

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)

REVISED NOTICE OF EXTRAORDINARY GENERAL MEETING

REVISED 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 18 March 2014 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions.

The terms defined in the Company’s announcement dated 29 January 2014 shall apply to this Notice of EGM.

ORDINARY RESOLUTIONS

1. To consider and approve the bidding by the Company of the 40% of the equity interest in Shandong Zibo Xincat Pharmaceutical Company Limited (“**Xincat Pharmaceutical**”) at a price of not more than RMB112 million at the Shandong Property Right Exchange Center (山東產權交易中心) and upon such bidding being successful, the entering into the Acquisition Agreement in respect of the 40% of the equity interest in Xincat Pharmaceutical between the Company and Hualu Holdings Company Limited and the transactions contemplated thereunder; and to authorise any one or more of the directors to sign, seal, execute, perfect, deliver all such documents and to do all such things and acts as he/they may in his/their discretion consider necessary, expedient or desirable to effect the Xincat Pharmaceutical Acquisition.
2. To consider Mr. Liu Hongwei (see Note 11 below) to be elected as the independent non-executive director of the Company.

Shandong Xinhua Pharmaceutical Company Limited

The Board of Directors

13 February 2014, Zibo, the PRC

Notes:

1. The register of members of the Company will be closed from 17 February 2014 to 18 March 2014 (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 14 February 2014 and on the register of members of the China Securities Registrar Company Limited Shenzhen Branch after the closing of Shenzhen Stock Exchange on 14 February 2014 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 14 February 2014.

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 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 February 2014 to the company secretary's office of the Company (see Note 10 below) on or before 27 February 2014, by hand, by post or by facsimile. The written reply will not affect the right of the Shareholders (see Note 1 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.
3. 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. A form of proxy (the "**Second Form of Proxy**") for use at the EGM is enclosed.
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 13 February 2014 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 10 below) 24 hours prior to the commencement of the EGM.

5. AS there will be only one candidate standing for the election of the post of the independent non-executive director of the Company, **The Ballot for Use at the Election of Independent Non-executive Directors of the Company sent together with the notice of EGM of the Company dated 30 January 2014 has been canceled.**
6. **IMPORTANT: A SHAREHOLDER WHO HAS ALREADY LODGED THE PROXY FORM (THE “FIRST PROXY FORM”) SENT TOGETHER WITH THE NOTICE OF EGM OF THE COMPANY BOTH DATED 30 JANUARY 2014 WITH THE COMPANY SHOULD NOTE THAT:**
 - i. **If no Second Proxy Form is lodged with the Company, the First Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed.** The proxy so appointed by the shareholder will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the EGM.
 - ii. **If the Second Proxy Form is lodged with the Company 24 hours prior to the time appointed for holding the EGM (the “Closing Time”), the Second Proxy Form will revoke and supersede the First Proxy Form previously lodged by him/her. The Second Proxy Form will be treated as a valid proxy form lodged by the shareholder if correctly completed.**
 - iii. **If the Second Proxy Form is lodged with the Company after the Closing Time, the Second Proxy Form will be invalid. However, it will revoke the First Proxy Form previously lodged by the shareholder, and any vote that may be cast by the purported proxy (whether appointed under the First Proxy Form or the Second Proxy Form) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, shareholders are advised not to lodge the Second Proxy Form after the Closing Time. If such shareholders wish to vote at the EGM, they will have to attend in person and vote at the EGM themselves.**
7. **A shareholder who has not yet lodged the First Proxy Form with the Company is requested to lodge the Second Proxy Form if he/she wishes to appoint proxies to attend the EGM on his/her behalf.** In this case, the First Proxy Form should not be lodged with the Company.
8. 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.
9. The EGM is expected to last half a day. Shareholders who attend the EGM shall bear their own traveling and accommodation expenses.

10. 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

11. Independent non-executive Director proposed to be elected:

Mr. Liu Hongwei, 51, a professor with doctor's degree, is a certified public accountant in China. Mr. Liu was previously the deputy head of Management School of Shandong University, and is currently the head of the Financial Department of Shandong University and the independent director of Joyoung Company Limited(九陽股份有限公司), Shandong Dong-E E-jiao Co., Ltd. (東阿阿膠股份有限公司), Tungkong Inc.(東港股份有限公司) and Minsheng Investment Co.,Ltd (民生投資股份有限公司). Save as disclosed above, Mr. Liu did not hold any other directorship in any listed companies in the past three years or any other positions in the Company or other members of the Group. Mr. Liu has no relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

As at the date hereof, Mr. Liu does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Liu has not entered into any service contract with the Company. The proposed amount of his emoluments for 2014 is approximately RMB70,000, determined by reference to his experience and the emoluments of other independent non-executive directors of the Company. The term of office of Mr. Liu will commence from the date of approval by the Shareholders at the EGM and will end on the expiry of the term of the seventh session of the Board of the Company.

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

Mr. Ren Fulong

Mr. Xu Lie

Mr. Zhao Bin