

# Summary of the Shareholders' Meeting

During the Reporting Period, one AGM, three EGM and two class meetings have been convened

1. The resolution to convene the first EGM of the Company in 2004 was passed at the 26th meeting of the Second Session of the Board and a notice to convene the meeting was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 9 February 2004. The first EGM in 2004 was held at the conference room of the Company at 11:00 on 26 March 2004. Two shareholders and proxies holding a total of 513,216,000 shares, representing 63.29% of the total issued share capital of the Company, were present. The meeting was chaired by Mr. Cai Zhixiang, the Chairman of the Board and the Directors, Supervisors and Senior Management of the Company as well as the Company's lawyers were present at the meeting. The meeting was convened accordance with the PRC Company Law and the Company's Articles of Association.

The following matters were considered and passed at the first EGM in 2004:

By way of ordinary resolutions:

- (1) Mr. Cai Zhixiang, Mr. Li Yimin, Mr. Feng Zansheng and Mr. Zhou Yuejin were elected as the Directors of the Third Session of the Board of the Company and Mr. Wu Zhang, Mr. Wong Hin Wing and Mr. Zhang Heyong were elected as the Independent Non-executive Directors of the Third Session of the Board of the Company. In addition, Mr. Ou Yangqiang and Mr. Zhong Yugan were elected as the Supervisors of the Third Session of the Supervisory Committee of the Company.

It was also reported at the meeting that Mr. Chen Canying had been elected as the Supervisor representing the employees at the employees' general meeting.

The term of office of each of the Directors and Supervisors appointed at the meeting is approximately three years, commencing from the date of appointment until the date of election of the new session of the Board and the Supervisory Committee.

- (2) The purchase of insurance of liability for the Directors and Senior Management of the Company and authorisation for the Board to deal with the procedures thereof.

By way of special resolutions:

- (1) The amendment of the Articles of Association of the Company.

The resolutions passed at the first EGM in 2004 were published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 10 February 2004.

2. The resolution to convene the 2003 AGM of the Company was passed at the 29th meeting of the Second Session of the Board and a notice to convene the meeting was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 16 April 2004. The 2003 AGM was held at the conference room of the Company at 10:00 on 11 June 2004. Twenty-two shareholders and proxies holding a total of 513,405,600 shares, representing 63.31% of the issued share capital of the Company, were present. The 2003 AGM was chaired by Mr. Cai Zhixiang, the Chairman of the Board and the Directors, Supervisors and Senior Management of the Company as well as the Company's lawyers were present at the meeting. The 2003 AGM was convened in accordance with the PRC Company Law and the Company's Articles of Association

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The following matters were considered and passed at the 2003 AGM:

By way of ordinary resolutions:

- (1) the Directors' Report for the year 2003;
- (2) the Report of the Supervisory Committee for the year 2003;
- (3) the audited financial reports for the year 2003;
- (4) the auditors' reports for the year 2003;
- (5) the re-appointment of Guangzhou Yangcheng Certified Public Accountants Co., Ltd. and PricewaterhouseCoopers as domestic and international auditors respectively, and the authorization to the Board to determine the auditors' remuneration;
- (6) the proposed profit distribution and dividend payment for the year 2003 ;
- (7) the projected profit distribution policy of the Company for the year 2004;
- (8) the authorization to the Board to determine the remuneration of the Directors for 2004;
- (9) the authorization to the Board to determine the remuneration of the Supervisors for 2004;
- (10) the agreement relating to the continuing connected transaction entered into between the Company and GPLH dated 26 March 2004 and the transaction contemplated thereunder.

By way of special resolutions:

- (1) the amendments of the Articles of Association of the Company;
- (2) the amendments of the Rules of Shareholders' General Meetings of the Company;
- (3) the amendments of the Rules of Board Meetings of the Company.

The resolutions passed at the 2003 AGM were published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 14 June 2004.

3. The resolution to convene the second EGM of 2004 was passed at the 4th meeting of the Third Session of the Board and a notice to convene the meeting was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 15 September 2004. The Second Extraordinary General Meeting of 2004 was held at the conference room of the Company at 10:00 on 1 November 2004. Two shareholders and proxies holding a total of 520,880,600 shares, representing 64.23% of the issued share capital of the Company, were present. The second EGM of 2004 was chaired by Mr. Zhou Yuejin, the Vice Chairman of the Board and the Directors, Supervisors and Senior Management of the Company as well as the Company's lawyers and auditors were present at the meeting. The meeting was convened in accordance with the PRC Company Law and the Company's Articles of Association.

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The following matters were considered and passed by way of ordinary resolutions at the Second EGM of 2004:

- (1) the resolution in relation to the proposed subscription of newly issued shares of Guangzhou Hanfang by the Company;
- (2) the resolution in relation to the proposed election of Mr. Yang Rongming as an Executive Director of the Company, with a term of office commencing from the date of appointment to the date of election of the new session of the Board;
- (3) the resolution in relation to the proposed election of Mr. He Shuhua as an Executive Director of the Company, with a term of office commencing from the date of appointment to the date of election of the new session of the Board.

The resolutions passed at the Second EGM of 2004 were published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 3 November 2004.

4. The resolution to convene the third EGM of 2004 was passed at the 8th meeting of the Third Session of the Board and a notice to convene the meeting was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 15 November 2004. The third EGM of 2004 was held at the conference room of the Company at 10:00 on 30 December 2004. Five shareholders and proxies holding a total of 525,325,000 shares, representing 64.73% of the issued share capital of the Company, were present. The second EGM of 2004 was chaired by Mr. Yang Rongming, the Chairman of the Board and the Directors, Supervisors and Senior Management as well as the Company's lawyers and auditors were present at the meeting. The meeting was convened in accordance with the PRC Company Law and the Company's Articles of Association.

The proposed subscription of new shares of Wang Lao Ji by Golden Force Pharmacy Limited ("Golden Force") was considered and passed by means of a special resolution at the third EGM of 2004.

The resolution passed at the Third EGM of 2004 was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 31 December 2004.

5. The resolution to convene the class meeting of the holders of overseas listed foreign shares was passed at the 8th meeting of the Third Session of the Board. A notice to convene the meeting was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 15 November 2004, and a second notice to convene the meeting was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 14 December 2004. The class meeting of overseas listed foreign shares was held at the conference room of the Company at 11:00 on 30 December 2004. Three shareholders holding overseas listed foreign share and proxies holding a total of 12,224,000 shares, representing 5.56% of the issued share capital of the Company, were present. The Class Meeting was chaired by Mr. Yang Rongming, the Chairman of the Board and the Directors, Supervisors and Senior Management as well as the Company's lawyers and auditors were present at the meeting. The convening of the meeting was convened in accordance with the PRC Company Law and the Company's Articles of Association.

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The proposed subscription of new shares of Wang Lao Ji by Golden Force was considered and passed by means of a special resolution at the Class Meeting of overseas listed foreign shares.

The resolutions passed at the class meeting of overseas listed foreign shares were published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 31 December 2004.

6. The resolution to convene the class meeting of the holders of domestic shares were passed at the 8th meeting of the Third Session of the Board and a notice to convene the meeting was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 15 November 2004. The class meeting of domestic shares was held at the conference room of the Company at 11:30 on 30 December 2004. Two shareholders holding domestic shares and proxies holding a total of 513,001,000 shares, representing 86.80% of the issued share capital of the Company, were present. The meeting was chaired by Mr. Yang Rongming, the Chairman of the Board and the Directors, Supervisors and Senior Management as well as the Company's lawyers and auditors were present at the meeting. The convening of the meeting was convened in accordance with the PRC Company Law and the Company's Articles of Association.

The proposed subscription of new shares of Wang Lao Ji by Golden Force was considered and passed by means of a special resolution at the class meeting of holders of domestic shares.

The resolutions passed at the class meeting of holders of domestic shares was published on Shanghai Securities in the PRC, Hong Kong Economic Times and The Standard in Hong Kong on 31 December 2004.