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）

UNAUDITED FIRST QUARTER RESULTS OF 2022

（for the period commencing from 1 January 2022 to 31 March 2022）

This announcement is made pursuant to rules 13.09 and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the "**Board**") of Shandong Xinhua Pharmaceutical Company Limited (the "**Company**") hereby announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the 3 months ended 31 March 2022. The financial information set out in this announcement has been prepared in accordance with the CASBE (as defined under the Listing Rules) and has been reviewed and approved by the Audit Committee of the Board.

The Board and the supervisory committee of the Company and its directors, supervisors and senior management, and persons in charge of the accounting function warrant that there are no false presentations or misleading statements contained in, or material omissions from, this announcement, and severally and jointly accept legal responsibility for the authenticity, accuracy and completeness of the information contained in this announcement.

This announcement is simultaneously available on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at http://www.xhzy.com. The first quarterly report of 2022 prepared in accordance with the CASBE will also be available at http://www.cninfo.com.cn.

This announcement was prepared in both Chinese and English. In the event of any inconsistencies between the two versions, the Chinese version shall prevail.

I. KEY ACCOUNTING AND FINANCIAL DATA

Item	Jan - Mar 2022 (Unaudited) RMB Yuan	Jan - Mar 2021 (Unaudited) RMB Yuan	Change as compared to the same period of last year

Operating income	1,831,254,151.22	1,768,119,883.04	3.57%
Net profit attributable to shareholders of listed company	108,503,552.76	100,276,326.14	8.20%
Net profit attributable to shareholders of listed company after deduction of non-recurring profit and loss	105,056,286.76	96,454,109.91	8.92%
Net cash flow from operating activities	(17,713,946.61)	89,368,875.29	(119.82%)
Basic earnings per share (RMB Yuan / Share)	0.17	0.16	6.25%
Diluted earnings per share (RMB Yuan / Share)	0.17	0.16	6.25%
Ratio of weighted average return on net assets (%)	3.07%	3.04%	Increased by 0.03 percentage points
Item	**As at 31 Mar 2022 (Unaudited) RMB Yuan**	**As at 31 Dec 2021 (Audited) RMB Yuan**	**Change as compared to the end of last year**
Total assets	7,674,086,850.00	7,332,033,657.98	4.67%
Net assets attributable to the shareholders of listed company	3,848,478,158.25	3,467,941,567.45	10.97%

II. DIVIDENDS

The Board proposes the profit distribution plan for 2021 as follows: the total number of shares of the Company as of the date of this report was 669,627,235 (of which 474,627,235 shares were A shares and 195,000,000 shares were H shares). Based on the total issued shares of the Company of 669,627,235 shares, it is proposed a dividend of RMB0.15 (tax inclusive) for every share of the Company be paid to shareholders. The above mentioned proposed dividends distribution for 2021 is subject to approval by shareholders of the Company. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

An announcement containing further details as to, amongst others, the payment currency and applicable foreign exchange rate for the proposed cash dividend, the relevant record date and book closure period will be disclosed in due course.

III. PROFIT AND LOSS ACCOUNT

Item	Jan - Mar 2022		Jan - Mar 2021	
	Consolidated (Unaudited) RMB Yuan	Parent company (Unaudited) RMB Yuan	Consolidated (Unaudited) RMB Yuan	Parent company (Unaudited) RMB Yuan
I. Gross revenue	1,831,254,151.22	1,002,004,272.71	1,768,119,883.04	949,499,126.18
Including: Operating revenue	1,831,254,151.22	1,002,004,272.71	1,768,119,883.04	949,499,126.18
II. Total operating costs	1,703,734,749.93	911,825,557.07	1,645,192,254.65	860,896,884.76
Including: Operating costs	1,330,503,580.57	748,758,576.56	1,254,025,842.08	724,312,604.93
Taxes and surcharges	16,364,788.47	9,207,565.21	12,969,521.98	5,828,517.57
Selling expenses	164,351,093.20	4,450,126.47	210,477,024.22	4,723,938.33
Administration expenses	101,487,496.49	75,514,004.40	79,177,668.02	58,216,330.02
R&D costs	78,758,186.08	61,051,761.54	77,494,772.47	56,252,178.12
Financial expenses	12,269,605.12	12,843,522.89	11,047,425.88	11,563,315.79

Including: Interest expense	12,534,163.31	12,585,247.24	13,897,685.02	13,839,939.09
Interest income	1,413,742.17	768,709.94	1,712,754.65	1,139,451.85
Add: Other income	5,585,738.92	5,356,679.17	5,812,444.68	5,390,736.31
Investment income (losses to be listed with brackets)	146,951.83	146,951.83	1,699,415.30	1,699,415.30
Including: Return on investment on joint ventures and joint ventures (losses to be listed with brackets）	146,951.83	146,951.83	1,699,415.30	1,699,415.30
Credit impairment loss (losses to be listed with brackets)	-	-	-	-
Assets impairment loss (losses to be listed with brackets)	-	-	-	-
Gains from asset disposal (losses to be listed with brackets)	457,968.33	425,117.83	20,665.92	-
III. Operating profits (losses to be listed with brackets)	133,710,060.37	96,107,464.47	130,460,154.29	95,692,393.03
Add: non-operating income	209,616.77	83,354.54	36,502.45	6,300.00
Less: non-operating expenditure	1,976,163.07	648,087.50	1,308,731.31	1,304,912.85
IV. Total profits (total loss to be listed with brackets)	131,943,514.07	95,542,731.51	129,187,925.43	94,393,780.18
Less: income tax expense	22,524,965.64	14,309,366.95	23,512,136.43	13,904,154.73
V. Net profits (net loss to be listed with brackets)	109,418,548.43	81,233,364.56	105,675,789.00	80,489,625.45
（I） According to operation continuity				
1. Net profit from continued operations (net losses to be listed in brackets)	109,418,548.43	81,233,364.56	105,675,789.00	80,489,625.45
2. Net profit from discontinued operations (net losses to be listed in brackets)	-	-	-	-
（II） According to ownership				
1. Net profit attributable to shareholders of parent company	108,503,552.76	-	100,276,326.14	-
2. Minority interest income or loss	914,995.67	-	5,399,462.86	-
VI. Net amount of other comprehensive income after tax	(14,598,551.00)	(14,356,840.00)	790,288.84	903,570.40
Net amount of other comprehensive income after tax attributable to the shareholders of parent company	(14,545,379.17)	-	874,501.80	-

（I） Other comprehensive income not subject to reclassification to profit or loss	(14,356,840.00)	(14,356,840.00)	903,570.40	903,570.40
Changes in fair value of other equity instruments investment	(14,356,840.00)	(14,356,840.00)	903,570.40	903,570.40
（II） Other comprehensive income to be reclassified to profit or loss	(188,539.17)	-	(29,068.60)	-
Conversion difference of foreign currency statement	(188,539.17)	-	(29,068.60)	-
Net amount of other comprehensive income after tax attributable to the minority shareholders	(53,171.83)	-	(84,212.96)	-
VII. Total comprehensive income	94,819,997.43	66,876,524.56	106,466,077.84	81,393,195.85
Total comprehensive income attributable to the shareholders of parent company	93,958,173.59	-	101,150,827.94	-
Total comprehensive income attributable to the minority shareholders	861,823.84	-	5,315,249.90	-
VIII. Earnings per share:				
(I) Basic earnings per share	0.17	-	0.16	-
(II) Diluted earnings per share	0.17	-	0.16	-

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

19 April 2022, Zibo, PRC

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

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. Xu Lie
Mr. Cong Kechun