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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Shandong Xinhua Pharmaceutical Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2020 published on 26 April 2021 (the "**2020 Annual Report**"). Unless otherwise specified, the capitalised terms used in this supplemental announcement shall have the meaning as those defined in the 2020 Annual Report.

The Board of Directors (the **"Board**") hereby provides further explanations and supplemental information in relation to the pension scheme arrangements provided under the Report of the Board - (III) Others - Pension Scheme Arrangements, and Note 23 to the consolidated financial statements as set out in the 2020 Annual Report in compliance with Paragraph 26(2) of Appendix 16 to the Listing Rules as follows:

For each of the two financial years ended 31 December 2019 and 2020, there was no forfeited contribution (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) under the defined contribution plans of the Group which may be used by the Group to reduce the existing level of contributions.

The Board confirms that the above supplemental information does not affect other information contained in the 2020 Annual Report. Save as disclosed above, the contents of the 2020 Annual Report remain unchanged.

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

19 October 2021, Zibo, PRC

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

Executive Directors:

Mr. Zhang Daiming *(Chairman)*
Mr. Du Deping
Mr. He Tongqing

Non-executive Directors:

Mr. Xu Lie
Mr. Cong Kechun

Independent Non-executive Directors:

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