



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)

**Proxy Form for use at the  
Second Extraordinary General Meeting for the Year 2015**

I/We, \_\_\_\_\_ (Note 1) of \_\_\_\_\_ (Note 1),

being the registered holder(s) of \_\_\_\_\_ (Note 2) shares of Shandong Xinhua Pharmaceutical Company Limited (the "Company"), hereby appoint the Chairman of the Second Extraordinary General Meeting of the Company for the year 2015 (the "EGM"), or \_\_\_\_\_ (Note 3), as my/our proxy to attend and act for me/us at the EGM to be held on Tuesday, 29 December 2015 at 2:00 p.m. 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") or any adjournment thereof and to vote for me/us at the EGM or any adjournment thereof in respect of the resolutions as indicated hereinafter, or if no such indication is given, as my/our proxy thinks fit.

Ordinary Resolutions	For	Against	Abstention
1. To consider and approve the resolution regarding the 2015 First Phase Employee Stock Ownership Scheme (Draft) of Shandong Xinhua Pharmaceutical Company Limited (By way of subscribing A shares in the non-public offering of A shares);			
2. To consider and approve the resolution regarding authorising the Board of Directors to handle all matters in relation to the Employee Stock Ownership Scheme;			
3. To consider and approve the resolution regarding the connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; <i>Note: definitions of the terms used in resolution nos. 3.1 to 3.6 are contained in the notice attached hereto</i>			
3.1. In respect of the Connected Participant numbered 1 in the Connected Person Participation Table;			
3.2. In respect of the Connected Participant numbered 2 in the Connected Person Participation Table;			
3.3. In respect of the Connected Participant numbered 3 in the Connected Person Participation Table;			
3.4. In respect of the Connected Participant numbered 4 in the Connected Person Participation Table;			
3.5. In respect of the Connected Participant numbered 5 in the Connected Person Participation Table;			
3.6. In respect of the Connected Participant numbered 6 in the Connected Person Participation Table;			

Ordinary Resolutions	For	Against	Abstention
4. To consider and approve the resolution regarding shareholders' return plan for the next three years;			
5. To consider and approve the resolution to amend "Administrative measures of Shandong Xinhua Pharmaceutical Company Limited on Capitals Raised";			
6. To approve and confirm the agreement entered into between the Company and Shandong Hualu Hengsheng Chemical Company Limited (the "Hualu Hengsheng") dated 29 October 2015 and the proposed annual caps in relation to the purchasing chemical products by the Company and/or its subsidiaries from Hualu Hengsheng and/or its subsidiaries in the sum of RMB80,000,000, RMB100,000,000 and RMB120,000,000 for 2016, 2017 and 2018 respectively under such agreement; and			
7. To approve and confirm the agreement entered into between the Company and Shandong Xinhua Pharmaceutical Group Limited (the "SXPGC") dated 29 October 2015 and the proposed annual caps in relation to the selling of waste materials, water, electricity and steam by the Company and/or its subsidiaries to SXPGC and/or its subsidiaries and the purchasing of accessories, raw materials and packaging materials by the Company and/or its subsidiaries from SXPGC and/or its subsidiaries in the sum of RMB180,000,000, RMB195,000,000 and RMB210,000,000 for 2016, 2017 and 2018 respectively under such agreement.			
Special Resolutions	For	Against	Abstention
1. To consider and approve the resolution regarding the fulfilment of conditions on the Company's non-public offering of A shares;			
2. To consider and approve the resolution regarding the plan on the Company's non-public offering of A shares;			
2.1 Class and par value;			
2.2 Method and time;			
2.3 Price determination date;			
2.4 Price and principle date;			
2.5 Number of Shares to be issued;			
2.6 Subscribers and method of subscription;			
2.7 Fund raising size and use of proceeds;			
2.8 Lock-up Period for the issue of shares;			
2.9 Place of listing;			
2.10 Arrangement of the accumulated undistributed profit;			
2.11 Effective period of the shareholders' resolutions;			

Special Resolutions	For	Against	Abstention
3. To consider and approve the resolution regarding the proposal on the Company's non-public offering of A shares;			
4. To consider and approve the resolution regarding the feasibility study report on use of proceeds from the non-public share offering of A shares;			
5. To consider and approve the resolution regarding the connected transactions involved in the Company's non-public offering of A shares;			
6. To consider and approve the resolution regarding the conditional share subscription agreement signed between the Company and various specific entities as below;			
6.1. the subscription agreement dated 8 October 2015 entered into between the Company and Shandong Ju Ying Industrial Fund Partnerships (Limited Partnership) (the "SJY Industrial Fund LLP") in relation to the subscription of a maximum of 21,360,000 new A Shares of the Company by SJY Industrial Fund LLP at the subscription price of RMB9.36 each and the transactions contemplated thereunder;			
6.2. the subscription agreement dated 8 October 2015 entered into between the Company and Shanghai Kai Shi Assets Management Limited ("SKS Assets Management Limited") in relation to the subscription of a maximum of 10,000,000 new A Shares of the Company by SKS Fund (a fund to be established and managed by the SKS Assets Management Limited) at the subscription price of RMB9.36 each and the transactions contemplated thereunder;			
6.3. the subscription agreement dated 8 October 2015 entered into between the Company and Beijing Xin Cheng Da Rong Assets Management Limited (the "BXC Assets Management Limited") in relation to the subscription of a maximum of 21,360,000 new A Shares of the Company by BXC Fund (a fund to be established and managed by the BXC Assets Management) at the subscription price of RMB9.36 each and the transactions contemplated thereunder;			
6.4. the subscription agreement dated 8 October 2015 entered into between the Company and Chongqing Bao Run Equity Investment Fund Management Company Limited (the "CBR Investment Fund Management Limited") in relation to the subscription of a maximum of 20,535,600 new A Shares of the Company by CBR Fund (a fund to be established and managed by the CBR Investment Fund Management Limited) at the subscription price of RMB9.36 each and the transactions contemplated thereunder;			
6.5. the subscription agreement dated 8 October 2015 entered into between the Company and the first phase employee stock ownership scheme of the Company (the "Employee Stock Ownership Scheme") in relation to the subscription of a maximum of 3,744,400 new A Shares of the Company by Employee Stock Ownership Scheme at the subscription price of RMB9.36 each and the transactions contemplated thereunder;			
7. To consider and approve the resolution regarding authorising the Board of Directors to handle all matters in relation to Company's non-public offering of A shares; and			
8. To consider and approve the resolution regarding the amendments to the articles of association of the Company and the attachment thereto.			

Shareholder's signature: \_\_\_\_\_

Date: \_\_\_\_\_

*Notes:*

1. Please insert your full name and address in **BLOCK CAPITALS**.
2. Please insert the number and type of shares of the Company registered in your name and to which this Proxy Form relates. If no such number is inserted, this Proxy Form will be deemed to relate to all the shares in the Company registered in your name (whether alone or jointly with others).
3. If any proxy other than the Chairman of the EGM is appointed, cross out “the Chairman of the EGM, or”, and appoint one or more proxies to attend and vote at the EGM. The proxy appointed need not be a shareholder of the Company. Any alteration made to this Proxy Form must be signed by the person who originally executed this Proxy Form.
4. If you wish to vote for any resolution, please insert “✓” in the box marked “For”. If you wish to vote against any resolution, please insert “✓” in the box marked “Against”. If you wish to abstain from voting on any resolution, please insert “✓” in the box marked “Abstention”. Failure to make any indication will entitle your proxy/proxies to vote or abstain at his discretion. The number of abstained votes will not be counted as the required majority in favour of any given resolution proposed while the number of abstained votes will be counted into the denominator for the purpose of percentage calculation of the voting.
5. This Proxy Form must be signed by you or your attorney duly authorised in writing. Corporations must execute this Proxy Form under common seal or under the hand of any director or attorney duly authorised.
6. In order to be valid, the Proxy Form together with any power of attorney or other documents of authorisation (if any) under which it is signed or a notarially certified copy thereof must be lodged with the company secretary’s office of the Company at No. 1 Lutai Ave., Hi-tech District, Zibo City, Shandong Province, the PRC not less than 24 hours before the time specified for the holding of the EGM.