

## COMPANY PROFILE

### The Company

#### Legal name

Chinese name: 廣州藥業股份有限公司  
Chinese abbreviation: 廣州藥業  
English name: Guangzhou Pharmaceutical Company Limited  
English abbreviation: GPC

#### Place of listing, name of codes of the shares

*A shares*  
Shanghai Stock Exchange  
Stock code: 600332  
Stock name: GZ Phar.

*H shares*  
The Stock Exchange of Hong Kong Limited  
Stock code: 0874  
Stock name: GZ Phar.

#### Registered office address

The PRC registered office address: 45 Sha Mian North Street, Guangzhou City, Guangdong Province, PRC  
Postal code: 510130  
Telephone: (8620) 8121 8103  
Fax: (8620) 8121 6408  
Website: <http://www.gzphar.com>  
E-mail: [sec@gpc.com.cn](mailto:sec@gpc.com.cn)  
Principal business address in Hong Kong: Room 2005, 20th Floor, Tower Two, Lippo Center, 89 Queensway, Hong Kong

#### Legal representative

Cai Zhixiang

#### Company Secretary

Name: He Shuhua  
Address: 45 Sha Mian North Street, Guangzhou City, Guangdong Province, PRC  
Telephone: (8620) 8121 8117  
Fax: (8620) 8121 6408  
E-mail: [hesh@gpc.com.cn](mailto:hesh@gpc.com.cn)

#### Newspapers designated by the Company to disclose information

Shanghai Securities  
Hong Kong Economic Times  
The Standard (English newspaper)

#### Internet website publishing interim report designated by

The China Securities Regulatory Commission <http://www.sse.com.cn>  
The Stock Exchange of Hong Kong Limited <http://www.hkex.com.hk>

#### Place where the interim report is available for inspection

Company Secretary Office  
Guangzhou Pharmaceutical Company Limited  
2nd Floor, 45 Sha Mian North Street, Guangzhou City,  
Guangdong Province, PRC

#### Other corporate information

First Registration date: 1st September 1997  
Registration date for change: 17th January 2001  
Place of registration: 45 Sha Mian North Street, Guangzhou City,  
Guangdong Province, PRC  
Business registration number: 4401011101830  
Tax registration number: 44010063320680X

## Principal financial data and indicators

- 1 Extracted from interim financial report prepared in accordance with accounting standards and systems of the People's Republic of China (the "PRC"):

	<b>Unaudited</b> At 30th June 2003 <i>Rmb</i>	Audited At 31st December 2002 <i>Rmb</i>	Change %
Current assets	<b>3,144,767,001.35</b>	2,947,222,139.79	6.70
Current liabilities	<b>1,771,604,992.82</b>	1,629,148,645.35	8.74
Total assets	<b>4,460,610,581.03</b>	4,173,194,491.19	6.89
Shareholders' funds (net of minority interests)	<b>2,384,160,418.04</b>	2,286,928,678.67	4.25
Net assets per share	<b>2.94</b>	2.82	4.26
Adjusted net assets per share	<b>2.86</b>	2.70	5.93
	<b>Unaudited</b> For the six months ended 30th June 2003 <i>Rmb</i>	<b>Unaudited</b> For the six months ended 30th June 2002 <i>Rmb</i>	Change %
Net profit	<b>93,613,387.19</b>	106,973,391.95	(12.49)
Net profit after charging non-operating items	<b>99,241,692.35</b>	115,085,904.07	(13.77)
Earnings per share (fully diluted)	<b>0.1154</b>	0.1319	(12.51)
Earnings per share (weighted average)	<b>0.1154</b>	0.1319	(12.51)
Return on net assets (fully diluted)	<b>3.93%</b>	4.68%	(16.03)
Return on net assets (weighted average)	<b>4.01%</b>	4.80%	(16.46)
Net cash inflow from operating activities	<b>17,840,032.66</b>	107,170,560.94	(83.35)

### Notes:

- (1) The above financial data and indicators are extracted from the Company's consolidated financial statements.

(2) Non-operating items included:	<b>Rmb</b>
Income on government bonds	178,518.10
Non-operating income	664,664.53
Non-operating expenses	9,512,472.20
Subsidies income	180,927.28
Income tax adjustment	2,860,077.13

- 2 Extracted from interim financial report prepared in accordance with HKSSAP 25:

	<b>Unaudited</b> At 30th June 2003 <i>Rmb'000</i>	Restated Audited At 31st December 2002 <i>Rmb'000</i>	Change (%)
Current assets	<b>3,112,454</b>	2,912,941	6.85
Current liabilities	<b>1,791,392</b>	1,608,530	11.37
Total assets	<b>4,696,392</b>	4,418,506	6.29
Total liabilities (including minority interests)	<b>2,192,532</b>	1,957,094	12.03
Net assets	<b>2,503,860</b>	2,461,412	1.72
Net asset per share (Rmb)	<b>3.09</b>	3.04	1.64
	<b>Unaudited</b> For the six months ended 30th June 2003 <i>Rmb'000</i>	Restated For the six months ended 30th June 2002 <i>Rmb'000</i>	Change (%)
Profit before taxation	<b>161,734</b>	174,010	(7.05)
Net profit	<b>91,102</b>	100,756	(9.58)
Earnings per share (Rmb)	<b>0.112</b>	0.124	(9.68)

# 廣州藥業股份有限公司

Guangzhou Pharmaceutical Company Limited

- 3 Reconciliation of the Group's net assets and net profit prepared in accordance with PRC accounting standards and systems and accounting principles generally accepted in Hong Kong ("HKGAAP") in the interim financial reports are summarised below:

	<b>At 30th June 2003 (unaudited) Rmb'000</b>	Restated At 31st December 2002 (audited) Rmb'000
Net assets under PRC accounting standards and systems:	<b>2,384,160</b>	2,286,929
Provision for bad debts	<b>(30,169)</b>	(31,211)
Intangible asset capitalised	<b>63,794</b>	69,017
Difference in fixed assets revaluation	<b>133,795</b>	134,783
Overprovision of research and development cost	<b>7,290</b>	4,228
Provision for employee benefits	<b>(70,763)</b>	(71,762)
Deferred taxation	<b>33,459</b>	34,885
Negative goodwill arising from dilution of interest in a subsidiary	<b>(3,618)</b>	—
Dividend proposed	<b>—</b>	48,654
Difference in minority interests	<b>(14,088)</b>	(14,111)
	<hr/> <b>2,503,860</b> <hr/>	<hr/> <b>2,461,412</b> <hr/>
Net assets under HKGAAP		
	<b>For the six months ended 30th June 2003 (unaudited) Rmb'000</b>	Restated For the six months ended 30th June 2002 (unaudited) Rmb'000
Net profit under PRC accounting standards and systems:	<b>93,613</b>	106,973
Amortisation of deferred expenditure capitalised	<b>(5,223)</b>	(5,223)
Additional depreciation on difference on revalued fixed assets	<b>(988)</b>	(988)
Research and development cost overcharged/(undercharged)	<b>3,062</b>	(4,860)
Donation income recognised	<b>—</b>	227
Provision for employee benefits	<b>999</b>	—
(Provision)/ reversal of deferred taxation	<b>(1,426)</b>	4,379
Bad debt recovered	<b>1,042</b>	—
Difference in minority interests	<b>23</b>	248
	<hr/> <b>91,102</b> <hr/>	<hr/> <b>100,756</b> <hr/>
Net profit under HKGAAP		