

*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 Shares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)

**(I) POLL RESULTS OF THE ANNUAL GENERAL MEETING; AND**

**(II) PAYMENT OF 2022 FINAL DIVIDEND**

The board (the “**Board**”) of directors (the “**Directors**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) is pleased to announce that all resolutions proposed have been duly passed at the annual general meeting (the “**AGM**”) on the date of this announcement 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 details of the resolutions considered at the AGM were set out in the notice of annual general meeting dated 23 May 2023 and the circular dated 23 May 2023 of the Company (the “**Circular**”) in relation to, among others, the proposed amendments to the Articles of Association. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

The Company would like to provide further information relating to the attendance record of the Directors at the AGM:

- Mr. He Tongqing, Mr. Xu Wenhui, Mr. Xu Lie, Mr. Hou Ning, Mr. Cong Kechun, Mr. Pan Guangcheng, Mr. Zhu Jianwei, Mr. Lo Wah Wai and Mr. Ling Peixue attended the AGM in person;

**RESULTS OF THE MEETINGS**

The AGM was held at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, the PRC, on Monday, 26 June 2023. All the proposed resolutions set out in the notice dated 23 May 2023 of the AGM were duly passed by way of poll at the AGM. As at the date of the AGM, the aggregate number of Shares in issue of the Company was 674,682,835, including 479,682,835 A Shares and 195,000,000 H Shares.

So far as the Company is aware, no Shareholder was required to abstain from voting in respect of any of the resolutions proposed at the Meetings. The Company is not aware of any parties having indicated in the Circular their intention to vote against any resolutions proposed at the Meetings or to abstain. There were no Shares entitling the Shareholders to attend and abstain from voting in favour of any resolution at the Meetings as set out under Rule 13.40 of the Listing Rules.

The voting results of the AGM were as follows:

### Poll results of the AGM

No.	Resolution	Total number of votes (%)			Voting results
		For	Against	Abstained	
<b>ORDINARY RESOLUTIONS</b>					
1.	To review and approve the annual report of the Company for the year 2022.	209,035,638 Shares (99.984%)	27,500 Shares (0.013%)	5,100 Shares (0.002%)	Pass
2.	To review and approve the report of the Board for the year 2022.	209,035,638 Shares (99.984%)	27,500 Shares (0.013%)	5,100 Shares (0.002%)	Pass
3.	To review and approve the report of the supervisory committee of the Company for the year 2022.	209,035,638 Shares (99.984%)	27,500 Shares (0.013%)	5,100 Shares (0.002%)	Pass
4.	To review and approve the audited financial statements of the Company for the year 2022.	209,034,338 Shares (99.984%)	28,800 Shares (0.014%)	5,100 Shares (0.002%)	Pass
5.	To review and approve the profit distribution plan for the year 2022.	209,034,338 Shares (99.984%)	28,800 Shares (0.014%)	5,100 Shares (0.002%)	Pass
6.	To review and approve the re-appointment of ShineWing Certified Public Accountants (Special General Partnership) as the Company's auditors for the year 2023 and authorise the Board to fix their remuneration.	208,990,333 Shares (99.963%)	77,905 Shares (0.037%)	0 Shares (0%)	Pass
7.	To review and approve the remuneration of the Directors and the Supervisors for the year 2023.	209,034,338 Shares (99.984%)	33,900 Shares (0.016%)	0 Shares (0%)	Pass
No.	Resolution	Total number of votes (%)			Voting results
		For	Against	Abstained	
<b>SPECIAL RESOLUTIONS</b>					
8.	To consider and approve the proposed amendments to the Articles of Association of the Company.	209,034,338 Shares (99.984%)	33,900 Shares (0.016%)	0 Shares (0%)	Pass

*Note:* the percentages shown were rounded to the nearest 3 decimal places. The numbers may not add up to 100% due to the rounding.

As more than one-half of the votes from the Shareholders who were entitled to attend and who voted at the AGM were cast in favour of the ordinary resolutions and more than two-thirds of the votes in favour of the special resolutions, all resolutions have been duly passed at the AGM.

## **ATTESTATION BY LAWYER AND SCRUTINEER**

ShineWing Certified Public Accountants (Special General Partnership (“**ShineWing**”), the auditors of the Company, served as the scrutineer at the Meetings for the purpose of vote taking.

The Meetings were attested by BEIJING JINGTIAN & GONGCHENG, PRC legal advisers to the Company, which issued a written legal opinion certifying that the convening and procedures of the Meetings, the qualifications of the attendees and the voting procedures were in compliance with Corporate Law of the People’s Republic of China (中華人民共和國公司法), the Security Law of the People’s Republic of China (中華人民共和國證券法), Rules for General Meetings of Shareholders of Listed Companies (上市公司 Shares 東大會規則), Implementation Rules for Online Voting in the General Meeting of Shareholders of Listed Companies of Shenzhen Stock Exchange (深圳證券交易所上市公司 Shares 東大會網路投票實施細則) and other relevant laws, administrative regulations and rules and the Company’s Articles of Association. The qualifications of the convener and the attendees were legal and valid. The voting procedures were legal, and the voting results of the Meetings were legal and valid.

## **PROFIT DISTRIBUTION**

As approved by the Shareholders at the AGM, the Board is pleased to announce the following details in respect of the distribution of cash dividend for the year ended 31 December 2022 (the “**2022 Final Dividend**”) to the Shareholders. The Company will distribute a cash dividend of a total amount of RMB 134,936,567 based on the Company’s total issued shares of 674,682,835 shares to the A Shareholders and H Shareholders who are entitled thereto. The cash dividend on A shares will be paid in RMB and that on H shares in HKD. The actual dividend amount per H share is HKD 0.218881 based on the average RMB-HKD benchmark middle rates released by the People’s Bank of China for the 5 business days immediately prior to the date of the AGM. The Company has appointed a receiving agent and will pay to the receiving agent the profit distribution payable to H Shareholders.

## **Enterprise Income Tax for Overseas Non-Resident Enterprise Shareholders**

In accordance with the Enterprise Income Tax Law of the People’s Republic of China (中華人民共和國企業所得稅法) which was revised and came into effect since 29 December 2018, the Implementing Rules of the Enterprise Income Tax Law of the People’s Republic of China (中華人民共和國企業所得稅法實施條例) which was revised and came into effect since 23 April 2019 and the Notice on Issues concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H Shares holders who are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (關於中國居民企業向境外H Shares非居民企業 Shares 東派發 Shares 息代扣代繳企業所得稅有關問題的通知) (國稅函[2008]897 號) issued on 6 November 2008, all Shareholders who will be registered as overseas non- natural persons (i.e. non-individuals) on the Company’s H share register of members on Monday, 17 July 2023, including HKSCC Nominees

Limited, other nominees, trustees or other groups and organizations, are treated as overseas non-resident enterprise Shareholders and the Company shall distribute the 2022 Final Dividend to such overseas non-resident enterprise Shareholders after withholding the enterprise income tax of 10% as required by law.

### **Individual Income Tax for Overseas Individual Shareholders**

Pursuant to the Notice on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (關於個人所得稅若干政策問題的通知) (財稅字[1994]020號) issued by the Ministry of Finance and the State Administration of Taxation on 13 May 1994, overseas individuals are now exempted from paying the PRC individual income tax for dividends or bonus received from foreign-invested enterprises. As the Company is a foreign-invested enterprise, the Company will not withhold and pay the individual income tax on behalf of individual Shareholders when the Company distributes the 2022 Final Dividend to individual Shareholders whose names appear on the register of members of H shares of the Company (not including domestic individual investors of the Shenzhen Stock Exchange investing in the H shares of the Company through Shenzhen-Hong Kong Stock Connect).

### **Individual Income Tax for Domestic Individual Shareholders and Securities Investment Funds Investing through SZSE Southbound Trading**

For investors of the Shenzhen Stock Exchange (including corporations and individuals) investing in the H shares of the Company through Shenzhen-Hong Kong Stock Connect (“Investors of SZSE Southbound Trading”), the Company has signed an Agreement on Distribution of Cash Dividends of H shares for Southbound Trading (港 Shares通H Shares Shares票現金紅利派發協議) with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited will, as the nominee of the Investors of SZSE Southbound Trading, receive all cash dividends distributed by the Company and distribute the cash dividends to the relevant Investors of SZSE Southbound Trading through its depository and clearing system. The cash dividend for the Investors of SZSE Southbound Trading will be paid in RMB. Taxes shall be withheld pursuant to the Notice on the Tax Policies Related to the Pilot Program on the Interconnection Mechanism of the Shenzhen-Hong Kong Stock Market Transactions (關於深港 Shares票市場交易互聯互通機制試點有關稅收政策的通知) (Cai Shui [2016] No. 127). For dividends payable to domestic individual investors and domestic securities investment funds from investing in H shares listed on the Stock Exchange of Hong Kong Limited through Shenzhen-Hong Kong Stock Connect, an H share issuer shall withhold individual income tax at the rate of 20% on behalf of such investors. An H-share issuer shall not withhold income tax on dividends for domestic corporate investors and those domestic corporate investors shall report and pay the relevant tax by themselves.

Should any holders of H shares have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax impact in the PRC, Hong Kong and/or other countries (regions) on the possession and disposal of the H shares. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Shareholders or any disputes relating to the tax withholding and payment mechanism or arrangements.

The H share register of members of the Company will be closed for the purpose of determining H Shareholders’ entitlement to the 2022 Final Dividend from Tuesday, 11 July 2023 to Monday, 17 July 2023 (both days inclusive), during which period no transfer of H shares will be registered. In respect of the H Shareholders, to be eligible for the 2022 Final Dividend, H Shareholders whose transfers have not been registered shall deposit

their duly completed transfer documents together with the relevant share certificates with Hong Kong Registrars Limited being the H Share Registrar of the Company at or before 4:30 p.m. on Monday, 10 July 2023. The address of the transfer office of the H share Registrar is at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong. H Shareholders whose names appear on the Company’s register of members on Monday, 17 July 2023 will be entitled to receive the 2022 Final Dividend.

The 2022 Final Dividend is expected to be distributed to the Shareholders on or before Wednesday, 26 July 2023.

## **DOCUMENTS FOR INSPECTION AT THE COMPANY PURSUANT TO THE APPLICABLE PRC LAWS, RULES AND REGULATIONS**

1. Meeting minutes of the 2022 AGM; and
2. Legal opinion issued by BEIJING JINGTIAN & GONGCHENG.

By Order of the Board

**Shandong Xinhua Pharmaceutical Company Limited**

**He Tongqing**

*Chairman*

26 June 2023, Zibo, PRC

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

*Executive Directors:*

Mr. He Tongqing (*Chairman*)

Mr. Xu Wenhui

Mr. Hou Ning

*Independent Non-executive Directors:*

Mr. Pan Guangcheng

Mr. Zhu Jianwei

Mr. Lo Wah Wai

Mr. Ling Peixue

*Non-executive Directors:*

Mr. Xu Lie

Mr. Cong Kechun