China Securities Regulatory Commission, the Company issued 150,000,000 overseas listed foreign shares in 1996 and 10,000,000 domestically listed domestic shares to the domestic public in 1997. As approved by China Securities Regulatory Commission, the Company issued 30,000,000 domestically listed domestic shares to the domestic public in 2001. Meanwhile, the state-owned shares of the Company held by Shandong Xinhua Pharmaceutical Group Company Limited disposed of 30,000,000 shares in accordance with Cai Shui Cai Qi Bian Han [2001] No. 78 issued by the Ministry of Finance. In accordance with Lu Guo Zi Chan Quan Han [2006] No. 74 issued by Shandong Provincial State-owned Assets Supervision and Administration Commission, Shandong Xinhua Pharmaceutical Group Company Limited offered 26,653,665 shares to all holders of circulating A shares as consideration.</p>	<p>Article 20</p> <p>By approval of the companies examination and approval department authorised by the State Council, the total number of ordinary shares of the Company could issue was 457,312,830 shares, including 217,440,000 state-owned shares issued to the promoter of the Company at the time when the Company was established, 16,719,500 legal person shares and 33,153,330 employee shares. As approved by China Securities Regulatory Commission, the Company issued 150,000,000 overseas listed foreign shares in 1996 and 10,000,000 domestically listed domestic shares to the domestic public in 1997. As approved by China Securities Regulatory Commission, the Company issued 30,000,000 domestically listed domestic shares to the domestic public in 2001. Meanwhile, the state-owned shares of the Company held by Shandong Xinhua Pharmaceutical Group Company Limited disposed of 30,000,000 shares in accordance with Cai Shui Cai Qi Bian Han [2001] No. 78 issued by the Ministry of Finance. In accordance with Lu Guo Zi Chan Quan Han [2006] No. 74 issued by Shandong Provincial State-owned Assets Supervision and Administration Commission, Shandong Xinhua Pharmaceutical Group Company Limited offered 26,653,665 shares to all holders of circulating A shares as consideration.</p>

Articles of Association of the Company	
Existing Articles	Amended Articles
<p>By the Approval Document [2017] No. 459 issued by the China Securities Regulatory Commission, for the year 2017 the Company was allowed to proceed with the non-public issuance of 21,040,591 domestic shares to be listed in the PRC. Upon completion of the issuance, the structure of share capital of the Company is: the total number of shares is 478,353,421 shares, of which all are ordinary shares and listed domestic shares in the PRC are 328,353,421 shares, representing approximately 68.64% of the total number of shares of the Company; overseas listed foreign shares are 150,000,000 shares, representing approximately 31.36% of the total number of shares of the Company.</p>	<p>By the Approval Document [2017] No. 459 issued by the China Securities Regulatory Commission, for the year 2017 the Company was allowed to proceed with the non-public issuance of 21,040,591 domestic shares to be listed in the PRC. Upon completion of the issuance, the structure of share capital of the Company is: the total number of shares is 478,353,421 shares, of which all are ordinary shares and listed domestic shares in the PRC are 328,353,421 shares, representing approximately 68.64% of the total number of shares of the Company; overseas listed foreign shares are 150,000,000 shares, representing approximately 31.36% of the total number of shares of the Company.</p>
<p>On implementation of the Profit Distribution Plan 2017, the structure of share capital of the Company is: the total number of shares is 621,859,447 shares, of which all are ordinary shares comprising listed domestic shares in the PRC of 426,859,447 shares, representing approximately 68.64% of the total number of shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 31.36% of the total number of shares of the Company.</p>	<p>On implementation of the Profit Distribution Plan 2017, the structure of share capital of the Company is: the total number of shares is 621,859,447 shares, of which all are ordinary shares comprising listed domestic shares in the PRC of 426,859,447 shares, representing approximately 68.64% of the total number of shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 31.36% of the total number of shares of the Company.</p>
<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the first exercise period of the 2018 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is: the total number of issued shares is 627,367,447, of which all are ordinary shares comprising listed domestic shares in the PRC of 432,367,447 shares, representing approximately 68.92% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 31.08% of the total number of issued shares of the Company.</p>	<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the first exercise period of the 2018 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is: the total number of issued shares is 627,367,447, of which all are ordinary shares comprising listed domestic shares in the PRC of 432,367,447 shares, representing approximately 68.92% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 31.08% of the total number of issued shares of the Company.</p>

Articles of Association of the Company	
Existing Articles	Amended Articles
<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the second exercise period of the 2018 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is: the total number of issued shares is 632,535,247, of which all are ordinary shares comprising listed domestic shares in the PRC of 437,535,247 shares, representing approximately 69.17% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 30.83% of the total number of issued shares of the Company.</p>	<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the second exercise period of the 2018 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is: the total number of issued shares is 632,535,247, of which all are ordinary shares comprising listed domestic shares in the PRC of 437,535,247 shares, representing approximately 69.17% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 30.83% of the total number of issued shares of the Company.</p>
<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the non-public issuance of A Shares, the structure of share capital of the Company is: the total number of shares is 669,627,235, of which all are ordinary shares comprising listed domestic shares in the PRC of 474,627,235 shares, representing approximately 70.88% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 29.12% of the total number of issued shares of the Company.</p>	<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the non-public issuance of A Shares, the structure of share capital of the Company is: the total number of shares is 669,627,235, of which all are ordinary shares comprising listed domestic shares in the PRC of 474,627,235 shares, representing approximately 70.88% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 29.12% of the total number of issued shares of the Company.</p>
<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the third exercise period of the 2018 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is: the total number of issued shares is 674,682,835, of which all are ordinary shares comprising listed domestic shares in the PRC of 479,682,835 shares, representing approximately 71.10% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 28.90% of the total number of issued shares of the Company.</p>	<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the third exercise period of the 2018 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is: the total number of issued shares is 674,682,835, of which all are ordinary shares comprising listed domestic shares in the PRC of 479,682,835 shares, representing approximately 71.10% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 28.90% of the total number of issued shares of the Company.</p>

Articles of Association of the Company	
Existing Articles	Amended Articles
<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the first exercise period of the first grant of 2021 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is: the total number of issued shares is 682,407,635, of which all are ordinary shares comprising listed domestic shares in the PRC of 487,407,635 shares, representing approximately 71.42% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 28.58% of the total number of issued shares of the Company.</p>	<p>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the first exercise period of the first grant of 2021 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is: the total number of issued shares is 682,407,635, of which all are ordinary shares comprising listed domestic shares in the PRC of 487,407,635 shares, representing approximately 71.42% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 28.58% of the total number of issued shares of the Company.</p> <p><u>Upon approval by way of special resolution in the shareholders' general meeting of the Company, after the second exercise period of the first grant of 2021 A-Share Share Option Scheme of the Company, the structure of share capital of the Company is as follows: the total number of issued shares is 689,776,535, of which all are ordinary shares comprising listed domestic shares in the PRC of 494,776,535 shares, representing approximately 71.73% of the total number of issued shares of the Company, and overseas listed foreign shares of 195,000,000 shares, representing approximately 28.27% of the total number of issued shares of the Company.</u></p>
<p>Article 23</p> <p>The registered capital of the Company is RMB 682,407,635 yuan.</p>	<p>Article 23</p> <p>The registered capital of the Company is RMB<u>689,776,535</u> yuan.</p>

NOTICE OF THE ANNUAL GENERAL MEETING



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (“AGM”) of Shandong Xinhua Pharmaceutical Company Limited (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 Friday, 13 June 2025 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.

A. MATTERS FOR CONSIDERATION AND APPROVAL AT THE AGM

ORDINARY RESOLUTIONS

1. To review and approve the annual report of the Company for the year 2024.
2. To review and approve the report of the Board for the year 2024.
3. To review and approve the report of the supervisory committee of the Company for the year 2024.
4. To review and approve the audited financial statements of the Company for the year 2024.
5. To review and approve the profit distribution plan for the year 2024.
6. To review and approve the re-appointment of Grant Thornton Zhitong Certified Public Accountants LLP (Special General Partnership) as the Company’s auditors for the year 2025 and the audit service fee of 2025 is RMB760,000.
7. To review and approve the remuneration of the Directors and the Supervisors for the year 2025.

NOTICE OF THE ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

1. To consider and approve the proposed amendments to the business scope and Articles of Association of the Company. ^{Note 11}

“THAT

the proposed amendments to the business scope and Articles of Association of the Company be and are hereby approved and the Board be and is hereby authorised to deal with on behalf of the Company all relevant procedures and matters to effect the amendments and to make any appropriate adjustments thereto whenever necessary in the process of submitting the same for the approval of and as required from time to time by the relevant regulatory authorities including without limitation to the administration authorities of industry and commerce and the Shenzhen Stock Exchange.”

By Order of the Board

Shandong Xinhua Pharmaceutical Company Limited

He Tongqing

Chairman

14 May 2025, Zibo, PRC

Notes:

1. The register of members of the Company will be closed from Friday, 6 June 2025 to Friday, 13 June 2025 (both days inclusive), during which period no H Share transfers of the Company will be registered. Shareholders whose names appear on the register of members of the Company kept by the Hong Kong Registrars Limited at the close of business on Friday, 6 June 2025 and on the register of members kept by the China Securities Registrar Company Limited Shenzhen Branch after the closing of Shenzhen Stock Exchange on Friday, 6 June 2025 and the Directors, the supervisors and the senior management of the Company are entitled to attend the AGM or any adjournment thereof.
2. H Shareholders who wish to attend the AGM 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 Thursday, 5 June 2025.

The address of the share registrar for the Company's H Shares:
Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

3. Shareholders who intend to attend the AGM are requested to send the completed and signed reply slip for attendance despatched to the Company's 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 at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong on or before 2:00 p.m. on 12 June 2025, by hand, by post or by facsimile. The written reply will not affect the right of the Shareholders to attend and vote at the AGM.

NOTICE OF THE ANNUAL GENERAL MEETING

4. Shareholders entitled to attend and vote at the AGM 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 AGM. 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 form despatched to the Company's shareholders together with this notice or a copy of it, 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 authorized in writing is required. To be valid, a notarially certified 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 commencement of the AGM. The completion and deposit of a form of proxy will not preclude any Shareholder from attending and voting in person at the AGM or any adjournment thereof.
6. Shareholders or their proxies shall present proof of identity upon attending the AGM. Should a proxy be appointed, the proxy shall also present his/her form of proxy.
7. The AGM 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 Share Shareholders in respect of the AGM, please refer to the notice(s) to A Share Shareholders published by the Company on the website of the Shenzhen Stock Exchange of the even date.
11. The proposed amendments to the articles of association of the Company have been set out in the announcement of the Company dated 28 March 2025 and the circular dated 14 May 2025.

As at the date hereof, the Board comprises:

Executive Directors:

Mr. He Tongqing (*Chairman*)
Mr. Xu Wenhui
Mr. Hou Ning

Non-executive Directors:

Mr. Xu Lie
Mr. Zhang Chengyong

Independent Non-executive Directors:

Mr. Pan Guangcheng
Mr. Zhu Jianwei
Mr. Ling Peixue
Ms. Cheung Ching Ching, Daisy