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廣州藥業股份有限公司

Guangzhou Pharmaceutical Company Limited

(a joint stock company with limited liability established in the People's Republic of China)

(Stock Code: 0874)

RESOLUTIONS PASSED AT THE 2003 ANNUAL GENERAL MEETING

The Company and all members of the board of directors hereby confirm the truthfulness, accuracy and completeness of the contents of this announcement and jointly and severally accept full responsibility for any false representation, misleading statement or material omission herein contained.

Guangzhou Pharmaceutical Company Limited (the “Company”) held its 2003 Annual General Meeting (“AGM”) on 11 June 2004 at 10:00 a.m. at the Conference Room, 2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People’s Republic of China. 22 shareholders and proxies attended the AGM, representing a total of 513,405,600 shares (of which 513,000,000 shares were State-owned shares, representing approximately 63.26% of the total number of shares of the Company, 280,000 shares were H shares, representing approximately 0.03% of the total number of shares of the Company, and 125,600 shares were A shares, representing approximately 0.02% of the total number of shares of the Company), or approximately 63.31% of the total number of shares of the Company. The AGM was held in compliance with the Company Law of the People’s Republic of China and the provisions of the Company’s Articles of Association with respect to the holding of annual general meetings.

As at the date of the AGM, there were a total of 810,900,000 shares of the Company in issue, entitling the holders thereof to attend and vote for or against the resolutions numbered 1 to 9 and 11 to 13 set out in the notice of the AGM (the “Notice”) issued on 16 April 2004. Guangzhou Pharmaceutical Holdings Limited, the Company’s controlling shareholder holding a total of 513,000,000 shares in the Company (which represents approximately 63.26% of the existing issued shares of the Company), and its associates abstained from voting on the resolution numbered 10 in relation to the agreement relating to the connected trading transactions entered into between the Company and Guangzhou Pharmaceutical Holdings Limited on 26 March 2004. According, only shareholders other than Guangzhou Pharmaceutical Holdings Limited and its associates (“Independent Shareholders”) holding a total of 297,900,000 shares, representing 36.74% of the existing issued shares of the Company were entitled to vote on the resolution numbered 10 at the AGM. There were no shares in the Company entitling the holders to attend and vote only against any of the resolutions at the AGM.

After the discussion and consideration, the following resolutions, details of which were set out in the Notice, were passed at the AGM by means of poll:

A. By way of ordinary resolutions:

1. The directors' report of the Company for the year 2003 was considered and approved;
513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.
2. The report of the Supervisory Committee for the year 2003 was considered and approved;
513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.
3. The audited financial reports of the Company and its subsidiaries for the year 2003 were considered and approved;
513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.
4. The auditors' reports of the Company and its subsidiaries for the year 2003 were considered and approved;
513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.
5. The proposal for re-appointment of retiring Guangzhou Yangcheng Certified Public Accountants Co. Ltd. and PricewaterhouseCoopers as the domestic auditors and international auditors respectively and to authorise the board of directors to determine their respective remunerations was considered and approved;
513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.
6. The proposed profit distribution and dividend payment for the year 2003 were considered and approved;
 - a) the distribution of the profit after tax of the Company and its subsidiaries for the year 2003 is as follows:
 - i) among its subsidiaries, the manufacturing operations shall transfer 10% to the statutory surplus reserve, 10% to the statutory public welfare reserve, 10% to the discretionary surplus reserve; the trading operations shall transfer 10% to the statutory surplus reserve, 10% to the statutory public welfare reserve, 20% to the discretionary surplus reserve.
 - ii) the Company shall transfer 10% to the statutory surplus reserve, 5% to the statutory public welfare reserve, and no transfer shall be made to the discretionary surplus reserve.
 - b) the final dividend for the year 2003 is Rmb0.06 per share (inclusive of tax for A shares).
513,405,600 shares voted in favour, representing 100% of the total number of shares held by shareholders present at the AGM carrying voting rights; 0 shares voted against the resolution, representing 0% and 0 shares abstained, representing 0%.
7. The projected profit distribution policy of the Company for the year 2004 was considered and approved;
The Company expects that there will be one dividend distribution in 2004. The amount to be apportioned as dividend will not be lower than 30% of the net profit and will be distributed in the form of cash. The Company does not plan to make any transfer from surplus reserve to share capital in 2004.
513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.

8. The amount of total emoluments to be paid to the directors of the Company for the year 2004 was considered and approved;

The total emoluments for the Company's directors for the year 2004 are expected to be Rmb4.33 million (excluding the emoluments of the directors of the subsidiaries).

513,289,600 shares voted in favour, representing 99.98% of the total number of shares carrying the rights to vote; 116,000 shares voted against, representing 0.02%; and 0 shares abstained, representing 0%.

9. The amount of total emoluments to be paid to the supervisors of the Company for the year 2004 was considered and approved;

The total emoluments for the Company's supervisors for the year 2004 are expected to be Rmb0.68 million.

513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.

10. The agreement relating to the continuing connected transactions entered into between the Company and Guangzhou Pharmaceutical Holdings Limited dated 26 March 2004 and the transactions contemplated thereunder were considered and approved;

Guangzhou Pharmaceutical Holdings Limited, the Company's controlling shareholder, refrained from voting on this resolution at the AGM in accordance with regulations. Accordingly, Independent Shareholders voted on this resolution. The voting results are:

289,600 shares voted in favour, representing 71.40% of the total number of shares carrying the rights to vote; 116,000 shares voted against, representing 28.60%; and 0 shares abstained, representing 0%.

B. By way of special resolutions:

11. The proposed amendments to the Articles of Associations of the Company were considered and approved;

513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.

12. The proposed amendments to the Rules of Shareholders' General Meetings of the Company were considered and approved;

513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.

13. The proposed amendments to the Rules of Board Meetings of the Company were considered and approved;

513,405,600 shares voted in favour, representing 100% of the total number of shares carrying the rights to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.

As at the date of the AGM, the Company had 810,900,000 issued shares, of which 513,000,000 shares were State-owned shares, 78,000,000 shares were A shares and 219,900,000 shares were H shares.

Guangzhou Yangcheng Certified Public Accountants Co., Ltd, the Company's domestic auditors, acted as scrutineers for the poll vote at the AGM.

The AGM was witnessed by Zhang Zhenya from Z & T Law Firm which issued its legal opinion that the assembly and the procedures for convening the AGM complied with the Company Law of the People's Republic of China and the provisions of the Company's Articles of Association, and the eligibility of persons attending the AGM was lawful and valid. No new motions were proposed by shareholders at the AGM. The voting procedures of the meeting complied with the laws and regulations and the provisions of the Company's Articles of Association. The resolutions passed at the AGM were lawful and valid.

In addition to the aforesaid resolutions passed at the AGM, further details for payment of the final dividend of the Company are as follows:

1. Pursuant to Article 169 of the Articles of Association of the Company, dividend for holders of the Company's H shares shall be paid in Hong Kong dollars.

For the purpose of the payment of dividend, the applicable exchange rate is HK\$100 to Rmb106.14, being the average exchange rate between Hong Kong dollar and Renminbi as published by the People's Bank of China for the week preceding the date of announcement of dividend payment. Therefore, the final dividend payable to holders of H shares of the Company is HK\$0.0565 per share. The final dividend for the H shares will be distributed on or before 25 June 2004.

2. Additional details of final dividend for holders of A shares of the Company will be announced separately.

By order of the Board

He Shuhua

Company Secretary

Guangzhou, PRC, 11 June 2004

As at the date of this announcement, the Board comprises Mr. Cai Zhixiang, Mr. Li Yimin, Mr. Feng Zansheng and Mr. Zhou Yuejin (being executive directors), and Mr. Wong Hin Wing, Mr. Wu Zhang and Mr. Zhang Heyong (being independent non-executive directors).

Please also refer to the published version of this announcement in The Standard / Hong Kong Economic Times.