



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)

NOTICE CONVENING THE SECOND EXTRAORDINARY GENERAL MEETING FOR THE YEAR 2004

Guangzhou Pharmaceutical Company Limited (the "Company" or "GPC") and all members of the board of directors (the "Board") 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.

IMPORTANT NOTICE

- Time for the 2004 Second Extraordinary General Meeting ("EGM" or the "Meeting"): at 10:00 a.m. on Monday, 1 November 2004
- Place where the Meeting will be held: at the meeting room of the Company at 2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People's Republic of China
- Manner for holding the Meeting: present
- Proposed resolutions:
 - (1) The proposed subscription of newly issued shares of Guangzhou Hanfang Modern Chinese Medicine Research and Development Limited (廣州漢方現代中藥研究開發有限公司) by GPC.
 - (2) The proposed election of Mr. Yang Rongming as new director of the Company.
 - (3) The proposed election of Mr. He Shuhua as new director of the Company.

1. INFORMATION ON THE MEETING

- (1) The proposal for convening the EGM was considered and passed at the Third Meeting of the Third Session of the Board;
- (2) Time for the Meeting: at 10:00 a.m. on Monday, 1 November 2004;
- (3) Place where the Meeting will be held: at the meeting room of the Company at 2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People's Republic of China.

2. MATTERS TO BE CONSIDERED AT THE MEETING

To approve the following proposals by way of ordinary resolutions:

- (1) The proposed subscription of newly issued shares of Guangzhou Hanfang Modern Chinese Medicine Research and Development Limited (廣州漢方現代中藥研究開發有限公司) by GPC (The proposal was considered and approved at the Board meeting held on 27 August 2004 and the resolutions passed at the meeting were published both in the PRC and Hong Kong on 30 August 2004);
- (2) The proposed election of Mr. Yang Rongming as new director of the Company (The proposal was considered and passed at the Board meeting held on 9 September 2004 and the resolutions passed at the Board meeting were published both in the PRC and Hong Kong on 10 September 2004);

- (3) The proposed election of Mr. He Shuhua as new director of the Company (the proposal was considered and passed at the Board meeting held on 9 September 2004 and the resolutions passed at the meeting were published both in the PRC and Hong Kong on 10 September 2004).

3. ATTENDEES

- (1) Domestic and foreign shareholders whose names appear in the Register of Members of the Company at the close of trading in the afternoon of Thursday, 30 September 2004 (including those foreign shareholders who have already successfully submitted verified documents of shareholding transfer applications on or before 30 September 2004) are entitled to attend the Meeting. The Register of Members of the Company will be closed from Friday, 1 October to Sunday, 31 October 2004 (both days inclusive) during which period no transfer of H shares will be effected;
- (2) Each shareholder can appoint his/her representative to attend the Meeting on his/her behalf; and
- (3) The directors, supervisors and senior management of the Company.

4. REGISTRATION FOR THE MEETING

- (1) Registration procedures: to attend the Meeting, an individual shareholder should bring along his/her identity card, shareholder account card; a representative should bring along his/her identity card, the power of attorney issued by the unit, shareholder account card of the legal entity and a copy of the business license of the legal entity. Overseas shareholders can make registration by mail, telephone or fax;
- (2) Registration time and place:

Registration time: 8:30 a.m. – 11:30 a.m. and 2:00 p.m. – 4:30 p.m. on Tuesday, 12 October 2004

Registration place: the Secretariat to the Board

2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People's Republic of China

5. OTHERS

- (1) Address of the Company: 2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People's Republic of China
- Postal code: 510130
- Contact person: Mr. He Shuhua
- Tel: 8620-81218119 Fax: 8620-81216408
- (2) Address of Shanghai Securities Central Clearing and Registration Corporation: 36/F., China Insurance Building, No. 166 Lujiazui Road East, Pudong New District, Shanghai, the People's Republic of China
- Address of Hong Kong Registrars Limited:
- 46th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- (3) The duration of the EGM is expected to be half a day. Shareholders attending the Meeting shall be responsible for their own traveling and accommodation expenses.

6. DOCUMENTS AVAILABLE FOR INSPECTION

- (1) Resolutions and announcement of resolutions passed at the Third Meeting of the Third Session of the Board;
- (2) Resolutions and announcement of resolutions passed at the Fourth Meeting of the Third Session of the Board.

By order of the Board
He Shuhua
Company Secretary

Guangzhou, PRC, 14 September 2004

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

Attachment:

The information in relation to the two candidates proposed for election as directors required under Rule 13.74 and the note to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out below:

(1) Profiles of candidates for directors

Mr. Yang Rongming, aged 51, is a postgraduate and currently Chairman and General Manager of Guangzhou Pharmaceutical Holdings Limited (“GPHL”). Mr. Yang started his career in October 1970 and served as vice factory manager of Guangzhou Monosodium Glutamate and Food Factory (廣州味精食品廠), Deputy General Manager of Guangzhou Ao Sang Monosodium Glutamate & Food Co., Ltd (澳桑味精食品廠有限公司), a Director and General Manger of Guangzhou Eagle Coin Enterprises Group Corporation, Chairman and General Manager of Guangzhou Zhujiang Brewery Group Co., Ltd. and Chairman of Guangzhou Zhujiang Brewery Co., Ltd.. Mr. Yang has extensive experience in business management and sales and marketing.

Mr. He Shuhua, aged 48, Deputy General Manager and Company Secretary of the Company, joined Guangzhou Pharmaceutical Holdings Limited in 1982. He graduated from Zhong Shan University in 1982 with a bachelor’s degree in Biology. In 1995, he obtained a master’s degree in Statistics from the same university. He is also an executive member of Guangdong Statistics Society and a representative of the 12th Guangzhou Municipal People’s Congress. Mr. He has been the Company Secretary of the Company since 1997 and Deputy General Manager of the Company since September 2001. He has extensive experience in business management and sales and marketing.

(2) Other information:

According to the emoluments policy of the Group, annual emoluments of directors and supervisors of the Company are proposed by the Board to the annual general meeting of the Company, seeking an authorization of the Board to determine the amount of the emoluments and the method of payment for services of the Company’s directors and supervisors. If elected, emoluments of Mr. Yang and Mr. He will be entitled to their basic salaries determined in accordance with their respective management positions and the incentive bonus which is computed with reference to the targeted operating results of the Group (for details of the incentive scheme, please refer to the Notice of the First Extraordinary General Meeting of the Company in 2002 which was published both in the PRC and Hong Kong on 28 March 2002).

If elected, Mr. Yang and Mr. He shall serve, from the date of their appointment to the date when members of the fourth session of the Board are elected.

Save as disclosed above, Mr. Yang and Mr. He do not have any relationship with any other directors, supervisors, senior management or substantial or controlling shareholders of the Company.

As at 14 September 2004, the interests or short positions of Mr. He in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which were notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 341 of the SFO, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and The Stock Exchange of Hong Kong Limited is set out below:

Name	Type of Interests	Company	Number of shares
Mr. He Shuhua	Personal	A shares of the Company	27,700

Save as disclosed above, as at 14 September 2004, neither Mr. Yang nor Mr. He has any interests or short position in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which were notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Section 341 of the SFO, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and The Stock Exchange of Hong Kong Limited.

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