

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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: 0719)

**NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR 2010  
AND  
CLOSURE OF THE REGISTER OF MEMBERS**

**NOTICE IS HEREBY GIVEN** that the annual general meeting for the year 2010 (“**AGM**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) will be held at the Company’s conference room at No. 14 Dongyi Road, Zhangdian District, Zibo City, Shandong Province, The People’s Republic of China (the “**PRC**”) on Tuesday, 28 June 2011 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

**ORDINARY RESOLUTIONS**

1. To review and approve the report of the board of directors of the Company (the “**Board**”) for the year 2010;
2. To review and approve the report of the supervisory committee of the Company for the year 2010;
3. To review and approve the audited financial statements for the year 2010;
4. To review and approve the profit distribution plan and the final dividend for the year 2010 as proposed by the Board on 18 March 2011;
5. To review and approve the reappointment of ShineWing (HK) CPA Limited (Certified Public Accountants in Hong Kong) and Shine Wing (Certified Public Accountants in the PRC) as the international and domestic auditors respectively for the year 2011 and authorise the Board to fix their remuneration;
6. To review and approve the remuneration of the directors and the supervisors of the Company for the year 2011;
7. To approve and confirm the agreement entered into between the Company and China Shandong Group Limited (“China Shandong”) dated 28 April 2011 and the proposed annual caps in relation to the Company and/or its subsidiaries supplying bulk pharmaceuticals and chemical products to China Shandong in the sum of RMB70,000,000, RMB140,000,000 and RMB180,000,000 for 2011, 2012 and 2013 respectively under such agreement.

**Shandong Xinhua Pharmaceutical Company Limited**  
*The Board of Directors*

12 May 2011

*Notes:*

1. The register of members of the Company will be closed from 30 May 2011 to 28 June 2011 (both days inclusive), during which period no H share transfers will be effected. Shareholders of the Company whose names appear on the register of members of the Company in the Hong Kong Registrars Limited at 4:30 p.m. on 27 May 2011 and on the register of members of the China Securities Registrar Company Limited Shenzhen Branch after the closing of Shenzhen Stock Exchange on 27 May 2011 and the directors, the supervisors and the senior officers of the Company are entitled to attend the AGM or any adjournment thereof. In order to be qualified for the proposed final dividend, all share transfer accompanied by the relevant share certificates must be lodged with the share register for the Company's H Shares not later than 4:30 p.m. on 27 May 2011.

The address of the share register for the Company's H Shares:

Hong Kong Registrars Limited  
17th Floor, Hopewell Centre  
183 Queen's Road East, Hong Kong

2. Shareholders of the Company who intend to attend the AGM are asked to send the completed and signed reply slip for attendance dispatched to the Company's shareholders together with the notice dated 12 May 2011 to the company secretary's office of the Company (see Note 7 below) on or before 7 June 2011, by hand, by post or by facsimile. The written reply will not affect the right of the shareholders of the Company (see Note 1 above) to attend and vote at the AGM. The completion and deposit of a form of proxy will not preclude any shareholder of the Company from attending and voting in person at the AGM or any adjournment thereof.
3. A shareholder of the Company entitled to attend and vote at the AGM may appoint one or more proxies (whether the person is a shareholder of the Company or not) to attend and vote on his/her behalf at the AGM. When a shareholder appoints more than one proxy, such proxies may only vote on a poll. Each holder of H shares (or his/her proxy or proxies) shall be entitled to one vote for each share held.
4. Shareholders of the Company must appoint a proxy or proxies in writing i.e. the original proxy form dispatched to the Company's shareholders together with the notice dated 12 May 2011 or a copy of it, which shall be signed by the person appointing the proxy or proxies or by his/her 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 person, the legal person's seal or the signature of its director(s) or representative(s) duly authorised in writing is required. To be valid, a notarially certified power of attorney or other authority (if any) and the form of proxy must be received by the company secretary's office of the Company (see Note 7 below) 24 hours prior to the commencement of the AGM.
5. Shareholders of the Company 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.
6. The AGM is expected to last for half day. Shareholders of the Company who attend the AGM shall bear their own traveling and accommodation expenses.
7. The address of the company secretary's office of the Company is as follows:

No. 14 Dongyi Road, Zhangdian District, Zibo City, Shandong Province, The PRC  
Postal Code: 255005  
Telephone: (86) 533 2196024  
Facsimile: (86) 533 2287508

*As at the date of this notice, the Board comprises:*

*Executive Directors:*

Mr. Zhang Daiming (*Chairman*)  
Mr. Ren Fulong  
Mr. Du Deping  
Mr. Zhao Songguo

*Independent Non-executive Directors:*

Mr. Zhu Baoquan  
Mr. Sun Minggao  
Mr. Kwong Chi Kit, Victor

*Non-executive Directors:*

Mr. Xu Lie  
Mr. Zhao Bin