

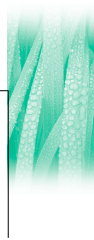
# Change in Share Capital and Shareholders

annual report 2000

## 1 CHANGE IN SHARE CAPITAL

### (a) Movements in and components of the share capital

|  | Before<br>this<br>change  | Right<br>issues | Bonus<br>issues | Change (+, -)            |                 |                 | Sub-total       | Unit: share<br>After<br>this<br>change |
|--|---------------------------|-----------------|-----------------|--------------------------|-----------------|-----------------|-----------------|--|
|  |                           |                 |                 | Reserves<br>to<br>shares | New<br>issues   | Others          |                 |  |
| A. Unlisted shares   |                           |                 |                 |                          |                 |                 |                 |  |
| 1. Initiators' shares  |                           |                 |                 |                          |                 |                 |                 |  |
| including:   |                           |                 |                 |                          |                 |                 |                 |  |
| State-owned shares   | 513,000,000               | —               | —               | —                        | —               | —               | —               | 513,000,000                            |
| Domestic legal<br>entities' shares   | —                         | —               | —               | —                        | —               | —               | —               | —                                      |
| Foreign legal entities'<br>shares  | —                         | —               | —               | —                        | —               | —               | —               | —                                      |
| Others   | —                         | —               | —               | —                        | —               | —               | —               | —                                      |
| 2. Collected legal entities'<br>shares   | —                         | —               | —               | —                        | —               | —               | —               | —                                      |
| 3. Employees' shares   | —                         | —               | —               | —                        | —               | —               | —               | —                                      |
| 4. Preferred shares or<br>others including:<br>debt to equity<br>or right issues | —                         | —               | —               | —                        | —               | —               | —               | —                                      |
| Total unlisted<br>shares   | <u>513,000,000</u>        | <u>—</u>        | <u>—</u>        | <u>—</u>                 | <u>—</u>        | <u>—</u>        | <u>—</u>        | <u>513,000,000</u>                     |
| B. Listed shares   |                           |                 |                 |                          |                 |                 |                 |  |
| 1. RMB ordinary shares   | —                         | —               | —               | —                        | —               | —               | —               | —                                      |
| 2. Foreign shares  |                           |                 |                 |                          |                 |                 |                 |  |
| listed in the PRC  | —                         | —               | —               | —                        | —               | —               | —               | —                                      |
| 3. Foreign shares listed<br>outside the PRC<br>(H shares)                        | <u>219,900,000</u>        | <u>—</u>        | <u>—</u>        | <u>—</u>                 | <u>—</u>        | <u>—</u>        | <u>—</u>        | <u>219,900,000</u>                     |
| 4. Others  |                           |                 |                 |                          |                 |                 |                 |  |
| Total listed shares  | <u>219,000,000</u>        | <u>—</u>        | <u>—</u>        | <u>—</u>                 | <u>—</u>        | <u>—</u>        | <u>—</u>        | <u>219,000,000</u>                     |
| C. Total Shares  | <u><u>732,900,000</u></u> | <u><u>—</u></u> | <u><u>—</u></u> | <u><u>—</u></u>          | <u><u>—</u></u> | <u><u>—</u></u> | <u><u>—</u></u> | <u><u>732,900,000</u></u>              |



**(b) Shares issued to the public**

The H shares of the Company were issued in Hong Kong on 24 October 1997. The issue price per share was HK\$1.65 and 219,000,000 shares was issued. These H shares were listed on the HKSE on 30 October 1997.

The A shares of the Company were issued in China on 10 January 2001. The issue price per share was Rmb9.80. There were 78,000,000 shares issued. These A shares were listed on the SSE on 6 February 2001.

After A shares being issued, the total issued share capital of the Company is 810,900,000 shares, which included 513,000,000 State-owned shares, 78,000,000 A shares and 219,900,000 H shares. The State-owned shares, A shares and H shares respectively represented 63.26%, 9.62% and 27.12% of the Company's total issued share capital.

**(c) The inner staff shares**

The Company has not issued any inner staff shares.

**2 INTRODUCTION OF SHAREHOLDERS' DETAILS**

**(a) Number of shareholders as at year-end**

As at 31 December 2000, there were 97 shareholders in total. Only one shareholder holds the State-owned shares for the State. There were 96 shareholders holding the H shares.

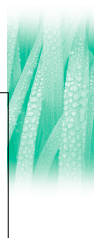
**(b) Substantial shareholders**

The register of substantial shareholders maintained under section 16(1) of the Securities (Disclosure of Interests) Ordinance (the “SDI Ordinance”) shows that as at 31 December 2000, the Company had been notified of the following substantial shareholders’ interest, being 10% or more of the Company’s issued share capital. These interests are in addition to those disclosed elsewhere in this report in respect of the directors and chief executive.

- (i) GZPHL held 513 million State owned shares, representing approximately 70% of the issued share capital of the Company as at 31 December 2000.
- (ii) HKSCC Nominees Limited held 216,331,000 H shares which accounted for approximately 98.38% of all the H shares issued by the Company and, representing approximately 29.52% of the issued share capital of the Company as at 31 December 2000.

(c) As notified by the HKSCC Nominees Limited, the following company was holding more than 10% of the H shares issued by the Company as at 31 December 2000:

| <b>Name of shareholder</b>                                | <b>Number of shares held</b> | <b>% of total<br/>issued H shares</b> |
|---|------------------------------|---------------------------------------|
| The Hong Kong and Shanghai Banking<br>Corporation Limited | 25,130,000                   | 11.43%                                |



## Change in Share Capital and Shareholders

(d) As at 31 December 2000, the top ten major shareholders of the Company were as follows:

| Shareholders                      | Type of shares     | Share holding |            |
|-----------------------------------|--------------------|---------------|------------|
|                                   |                    | at year end   | Percentage |
| GZPHL                             | State-owned shares | 513,000,000   | 70%        |
| HKSCC Nominees Limited            | H Shares           | 216,331,000   | 29.51%     |
| HSBC Nominees (Hong Kong) Limited | H Shares           | 800,000       | 0.109%     |
| Wang Bao Guo                      | H Shares           | 250,000       | 0.034%     |
| Chan Wai Man                      | H Shares           | 200,000       | 0.027%     |
| Sun Kwok Yeung                    | H Shares           | 200,000       | 0.027%     |
| Tang Ying                         | H Shares           | 120,000       | 0.016%     |
| Chu Kwok Keung                    | H Shares           | 110,000       | 0.015%     |
| Chan Cheuk Sang                   | H Shares           | 100,000       | 0.0136%    |
| Li Kiu                            | H Shares           | 100,000       | 0.0136%    |
| Chan Yuet Ching                   | H Shares           | 100,000       | 0.0136%    |

*Note:* The top ten major shareholders are not connected with each other.

(e) Information of shareholders who each holds more than 10% of the Company's share capital:

GZPHL holds approximately 70% of the Company's issued share capital with Cai Zhixiang as its legal representative. Its business scope is to invest in and manage State-owned assets; to sell and manufacture Western pharmaceutical medicine, CPM, Chinese raw medicine, bio-technological products, medical apparatus, packing materials for pharmaceutical products, health drinks and food, hygienic materials and medicine-related merchandises; to undertake medicine-related import and export affairs; and to develop real estate.

(f) The shares held by GZPHL were not pledged as collateral during the report period.

(g) During the report period, the Company and its subsidiaries have not redeemed any of the Company's shares. Neither the Company nor any of its subsidiaries have purchased or sold or redeemed any of the Company's shares.

(h) During the report period, there was no change in the ultimate holding company.

### 3 PRE-EMPTIVE RIGHTS

According to the laws of the PRC and the Articles of Association of the Company, there are no provision for pre-emptive rights which would oblige the Company to offer new shareholders on a pro-rata basis to existing shareholders.