

CHANGE IN SHARE CAPITAL AND SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

1. Change in share capital

During the reporting period, there is no change in the share capital of the Company.

2. Major shareholders

- (1) As at 30th June 2002, there were 56,211 shareholders in total. Only one shareholder holds the State-owned shares for the State. There were 56,167 shareholders holding the A shares and 43 shareholders holding the H shares.
- (2) As at 30th June 2002, the top ten shareholders of the Company were as follows:

| Shareholders | Type of share | No. of shares | % |
|---|-------------------|---------------|-------|
| Guangzhou Pharmaceutical Holdings Limited ("GZPHL") | State-owned share | 513,000,000 | 63.26 |
| HKSCC Nominees Limited | H share | 218,597,000 | 29.96 |
| HSBC Nominees (Hong Kong) Limited | H share | 800,000 | 0.10 |
| Tongde Trust Fund | A share | 630,795 | 0.08 |
| Penghua Trust Fund | A share | 581,143 | 0.07 |
| Shangtou Trust Fund | A share | 330,800 | 0.04 |
| Xinghe Trust Fund | A share | 320,334 | 0.04 |
| Wong Chunk King | H share | 308,000 | 0.04 |
| Puhui Trust Fund | A share | 302,006 | 0.04 |
| Tianyuan Trust Fund | A share | 238,700 | 0.03 |
| Guosen Securities | A share | 224,339 | 0.03 |

Notes:

- (a) GZPHL is not connected with the other nine shareholders listed above. The Company has also not been informed of any connection among other remaining shareholders.

GZPHL holds the State-owned shares on behalf of the State. During the reporting period, GZPHL has pledged 105,790,000 shares for the debt restructuring of Guangzhou Baiyunshan Pharmaceutical Co., Ltd ("GZ Baiyunshan"). Information of this transaction was disclosed in China Securities, Shanghai Securities Daily, Hong Kong Economic Times and HK iMail on 30th May 2002.

- (b) As notified by HKSCC Nominees Limited, the following company held more than 10% of H shares issued by the Company as at 28th June 2002. The interest has been recorded in the register maintained in accordance with section 16 of the Securities (Disclosure of Interests) Ordinance, Chapter 396 of the Laws of Hong Kong (the "SDI Ordinance"). Save as disclosed in this interim report, no other person held 10% or more of the Company's issued share capital as at 30th June 2002:

| Name of shareholder | Number of shares held | % of total issued H shares |
|---|-----------------------|----------------------------|
| The Hongkong and Shanghai Banking Corporation Limited | 38,991,950 | 17.73% |