

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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) 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 28 December 2012 at 9:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolution and special resolution:

ORDINARY RESOLUTION

1. To approve and confirm the agreement entered into between the Company and Shandong Xinhua Pharmaceutical Group Limited (“**SXPGC**”) dated 26 October 2012 and the proposed annual caps in relation to the selling of waste materials, water, electricity and steam by the Company and/ or its subsidiaries to SXPGC and/or its subsidiaries and the purchasing of accessories, raw materials and packaging materials by the Company and/or its subsidiaries from SXPGC and/or its subsidiaries in the sum of RMB170,000,000, RMB195,000,000 and RMB230,000,000 for 2013, 2014 and 2015 respectively under such agreement.

SPECIAL RESOLUTION

2. To consider and approve the proposed amendments to Article 147 of the articles of association of the Company ^(Note 1).

Shandong Xinhua Pharmaceutical Company Limited *The Board of Directors*

13 November 2012

Notes:

1. Details of the proposed amendments to Article 147 of the articles of association of the Company are set out in the announcement of the Company dated 24 August 2012.
2. The register of members of the Company will be closed from 28 November 2012 to 28 December 2012 (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 November 2012 and on the register of members of the China Securities Registrar Company Limited Shenzhen Branch after the closing of Shenzhen Stock Exchange on 27 November 2012 and the Directors, the Supervisors and the senior officers of the Company are entitled to attend the EGM or any adjournment thereof.

H shareholders of the Company who wish to attend the EGM shall lodge their share transfer instruments accompanied by the relevant share certificates with the share register for the Company's H Shares not later than 4:30 p.m. on 27 November 2012.

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

3. Shareholders of the Company who intend to attend the EGM are asked to send the completed and signed reply slip for attendance dispatched to the Company's Shareholders together with the notice dated 13 November 2012 to the company secretary's office of the Company (see Note 8 below) on or before 7 December 2012, by hand, by post or by facsimile. The written reply will not affect the right of the Shareholders (see Note 2 above) to attend and vote at the EGM. The completion and deposit of a form of proxy will not preclude any shareholder from attending and voting in person at the EGM or any adjournment thereof.

4. A shareholder of the Company entitled to attend and vote at the EGM 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 EGM. 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.
5. 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 13 November 2012 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 8 below) 24 hours prior to the commencement of the EGM.
6. Shareholders of the Company or their proxies shall present proof of identity upon attending the EGM. Should a proxy be appointed, the proxy shall also present his/her form of proxy.
7. The EGM is expected to last half a day. Shareholders who attend the EGM shall bear their own traveling and accommodation expenses.
8. The address of the company secretary's office of the Company 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

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

Executive Directors:

Mr. Zhang Daiming (*Chairman*)

Mr. Du Deping

Mr. Zhao Songguo

Independent Non-executive Directors:

Mr. Zhu Baoquan

Mr. Bai Huiliang

Mr. Kwong Chi Kit, Victor

Non-executive Director:

Mr. Ren Fulong

Mr. Xu Lie

Mr. Zhao Bin