

香港聯合交易所有限公司

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Subject : Display of Adjusted Previous Closing Price of Shandong Xinhua Pharmaceutical Company Limited (stock code 719) on OTP-C for its cash dividend of HK\$0.0601 per H share ("Cash Dividend") and capitalisation issue of 3 new H shares for every 10 H shares ("Capitalisation Issue") on Ex-All Date, 6 July 2018

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Pursuant to the timetable issued by Shandong Xinhua Pharmaceutical Company Limited ("Shandong Xinhua Pharmaceutical") for the Cash Dividend and Capitalisation Issue, Shandong Xinhua Pharmaceutical's H shares (stock code: 719) will be marked "ex-all" on 6 July 2018, the Ex-All Date. Shareholders, investors and market participants should read the Shandong Xinhua Pharmaceutical's regulatory announcements and circulars in full including the terms and conditions of the Cash Dividend and Capitalisation Issue in dealing with Shandong Xinhua Pharmaceutical's H shares. If they are in doubt, they should consult their professional adviser(s).

As an OTP-C standard practice for ex-dividend and ex-bonus issue ("Ex-All") and for reference only, an Adjusted Previous Closing Price will be displayed in the "PRV CLOSE" field of Shandong Xinhua Pharmaceutical's OTP-C stock page on 6 July 2018, the Ex-All Date. The unadjusted previous closing price will instead be displayed in the free text field. Calculation of the Adjusted Previous Closing Price will be based on Shandong Xinhua Pharmaceutical's closing price on 5 July 2018 (i.e. last cum-all trading day) and by using the following standard adjustment formula for dividend and bonus issue generally.

Adjustment Formula:

Adjusted Previous Closing Price

$$= \frac{[(\text{Closing Price on the last cum-all trading day} - D) \times Y] \div (X + Y)}$$

where:

D = Cash dividend per H share, i.e. HK\$0.0601

X = Number of new H shares a shareholder is expected to receive when he/she holds Y existing H shares on the record date, i.e. 3 new H shares

Y = Number of existing H shares a shareholder has to hold on the record date for entitling him/herself to X new H shares, i.e. 10 H shares

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For illustration purpose, depending on Shandong Xinhua Pharmaceutical's closing price on 5 July 2018, the Exchange shall base on the above standard formula for dividend and bonus issue generally to calculate and display the Adjusted Previous Closing Price on Shandong Xinhua Pharmaceutical's OTP-C stock page on 6 July 2018 as follows:-

<u>CUM-ALL</u>	<u>EX-ALL</u>
<u>Unadjusted Closing Price</u>	<u>Adjusted</u>
<u>on 5 July 2018</u>	<u>Previous Closing Price</u>
<u>on 5 July 2018</u>	<u>on 6 July 2018</u>
(HK\$)	(HK\$)
6.7291	5.130
6.7421	5.140
6.7551	5.150
6.7681	5.160
6.7811	5.170
6.7941	5.180
6.8071	5.190
6.8201	5.200
6.8331	5.210
6.8461	5.220
6.8591	5.230
6.8721	5.240
6.8851	5.250
6.8981	5.260
6.9111	5.270
6.9241	5.280
6.9371	5.290
6.9501	5.300
6.9631	5.310
6.9761	5.320
6.9891	5.330
7.0021	5.340
7.0151	5.350
7.0281	5.360
7.0411	5.370
7.0541	5.380
7.0671	5.390
7.0801	5.400
7.0931	5.410
7.1061	5.420

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