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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 incorporated in the People's Republic of China with limited liability)

**(Stock Code: 00719)**

**DELAY IN DEPSATCH OF CIRCULAR IN RELATION TO**

1. **PROPOSED NON-PUBLIC ISSUANCE OF NEW A SHARES;**
2. **CONNECTED TRANSACTION IN RELATION TO THE PROPOSED SUBSCRIPTION OF A SHARES BY HUALU INVESTMENT;**
3. **APPLICATION FOR WHITEWASH WAIVER; AND**
4. **PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

Reference is made to the announcements of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 April 2021 and 19 April 2021 (the “**Announcements**”) in relation to, among other things, the Proposed A Shares Issue. Unless otherwise defined herein or the context requires otherwise, capitalised terms herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, a circular (the “**Circular**”) containing, among other things, (i) details of the Proposed A Shares Issue, the Specific Mandate and the Whitewash Waiver; (ii) a letter from the Listing Rules Independent Board Committee, a letter from the Code Independent Board Committee and a letter of advice from the Independent Financial Adviser; and (iii) the notice of AGM and Class Meetings is expected to be despatched to the Shareholders on or before 5 May 2021 in accordance with the applicable Listing Rules and Takeovers Code.

As additional time is required to prepare and finalise certain information for inclusion in the Circular, including but not limited to, the letter from the Board, the letter from the Listing Rules Independent Board Committee, the letter from the Code Independent Board Committee, the letter of advice from the Independent Financial Adviser, the financial information of the Group and the property valuation report, the Company has applied to the Executive for its consent to waive from strict compliance with Rule 8.2 of the Takeovers Code and to extend the time for the despatch of the Circular from 5 May 2021 to a date on or before 31 May 2021 and the Executive has indicated that it is minded to grant such consent.

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|  | By Order of the Board  **Shandong Xinhua Pharmaceutical Company Limited**  **Zhang Daiming**  *Chairman* |

**The completion of the Proposed A Shares Issue is subject to the satisfaction of various conditions, including but not limited to, the grant of the Whitewash Waiver by the SFC which may or may not be granted. The granting of the Whitewash Waiver is a non-waivable condition precedent to the completion of the A Shares Subscription Agreement. Accordingly, the Proposed A Shares Issue may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional adviser if they are in any doubt about their position and as to actions they should take.**

3 May 2021, Zibo, the PRC

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

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| --- | --- |
| Executive Directors:  Mr. Zhang Daiming (Chairman)  Mr. Du Deping  Mr. He Tongqing | Independent Non-executive Directors:  Mr. Pan Guangcheng  Mr. Zhu Jianwei  Mr. Lo Wah Wai |
| Non-executive Directors:  Mr. Cong Kechun  Mr. Xu Lie |  |

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.*