

During the reporting period and up to the date of this report, the Board held an annual general meeting ("AGM") and two Extraordinary General Meetings ("EGM").

1. In the fourth meeting of the second term of the Board held on 20 April 2001, a notice was issued to hold the 2000 AGM at the conference room of the Company on 15th June 2001. The notice of the 2000 AGM was disclosed in the China Securities, Shanghai Securities Daily, Hong Kong Economic Daily and the Hong Kong iMail on 23 April 2001. The Company's directors and supervisors were present at the AGM. Shareholders and three authorised representatives holding a total of 513,006,200 shares, which represented 63.26% of the issued share capital of the Company, were present and were sufficient to form a quorum for the meeting in accordance with the Company's articles of association. The AGM passed the following resolutions:
 - (a) Approved the 2000 Directors' Report;
 - (b) Approved the 2000 report of the Supervisory Committee;
 - (c) Approved the 2000 audited accounts;
 - (d) Approved the 2000 auditors' report;
 - (e) Approved the re-appointment of Guangzhou Yangcheng Certified Public Accountants Co Ltd and PricewaterhouseCoopers as domestic and international auditors respectively, and authorised the Board to fix their remuneration.
 - (f) Approved the scheme of profit distribution and dividend for 2000;
 - (g) Authorised the Board to fix the remuneration of the directors and supervisors for 2001;
 - (h) Approved the Board to allot and issue new shares in accordance with the relevant regulations during the relevant period and authorised the Board to make any necessary amendments to the Company's articles of association and to register such changes with the relevant authority.

The resolution notice of the 2001 AGM was disclosed in the China Securities, the Shanghai Securities Daily, the Hong Kong Economics Daily and the Hong Kong iMail on 18 June 2001.

2. In the eighth meeting of the second term of the Board held on 27 September 2001, a notice was issued to hold its first 2001 EGM at the conference room of the Company on 12 November 2001. The notice of first 2001 EGM was disclosed in the China Securities, Shanghai Securities Daily, the Hong Kong Economic Daily and the Hong Kong iMail on 28 September 2001. The Company's directors and supervisors were present at the EGM. Six shareholders and authorised representatives holding a total of 513,414,000 shares, which represented 63.31% of the issued share capital of the Company, were present and were sufficient to form a quorum for the meeting in accordance with the Company's articles of association. The first 2001 EGM passed the following resolutions:

Guangzhou Pharmaceutical Corporation, a wholly-owned subsidiary of the Company, will acquire a property, namely Suikang Building, located at no. 82 Shangxiajiu Road, Guangzhou from Guangzhou Pharmaceutical Resources Supplying Company, a subsidiary of GZPHL. The consideration of Rmb39,239,480 is based on revalued amount.

The resolution notice of the EGM was disclosed in the China Securities, the Shanghai Securities Daily, the Hong Kong Economic Daily and the Hong Kong iMail on 13 November 2001.

3. Shareholders' meeting held after the balance sheet date

In the tenth meeting of the second term of the Board held on 7 February 2002, a notice was issued to hold its first 2002 EGM at the conference room of the Company on 27 March 2002. The notice of first 2002 EGM was disclosed in China Securities, Shanghai Securities Daily, the Hong Kong Economic Daily and the Hong Kong iMail on 8 February 2002. The Company's Directors and Supervisors were present at the EGM. Three shareholders and authorised representatives holding a total of 731,556,999 shares, which represented 90.22% of the issued share capital of the Company, were present and were sufficient to form a quorum for the meeting in accordance with the Company's articles of association. The first 2002 EGM passed the following resolutions:

- (a) Approved the resignation of Mr. Chen Xiangzhi, as Director and General Manager, and appointed Mr. Zhou Yuejin as Directors and General Manager.
- (b) Approved the establishment of a remuneration and evaluation committee.
- (c) Approved the implementation of the long-range incentive scheme for senior staff.

The resolution notice of the first 2002 EGM was disclosed in the China Securities, Shanghai Securities Daily, the Hong Kong Economic Daily and the Hong Kong iMail on 28 March 2002.