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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)

**ANNOUNCEMENT ON
THE ACCEPTANCE BY THE CSRC OF APPLICATION FOR
THE PROPOSED A SHARES ISSUE BY THE COMPANY**

Reference is made to the circular (the “**Circular**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) dated 31 May 2021 in relation to, among other things, details of the Proposed A Shares Issue, the Specific Mandate, the A Shares Subscription Agreement and the Whitewash Waiver. Unless otherwise defined in this announcement, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that the Company received the Acceptance Notice of the Application for Administrative Permission from the CSRC (《中國證監會行政許可申請受理單》) (No.: 211868) issued by the CSRC on 19 July 2021. The CSRC has reviewed the application materials of the Proposed A Shares Issue (the “**Application**”) submitted by the Company in accordance with the relevant laws. The CSRC considered that the aforesaid application materials were complete and decided to accept the Application for further processing.

The Proposed A Shares Issue remains subject to approval by the CSRC. The Company will make further announcements with respect to the progress of the approval of the CSRC in accordance with the applicable rules and requirements in the PRC as and when appropriate.

The completion of the Proposed A Shares Issue is subject to the satisfaction of certain conditions, including but not limited to the obtaining of the approval from the CSRC. Accordingly, the Proposed A Shares Issue may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional adviser if they are in any doubt about their position and as to actions they should take.

By Order of the Board

Shandong Xinhua Pharmaceutical Company Limited

Zhang Daiming

Chairman

19 July 2021, Zibo, PRC

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Zhang Daiming (*Chairman*)

Mr. Du Deping

Mr. He Tongqing

Independent Non-executive Directors:

Mr. Pan Guangcheng

Mr. Zhu Jianwei

Mr. Lo Wah Wai

Non-executive Directors:

Mr. Cong Kechun

Mr. Xu Lie

As at the date of this announcement, the directors of HHC include Mr. Fan Jun, Mr. Ding Zhenbo, Mr. Sun Youmin, Mr. Zhang Yuming, and Mr. Lou Hongxiang.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to HHC and parties acting in concert with it, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.

The directors of HHC jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than those relating to the Company, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.