

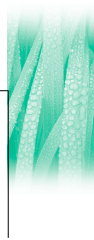
Notice of Annual General Meeting

annual report 2000

Notice is hereby given that the annual general meeting (“AGM”) of Guangzhou Pharmaceutical Company Limited (the “Company”) for the year 2000 will be held on 15 June 2001, at 9:00 a.m. in the conference room of the company’s premises at 45 Sha Mian North Street, Guangzhou, Guangdong Province, the People’s Republic of China to deal with the following matters:

A) By way of ordinary resolutions:

- (1) To consider and approve the directors’ report for the year 2000.
- (2) To consider and approve the report of the Supervisory Committee for the year 2000.
- (3) To consider and approve the audited accounts of the Company for the year 2000.
- (4) To consider and approve the auditors’ report for the year.
- (5) To re-appoint the retiring auditors and international auditors, Guangzhou Yangcheng Certified Public Accountants Co. Ltd. and PricewaterhouseCoopers respectively, and to authorize the Board of directors of the Company (the “board”) to determine their remuneration.
- (6) To consider and approve the resolution of profit distribution and dividend payment for the year.
- (7) To authorize the Board to determine the aggregate amount of emoluments to be paid to Directors in year 2001.
- (8) To authorize the Board to determine the aggregate amount of emoluments to be paid to Supervisors in year 2001.



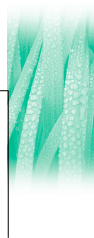
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B) By way of special resolution:

To consider and approve the following proposal and granting mandate to the Board to allot and issue new shares:

- (a) subject to paragraphs c) and d) and pursuant to the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited (as amended from time to time) and the Company Law of the People's Republic of China ("PRC") and other relevant regulations, the exercise by the Board of all the powers of the Company to allot and issue new shares, either separately or concurrently during the Relevant Period and the exercise of powers by the board to determine the terms and conditions for the allotment and issue of new shares including the following terms are hereby generally and unconditionally approved:
- (1) class and quantity of new shares to be issued;
 - (2) issue price of the new shares;
 - (3) the starting and closing time for the issue;
 - (4) class and quantity of the new shares to be issued to existing shareholders; and
 - (5) the making or granting of offers, agreements and options which might require the exercise of such powers.

- (b) The approval in paragraph (a) shall authorize the Board during the Relevant Period to make grant offers, agreements and options which would or might be exercised after the end of the Relevant Period.
- (c) The aggregate nominal amount of overseas listed foreign shares and domestic shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph a), otherwise than pursuant to issue of shares by conversion of the statutory surplus reserve into capital in accordance with the Company Law of the PRC and the Articles of Association of the Company (the “Articles”) and other relevant regulations, shall not exceed twenty per cent (20%) of each of the existing overseas listed foreign shares and domestic shares of the company.
- (d) The Board has:
- (1) to comply with the Company Law of the PRC and other relevant regulations and the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (as amended from time to time); and
 - (2) to obtain the approval of the China Securities Regulatory Commission upon the exercise of the powers pursuant to paragraph a) above.
- (e) For the purpose of this Resolution:
- “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
- (1) twelve months from the date of passing this resolution;
 - (2) the conclusion of the next annual general meeting of the company; and
 - (3) the revocation or variation of the mandate granted under this resolution by special resolution of the shareholders in general meetings.



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- (f) The Board, subject to the approval of the relevant authorities and in accordance with the Company Law of the PRC, be authorized to increase the registered share capital of the Company to the respective amount upon the exercise of the powers pursuant to paragraph a) above, provided that the registered share capital shall not exceed Rmb973,080,000.

- (g) Subject to the approval of the relevant PRC authorities, the Board be authorized to make appropriate and necessary amendments to the Articles (including Article 18 and Article 21) to reflect the alteration of the share capital of the Company pursuant to this mandate.

By order of the Board

He Shuhua

Company Secretary

Guangzhou, the PRC, 20 April 2001

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Notes:

- (1) Each shareholder is entitled to attend the meeting mentioned above and is entitled to appoint in written form one or more proxies to attend and vote at the AGM on his/her behalf. A proxy need not be a member of the Company. Shareholders or their proxies are entitled to attend the AGM and vote.
- (2) To be valid, the proxy form together with the certified power of attorney or authority (if any) must be delivered to the Company or the Company's H share registrar, HKSCC Registrars Limited at 2/F, Vicwood Plaza, 199 Des Voeux Road, Central, Hong Kong, not less than 24 hours before the time of the meeting.
- (3) Shareholders or their proxies shall produce their identity documents when attending the AGM.
- (4) The register of Members of the Company will be closed from 16 May 2001 to 15 June 2001 (both days inclusive), during which period no transfer of the Company's H shares will be effected.
- (5) Shareholders whose names appear on the register of members on 23 May 2001 (Wednesday) are entitled to attend and vote at the meeting.
- (6) In order to qualify for the final dividend, the shareholders of the Company's H shares should prepare all of the necessary transfer documentation for the distribution of the final dividend and lodge with HKSCC Registrars Limited by 4:00 p.m. 15 May 2001.
- (7) The AGM is not expected to take more than one day. The attending shareholders and proxies are responsible for their own travelling and accommodation expenses.
- (8) Shareholders who intend to attend the meeting should complete and lodge the reply slip set out below and return it to the Company or the Company's H share registrar on or before 1 June 2001. The reply slip may be delivered by hand, by post, by fax to the Company on 86-20-81876408 or to the Company's H shares registrar, HKSCC Registrars Limited (852-25790085). Completion and return of the reply slip shall not affect the right to attend the meeting pursuant to note 5 above.
- (9) The Board recommends the 2000 final dividend of Rmb0.03 per share.
- (10) The Board proposes the maximum aggregate amount of emoluments payable to the Directors of the Company for the coming year be Rmb1,370,000.
- (11) The Supervisory Committee of the Company proposes the maximum aggregate amount of emoluments payable to the Supervisors of the Company for the coming year be Rmb250,000.