



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

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

(Stock Code: 0719)

**ANNOUNCEMENT OF ANNUAL GENERAL MEETING RESOLUTIONS**

At the annual general meeting of 2006 (the “AGM”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) held at 14 Dongyi Road, Zhangdian District, Zibo City, Shandong Province, The People's Republic of China (the “**PRC**”) on Friday, 15 June 2007 at 9:00 a.m., poll voting was demanded by the Chairman for voting on the proposed resolutions, as set out in the notice of AGM dated 27th April, 2007. All resolutions were approved by shareholders and the board of directors (the “**Board**”) of the Company is pleased to announce the poll results in respect of the resolutions of the AGM of the Company as follows:

	<b>Resolutions</b>	<b>No. of Votes (%) For</b>	<b>No. of Votes (%) Abstained</b>	<b>No. of Votes (%) Against</b>	<b>Total Votes</b>
1.	To approve the Report of the Board of Directors for the year 2006	167,562,735 (100%)	0	0	167,562,735
2.	To approve the Report of the supervisory committee of the Company for the year 2006	167,562,735 (100%)	0	0	167,562,735
3.	To approve the Audited Financial Statements for the year 2006	167,562,735 (100%)	0	0	167,562,735
4.	To approve the Company's profit distribution plan for year 2006, details of which are as follows:  (i) In accordance with the relevant PRC regulations, the Company will maintain revenue reserves based on the audited accounts prepared in accordance with PRC accounting standards. Accordingly, the amount of RMB2,078,104, representing 10% of the Company's profit after taxation for the year 2006, will be appropriated to the statutory surplus reserve  (ii) A final cash dividend of RMB0.02 (equivalent to HK\$0.0202) per share will be distributed to all shareholders of H shares whose names appeared on the register of members of the Company on 15 May 2007 at or before 4:00 p.m.	167,562,735 (100%)	0	0	167,562,735
5.	To approve the appointment of ShineWing (HK) CPA Limited (Certified Public Accountants in Hong Kong) and Shinewing Certified Public Accountants (Certified Public Accountants in the PRC) as the international and domestic auditors respectively for the year 2007 and authorise the Board to fix their remuneration	167,562,735 (100%)	0	0	167,562,735
6.	To approve the remuneration of the directors and the supervisors for the year 2007	167,562,735 (100%)	0	0	167,562,735

As at the date of the AGM, the total number of issued shares of the Company is 457,312,830, comprising 187,820,062 A Shares subject to trading moratorium, 119,492,768 A shares listed on the Shenzhen Stock Exchange and 150,000,000 H shares listed on the Stock Exchange, which was the total number of shares entitling the holders to attend and vote for or against all the resolutions proposed at the AGM. There were no restrictions on shareholders to cast vote on any of the aforesaid resolutions passed at the AGM.

In accordance with the provisions of the articles of association of the Company, the Company has appointed Bank of China (Hong Kong) Trustees Company Limited (registered under the Trustee Ordinance (Cap.29 of the Laws of Hong Kong)) as the receiving agent (the “Receiving Agent”) of the holders of H shares in Hong Kong to receive on their behalves dividends declared in respect of the H shares. Dividends payable to holders of H shares of the Company will be paid by the Receiving Agent and the relevant cheques will be dispatched on or before 20 July 2007 (i.e. H shares dividends payment date). The cheques will be distributed to the holders of H shares of the Company by ordinary post and shall be posted at the risk of the recipients.

Shinewing Certified Public Accountants (“ShineWing”), the domestic auditors of the Company, have acted as the scrutineer and performed the procedures agreed with the Company including checking the mathematical accuracy of calculation of the poll results as counted by the Company, comparing the poll results of votes set out in the poll forms to be collected by the Company and providing to the Company the factual findings. The work performed by ShineWing in this respect did not constitute either an audit and accordingly, no assurance was provided, nor advice on matters of legal interpretation or legality of the poll results.

By Order of the Board  
**Shandong Xinhua Pharmaceutical Company Limited**  
**Guo Qin**  
*Chairman*

Zibo, the PRC, 15 June 2007

As at the date hereof, the directors of the Company are Ms. Guo Qin (Chairman), Mr. Liu Zhenwen, Mr. Ren Fulong, Mr. Zhao Songguo and Mr. Ma Yong; and the independent non-executive directors are Mr. Dai Qingjun, Mr. Mok Chung Kwan, Stephen, Mr. Xu Guojun and Mr. Sun Minggao.

Please also refer to the published version of this announcement in The Standard / Wen Wei Po.