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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 OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The board (the “**Board**”) of directors (the “**Directors**”) of Shandong Xinhua Pharmaceutical Company Limited (the “**Company**”) is pleased to announce that, as recommended by the Nomination Committee of the Board, it has on the date of this announcement resolved to nominate Mr. Ling Peixue (“**Mr. Ling**”) as a candidate to be appointed as an independent non-executive director (“**INED**”) of the Company for a term concurrent with the tenth session of the Board until 22 December 2023. It is expected that the appointment of Mr. Ling to the Board will further enhance the corporate governance structure of the Company.

Pursuant to the articles of association of the Company, the appointment of Mr. Ling to the Board shall be subject to, and shall take effect upon, the obtaining of approval of shareholders of the Company (the “**Shareholders**”) by way of ordinary resolution at the upcoming extraordinary general meeting of the Company (the “**EGM**”).

The biography of Mr. Ling is set out below:

LING Peixue (凌沛學), aged 59, is a professor and a member of the International Eurasian Academy of Sciences (IEAS). Mr. Ling graduated from Shandong Medicine College in the People's Republic of China (“**PRC**”) with a bachelor's degree in pharmacology. He holds a master's degree in microbial pharmacy from the Shandong Medical University and Shanghai Research Institute of Pharmaceutical Industry in the PRC, a master's degree in business administration from the Peking University of the PRC / Fordham University in the United States of America, and a doctorate degree in drug chemistry from the Ocean University of China. Mr. Ling was the president of Shandong Biopharmaceuticals Research Institute from September 1986 to January 2014, the general manager and chairman of Shandong Freda Pharmaceutical Group from April 1993 to September 2017, the general manager of Shandong Commercial Group Co., Ltd from February 2013 to July 2020, and the vice chairman of National Glycoengineering Research Center of Shandong University from March 2007 to June 2020. Mr. Ling is currently the chief officer of the National Glycoengineering Research Center of Shandong University, the chief scientist of 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.

Mr. Ling has confirmed that, and as far as the Directors are aware, as at the date of this announcement, Mr. Ling (i) does not hold any directorship in any other public companies the securities of which are listed on any

securities market in Hong Kong or overseas in the past three years; (ii) does not have any relationship with any Directors, supervisors, senior management or substantial Shareholders of the Company; and (iii) does not hold any position in the Company or any of its subsidiaries.

As at the date of this announcement, Mr. Ling does not have any interest or deemed interest in any shares, underlying shares or debentures of the Company or any of its associated companies (within the meaning given in Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)).

Save as disclosed above, as far as the Directors are aware, there is no other information in relation to the appointment of Mr. Ling that is required to be disclosed pursuant to the requirements set out in Rule 13.51(2)(h) to (v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), nor is there any matter which need to be brought to the attention of the Shareholders.

Mr. Ling has confirmed that he satisfies the independence criteria as stipulated under Rule 3.13 of the Listing Rules. The Company has assessed his independence and considered that he meets the independence requirements set out under Rule 3.13 of the Listing Rules.

The Company has not entered into any service contract with Mr. Ling, and the Company will enter into a service contract with Mr. Ling after his appointment has been approved at the EGM. The proposed remuneration for Mr. Ling for acting as an INED of the Company for the 2022 financial year shall be RMB100,000 (one hundred thousand Renminbi) per annum. The proposed remuneration was determined with reference to the emoluments of other INEDs of the Company and shall be subject to obtaining Shareholders’ approval by way of ordinary resolution at the EGM.

A circular containing details of the proposed appointment of independent non-executive director, together with the notice of the EGM, will be despatched to the shareholders in due course.

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

30 August 2022, Zibo, PRC

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

Executive Directors:
Mr. Zhang Daiming (Chairman)
Mr. He Tongqing

Independent Non-executive Directors:
Mr. Pan Guangcheng
Mr. Zhu Jianwei
Mr. Lo Wah Wai

Non-executive Directors:
Mr. Xu Lie
Mr. Cong Kechun