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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

This announcement is made by Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) pursuant to Rule 13.51(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements and overseas regulatory announcements of the Company dated 28 October 2021, 31 December 2021, 6 January 2022, 2 January 2024 and 9 January 2024 and the circular dated 15 December 2021. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the abovementioned announcements and circular.

Following the completion of the first 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 7,724,800 ordinary shares (from 674,682,835 ordinary shares to 682,407,635 ordinary shares) on 15 January 2024 as a result of exercise of options under the Share Option Scheme.

As a result, the board of directors of the Company (the “**Board**”) proposed to make necessary amendments to the articles of association of the Company (the “**Articles of Association**”) to reflect the change in issued share capital of the Company (the “**Proposed Amendments**”). The Board convened a meeting of the Board on 28 March 2024 in which the Board considered and approved, *among others*, the Proposed Amendments.

The full text of the English translation of the Proposed Amendments is set out in **Appendix I** to this announcement. Such English translation is for reference only, and in the event of any discrepancy between the Chinese and the English version of the Proposed Amendments, the Chinese version shall prevail.

The Proposed Amendments are subject to the approval of the Company’s shareholders at a general meeting of the Company by way of special resolutions. A circular containing detailed information of the Proposed Amendments will be despatched to the shareholders of the Company in due course.

By order of the Board
Shandong Xinhua Pharmaceutical Company Limited
He Tongqing
Chairman

28 March 2024, Zibo, the People's Republic of China

As at the date of this announcement, 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

Appendix I:

Particulars of the Proposed Amendments

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>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</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> <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</p>

Articles of Association of the Company

Existing Articles	Amended Articles
<p>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 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>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 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</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 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>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><u>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.</u></p>
<p>Article 23 The registered capital of the Company is RMB 674,682,835 yuan.</p>	<p>Article 23 The registered capital of the Company is RMB <u>682,407,635</u> yuan.</p>