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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 APPOINTMENT AND RE-ELECTION OF DIRECTORS AND SUPERVISORS

Expiry of the terms of office of the tenth session of the Board of Directors and Supervisory Committee

The terms of office of the tenth session of the board (the “**Board**”) of directors (the “**Directors**”) and the supervisory committee (the “**Supervisory Committee**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) (save for the supervisor representatives of the employees of the Company) are due to expire in December 2023.

Retirement of certain Directors (the “Retirement”)

Mr. Cong Kechun (a non-executive Director of the tenth session of the Board) and Mr. Lo Wah Wai (an independent non-executive Director of the tenth session of the Board) will retire as Directors upon the appointment of Directors to the eleventh session of the Board being approved at the upcoming extraordinary general meeting of the Company (the “**EGM**”).

Each of Mr. Cong Kechun and Mr. Lo Wah Wai has confirmed that he has no disagreement with the Board and he is not aware of any matter relating to the Retirement that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”).

The Company would like to take this opportunity to express its sincere gratitude for their valuable contribution to the Company during their term of service.

Proposed appointment of Directors

In view of the Retirement, the Board has resolved to nominate for appointment (i) Mr. Zhang Chengyong as a non-executive Director; and (ii) Mr. Ling Peixue and Ms. Cheung Ching Ching, Daisy as independent non-executive Directors, to the eleventh session of the Board (the “**Proposed Appointment of Directors**”).

The Proposed Appointment of Directors is subject to the approval of Shareholders by ordinary resolutions at the EGM. The term of office of Directors of the eleventh session of the Board shall be three years from the date of approval at the EGM.

Re-election of Directors and Supervisors

Other than the retiring Directors as described above, other Directors and supervisors of the Company (the “**Supervisors**”) (save for the Supervisor representatives of the employees of the Company) will seek re-election to their respective offices of Directors or Supervisors for a new term of three years commencing

from the date of approval by the Shareholders at the EGM (the “**Proposed Re-election**”). The Proposed Re-election is subject to the approval of Shareholders by ordinary resolutions at the EGM.

Biographical details of the candidates seeking appointment and re-election to the eleventh session of the Board are set out below:

A. Biographical details of candidates seeking re-election

Candidates for executive Directors

1. Mr. He Tongqing

Mr. He Tongqing, aged 54, is a senior economist. He graduated from Shandong Polytechnic University, specialising in materials science and engineering and obtained a Master of Business Admission (MBA) from Shandong University. Mr. He joined Shandong Xinhua Pharmaceutical Factory in 1991. His previous positions at the Group include workshop technician, planner, sales officer, regional manager, manager of the drug department, marketing director and general manager of Shandong Zibo Xin Cat Pharmaceutical Co., Ltd. and deputy general manager of the Company. Mr. He is currently the chairman of the Company and Shandong Xinhua Health Technology Co., Ltd, the executive director of Shandong Xinhua Pharmaceutical Trade Co., Ltd. and Zibo Xinhua Pharmacy Chain Co., Ltd.

As at the date hereof, Mr. He has not entered into any service contract with the Company. As an executive Director, Mr. He was entitled to basic emolument in the amount of approximately RMB520,000 in 2023 which was determined by reference to his experience and the emoluments of the other non-independent Directors. It is expected that Mr. He will receive a similar amount of basic emolument annually during the eleventh session of the Board for acting as an executive Director.

2. Mr. Xu Wenhui

Mr. Xu Wenhui, aged 47, is a senior engineer. He graduated from Tianjin University with a major in chemical engineering. He joined the Company in 1999 and has worked as workshop assistant engineer, deputy secretary of the Youth League Committee, workshop secretary and deputy director, deputy manager and manager of the production and operations department of Xinhua Pharmaceutical (Shouguang) Company Limited (“**Shouguang Company**”), assistant to the general manager of the Company and manager of Shouguang Company and deputy general manager of the Company. He is currently the director and the general manager of the Company, the executive director of Shandong Zibo Xin Cat Pharmaceutical Co., Ltd. and Xinhua Pharmaceutical (Gaomi) Co., Ltd., the chairman of Shouguang Company and Shandong Tongxin Pharmaceutical Co., Ltd..

As at the date hereof, Mr. Xu has not entered into any service contract with the Company. As an executive Director, Mr. Xu was entitled to emolument in the amount of approximately RMB480,000 in 2023 which was determined by reference to his experience and the basic emoluments of the other non-independent Directors. It is expected that Mr. Xu will receive a similar amount of basic emolument annually during the eleventh session of the Board for acting as an executive Director.

3. Mr. Hou Ning

Mr. Hou Ning, aged 50, holds a master's degree in applied accounting and finance from the Hong Kong Baptist University. He is a senior accountant and a senior economist. Mr. Hou had served as deputy head of the Audit Division of Shandong Hualu Hengsheng Group Co., Ltd.; head of the Audit Department, head of the Investment Department of Technological Development Centre, manager of the Marketing Department and manager of the Finance Department of Shandong Hualu-Hengsheng Chemical Co., Ltd. Mr. Hou

currently serves as the director and chief financial officer of the Company and a director of Zibo Xinhua-Perrigo Pharmaceutical Co., Ltd. and Shandong Tongxin Pharmaceutical Co., Ltd..

As at the date hereof, Mr. Hou has not entered into any service contract with the Company. As an executive Director, Mr. Hou was entitled to emolument in the amount of approximately RMB400,000 in 2023 which was determined by reference to his experience and the basic emoluments of the other non-independent Directors. It is expected that Mr. Hou will receive a similar amount of basic emolument annually during the eleventh session of the Board for acting as an executive Director.

Candidate for non-executive Director

1. Mr. Xu Lie

Mr. Xu Lie, aged 58, is a senior economist and professor level senior political engineer, and has graduated with a university degree and holds a Master of Management from Shandong University of Technology. He joined Shandong Xinhua Pharmaceutical Factory in 1986 and since taken up the positions of deputy director and director of the office, the deputy head of the office, the manager of the human resource department and a director and the chairman of the labour union of the Shandong Xinhua Pharmaceutical Group Company Limited, the controlling shareholder of the Company at that time. Mr. Xu is currently a director and the chairman of the labour union of the Company.

As at the date hereof, Mr. Xu has not entered into any service contract with the Company. As a non-executive executive Director, Mr. Xu was entitled to basic emolument in the amount of approximately RMB400,000 in 2023 which was determined by reference to his experience and the basic emoluments of the other non-independent Directors. It is expected that Mr. Xu will receive a similar amount of basic emolument annually during the eleventh session of the Board for acting as an non-executive Director.

Candidate for independent non-executive Director

1. Mr. Pan Guangcheng

Mr. Pan Guangcheng, aged 74, is a senior engineer and graduated from Shanghai University with a major in electrical engineering. Mr. Pan served as the cadre and director of the Medical Device Bureau of the Ministry of Health, director and deputy director general of the Department of Personnel, director general of the Department of Policies and Regulations of the National Medical Administration, deputy general manager of China National Medical Equipment Industry Corporation, secretary to the board of directors of China National Pharmaceutical Group Co., Ltd., chief executive officer of China Pharmaceutical Industry Association (“CPIA”) and independent director of Harbin Pharmaceutical Group Co., Ltd. Currently, Mr. Pan is the senior president of CPIA, independent director of North China Pharmaceutical Co., Ltd. He is currently an independent non-executive Director of the Company.

As at the date hereof, Mr. Pan has not entered into any service contract with the Company. As an independent non-executive Director, Mr. Pan was entitled to emolument in the amount of RMB100,000 in 2023 which was determined by reference to his experience and the emoluments of the other independent non-executive Directors. It is expected that Mr. Pan will receive a similar amount of emolument annually during the eleventh session of the Board for acting as an independent non-executive Director.

2. Mr. Zhu Jianwei

Mr. Zhu Jianwei, aged 68, is the “Zhiyuan Chair Professor” of Shanghai JiaoTong University, a position which he held since September 2012. He holds a bachelor’s degree in biochemical engineering from East China University of Science and Technology, a master’s degree in microbial pharmacy and doctoral degree

in microbial genetics from Shanghai Research Institute of Pharmaceutical Industry, and a master's degree in Business Administration from Hood College in the United States. He has served as a senior researcher at the Joslin Diabetes Center of Harvard Medical School, technical operation director of biologic drug development of SAIC Frederick Inc. in the USA and the third dean of the School of Pharmacy of Shanghai Jiao Tong University. Mr. Zhu is currently a director and chief scientist of the Engineering Research Center of the Ministry of Education for Cell Engineering, Antibody and Drugs as well as an independent director at Sichuan Jinshi Asia Pharmaceutical Co., Ltd. and Beijing Kaiyin Technology Co., Ltd. He is currently an independent non-executive Director of the Company.

As at the date hereof, Mr. Zhu has not entered into any service contract with the Company. As an independent non-executive Director, Mr. Zhu was entitled to emolument in the amount of approximately RMB100,000 in 2023 which was determined by reference to his experience and the emoluments of the other independent non-executive Directors. It is expected that Mr. Zhu will receive a similar amount of emolument annually during the eleventh session of the Board for acting as an independent non-executive Director.

Candidates for Supervisors

1. Mr. Liu Chengtong

Mr. Liu Chengtong, aged 52, is a senior economist and qualified lawyer and he is an arbitrator at the Jinan Arbitration Commission. Mr. Liu holds a Master of Business Admission (MBA) from the School of Economics and Management of Tongji University and a Master's degree in law from the School of Law of Shandong University. He has served as manager, deputy general manager and senior deputy general manager of the planning and development department, and deputy director of the office of legal affairs of Hualu Holdings Co. Ltd. ("HHC"). Mr. Liu is currently the general counsel, general manager of the investment and development department and department head of legal affairs at HHC; vice chairman of the Board of Supervisors of Shandong Lukang Pharmaceutical Co., Ltd.; a director of each of Shandong Hualu Hengsheng Chemical Co., Ltd., Hualu Hengsheng (Jingzhou) Co., Ltd. and Hualu Group (Hong Kong) Co., Ltd., and a supervisor of Shandong Yulong Petrochemical Co., Ltd. Mr. Liu is the Chairman of the board of Supervisors of the Company.

As at the date hereof, Mr. Liu has not entered into any service contract with the Company. As a Supervisor, Mr. Liu has not received any emolument in 2023 and does not plan to receive remuneration for acting in the capacity as a Supervisor during the eleventh session of the Board.

2. Mr. Tao Zhichao

Mr. Tao Zhichao, aged 54, graduated from East China University of Politics and Law with a bachelor's degree in law and has been conferred a master's degree in law from Shandong University. Mr. Tao was previously a partner of Shandong Zhigong Law Firm, and currently a director of management committee and associate of Beijing Yingke (Zibo) Law Firm. Mr. Tao is an independent Supervisor of the Company.

As at the date hereof, Mr. Tao has not entered into any service contract with the Company. As a Supervisor, Mr. Tao was entitled to emolument in the amount of approximately RMB40,000 in 2023 which was determined by reference to his experience and the emoluments of the other Supervisors. It is expected that Mr. Tao will receive a similar amount of emolument annually during the eleventh session of the Board for acting as a Supervisor.

3. Mr. Xiao Fangyu

Mr. Xiao Fangyu, aged 54, is an asset appraiser and land appraiser and graduated from Shandong University with specialization in Mathematics. He has been a staff member and superintendent of the Zichuan District

Finance Bureau of Zibo city, senior manager of Shandong Zhenglu Accounting Firm, department head of Shandong North Asset Appraisal Firm, deputy director of Jinan branch of Zhongxingcai Guanhua Certified Public Accountants and a general manager of Shandong Zhongping Hengxin Asset Appraisal Co., Ltd. Mr. Xiao is currently the general manager of Shandong Branch of Beijing Tianjian Xingye Assets Appraisal Co., Ltd. and is an independent Supervisor of the Company.

As at the date hereof, Mr. Xiao has not entered into any service contract with the Company. As a Supervisor, Mr. Xiao was entitled to emolument in the amount of approximately RMB40,000 in 2023 which was determined by reference to his experience and the emoluments of the other Supervisors. It is expected that Mr. Ziao will receive a similar amount of emolument annually during the eleventh session of the Board for acting as a Supervisor.

B. Biographical details of candidates for the Appointment

Candidate for non-executive Director

1. Mr. Zhang Chengyong

Mr. Zhang Chengyong, aged 51, is a senior economist, a Company lawyer and a high-end financial talent in Shandong Province. He has attained a bachelor's degree in Economics and a Master of Law from the Department of Business and Economics of Shandong University of Economics and the Law School of Shandong University respectively. Previously, he served as deputy general manager and general manager of Capital Operation Department of Hualu Holding Group Co., Ltd. Currently, he is director of capital operation of Hualu Holding Group Co., Ltd., the secretary of the party branch and an executive director (legal representative) of Hualu Investment Development Co., Ltd., a director of Shandong Hualu Hengsheng Chemical Co., Ltd., a director of Shandong Lukang Pharmaceutical Co., Ltd., and the director and chairman of Hualu International Financial Leasing Co., Ltd.

As at the date hereof, Mr. Zhang has not entered into any service contract with the Company and does not plan to receive remuneration for being a non-executive Director during the eleventh session of the Board.

Candidates for independent non-executive Directors

1. Mr. Ling Peixue

Mr. Ling Peixue, aged 61, is a professor and a member of the International Eurasian Academy of Sciences (IEAS). Mr. Ling graduated from Shandong Medicine College with a bachelor's degree in pharmacology, and has attained a master's degree in microbial pharmacy from the Shandong Medical University and Shanghai Research Institute of Pharmaceutical Industry, a master's degree in business administration from Peking University and Fordham University in the United States of America as well as a doctorate degree in drug chemistry from the Ocean University of China. Mr. Ling has previously been the president of Shandong Biopharmaceuticals Research Institute, the general manager of Shandong Commercial Group Co., Ltd, the general manager and chairman of Shandong FredaPharmaceutical Group, and an independent non-executive director of the Company. Mr. Ling is currently the chief officer of the National Glycoengineering Research Center of Shandong University, the chief scientist at the Shandong Academy of Pharmaceutical Sciences, the chief officer of the National and Local United Engineering Laboratory, the vice chairman of the National Integrated Platform for New Pharmaceutical Research, Development and Technology and the chief technical officer of the National Shandong Innovative Drug Incubation Base.

As at the date hereof, Mr. Ling has not entered into any service contract with the Company. Mr. Ling has received emolument in the amount of RMB58,331 for the period of his service as an independent non-executive director of the Company in 2023. It is expected that Mr. Ling will receive a similar amount of

emolument annually during the eleventh session of the Board as an independent non-executive Director as other re-elected independent non-executive Directors, which is determined by reference to his experience and the emoluments of the other independent non-executive Directors.

2. Ms. Cheung Ching Ching, Daisy

Ms. Cheung Ching Ching, Daisy, aged 49, graduated from Oxford Brookes University with a Bachelor of Science with honours. Ms. Cheung is a member of the Hong Kong Institute of Certified Public Accountants and a Certified Public Accountant in Hong Kong. She has worked for PricewaterhouseCoopers and has over 10 years of experience in auditing and accounting services. She is currently on the board of Directors of Burley LLP Ltd, a director of FTS CPA Limited, an independent director of Achiever Corporate Services Limited, and an independent director of High Technology Printing Group Limited.

As at the date hereof, Ms. Cheung has not entered into any service contract with the Company. It is expected that Ms. Cheung will receive a similar amount of emolument annually during the eleventh session of the Board as an independent non-executive Director as other re-elected independent non-executive Directors, which is determined by reference to her experience and the emoluments of the other independent non-executive Directors.

Save as disclosed above, as at the date hereof, none of the above persons (i) has held any other positions in the Company or other members of the Group or any directorship in any other listed companies in the past three years immediately preceding this announcement; (ii) has any relationship with any other Director, Supervisor, senior management, substantial shareholder or controlling shareholder (as these terms are defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) of the Company; or (iii) has, or is deemed to have, any interest or short position in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning as set out under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). The Board is not aware of any matters relating to the appointment or re-election of the above Directors that would need to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules or otherwise that would need to be brought to the attention of the Shareholders.

GENERAL

The Proposed Appointment and Re-election are subject to the approval of Shareholders by ordinary resolutions at the EGM. A notice of the EGM to be held and a circular containing, among other things, details of the Proposed Appointment and Re-election will be despatched to the Shareholders in due course.

This announcement has been prepared in both Chinese and English. In the event of any discrepancy between two versions, the Chinese version shall prevail.

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

17 November 2023, Zibo, PRC

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

Executive Directors:

Independent Non-executive Directors:

Mr. He Tongqing (Chairman)
Mr. Xu wenhui
Mr. Hou Ning

Mr. Pan Guangcheng
Mr. Zhu Jianwei
Mr. Lo Wah Wai

Non-executive Directors:

Mr. Cong Kechun
Mr. Xu Lie