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## NOTICE OF THE 2004 ANNUAL GENERAL MEETING

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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)*

(H Share Stock Code: 0874)

### IMPORTANT

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

- Date and time of the 2004 annual general meeting (“AGM”): 30 June 2005 (Thursday) at 10:00 a.m.
- Place of the AGM: 2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People’s Republic of China (“the PRC”) at the conference room of the Company.
- Manner of holding the AGM: present
- Significant items in the agenda:
  - (1) report of the Board of the Company for the year 2004;
  - (2) report of the Supervisory Committee for the year 2004;
  - (3) audited financial report of the Company for the year 2004;
  - (4) auditors’ reports for the year 2004;
  - (5) proposals for distribution and dividend payment for the year 2004;
  - (6) projected profit distribution policy of the Company for the year 2005;
  - (7) total emoluments to be paid to the directors of the Company for the year 2005;
  - (8) total emoluments to be paid to the supervisors of the Company for the year 2005;

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- (9) revised agreement in relation to the continuing connected transactions entered into between the Company and Guangzhou Pharmaceutical Holdings Limited (“GPHL”) on 27 April 2005 and the transactions contemplated thereunder;
- (10) election of Mr. Xie Bin as director of the Company;
- (11) amendment of the Articles of Association of the Company;
- (12) amendment of the Rules of Procedures for Shareholders’ Meetings of the Company;
- (13) amendment of the Rules of Procedures for the Board of Directors of the Company; and
- (14) amendment of the Rules of Procedures for the Supervisory Committee of the Company.

### **I. INFORMATION REGARDING THE CONVENING OF THE AGM**

- (1) The resolution to convene the AGM was considered and passed at the 11th Meeting of the 3rd Session of the Board;
- (2) Date and time of the AGM: 30 June 2005 (Thursday) at 10:00 a.m.
- (3) Place of the AGM: 2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC at the conference room of the Company.

### **II. MATTERS TO BE CONSIDERED AT THE AGM**

- (I) to approve the following resolutions by way of ordinary resolutions:
  1. report of the Board of the Company for the year 2004;
  2. report of the Supervisory Committee for the year 2004;
  3. audited financial report of the Company for the year 2004;
  4. auditors’ reports for the year 2004;
  5. proposals for profit distribution and dividend payment for the year 2004;
  6. projected profit distribution policy of the Company for the year 2005;
  7. total emoluments to be paid to the directors of the Company for the year 2005;
  8. total emoluments to be paid to the supervisors of the Company for the year 2005;

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9. revised agreement in relation to the continuing connected transactions entered into between the Company and GPLH on 27 April 2005 and the transactions contemplated thereunder; and
  10. election of Mr. Xie Bin as director of the Company (see the attached biography).
- (II) To approve the following resolutions by way of special resolutions:

1. amendment of the Articles of Association of the Company:

- (1) Original Article 6 is amended as:

**Article 6** The Articles of Association are amended by way of a special resolution passed at the 2004 Annual General Meeting of the Company and come into effect thereupon, with the original Articles of Association become ineffective on the same day.

The Articles of Association shall since its effective date be taken as an instrument with binding effect in governing the Company's organisation and corporate behaviour, the rights and obligations between the Company and shareholders and among shareholders.

- (2) Original Article 11 is amended as:

**Article 11** The Company's business scope covers operation, investment and development of state-owned assets, financing, development and manufacturing of Chinese Patent Medicine ("CPM"), manufacturing of biological products, healthcare medicines and drinks (licensed), wholesales and retail trading (inclusive of CPM but exclusive of the State's specially operated and managed projects), sales of dangerous class B chemicals and medical apparatus (to the extent of the products authorized by dangerous chemicals operation licence and medical apparatus operation enterprise licence).

The Company shall engage in operation within the registered business scope.

- (3) Original Article 18 is amended as:

**Article 18** As approved by the governmental bodies authorized by the State Council, the Company issued 513,000,000 shares, representing 100% of the Company's then total ordinary shares in issue to its promoter upon its establishment. Such shares were held by Guangzhou Pharmaceutical Holdings Limited.

As approved by the securities authorities of the State Council, the Company issued 219,900,000 overseas listed foreign capital shares after its establishment.

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As approved by the securities authorities of the State Council, the Company issued 78,000,000 additional RMB-denominated ordinary shares to the public shareholders. After completion of the new issue, the capital structure of the Company was as follows:

Total ordinary shares were 810,900,000 shares, of which 513,000,000 shares were held by the holders of the state-owned shares, representing approximately 63.263% of the total issued ordinary shares, 491,000,000 shares were held by Guangzhou Pharmaceutical Holdings Limited, the Company's promoter, representing approximately 60.55% of the total issued ordinary shares.

219,900,000 shares, representing approximately 27.118% of the total issued ordinary shares, were held by the holders of overseas listed foreign capital shares.

78,000,000 shares, representing approximately 9.619% of the total issued ordinary shares, were held by the public shareholders.

- (4) The following Article 51 is added after the original Article 50:

**Article 51** The controlling shareholder and the de facto shareholder of the Company have the duty to act in good faith towards the Company and its public shareholders. The controlling shareholder should strictly exercise its rights as contributor in accordance with the laws. The controlling shareholder shall not use means such as connected transaction, profit distribution, asset restructuring, external investment, capital appropriation or loan guarantee to infringe the interests of the Company and the public shareholders, nor should it take advantage of its controlling position to infringe the interests of the Company and the public shareholders.

Original Article 51 is re-numbered as Article 52.

- (5) Original Article 52 is amended as:

**Article 53** The shareholders in general meeting shall exercise the following power:

- (i) to determine the operation strategy and investment plan of the Company;
- (ii) to elect and remove directors and to fix the remuneration of the directors;
- (iii) to elect and remove supervisors from shareholder representatives and to fix the remuneration of the supervisors;
- (iv) to consider and approve report of the Board of directors;
- (v) to consider and approve report of the Supervisory Committee;

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- (vi) to consider and approve annual budget and budget implementation plan of the Company;
- (vii) to consider and approve profit distribution proposal and plans for recovery of losses;
- (viii) to resolve increase or decrease of the Company's registered capital;
- (ix) to resolve merger, division, dissolution and liquidation of the Company;
- (x) to resolve issuance of bonds of the Company;
- (xi) to resolve appointment, removal or retirement of auditors;
- (xii) to amend the Articles of Association;
- (xiii) to consider proposed resolution submitted by shareholders holding 5% or more of the Company's shares carrying voting rights;
- (xiv) to approve the Company's provision to qualified party of external guarantee in amount exceeding 10% of the net asset value published in the latest audited consolidated financial statements of the Company;
- (xv) to consider significant acquisition, disposal, and exchange of asset (subject to the rules governing the listing of securities on the relevant stock exchanges);
- (xvi) shareholders in general meeting shall authorise or entrust the Board of directors to handle matters as authorized or entrusted;

When authorising or entrusting the Board of directors to handle matters authorised or entrusted to it, shareholders in general meeting shall follow the principles of safeguarding the legal rights of the Company's shareholders, strictly complying with the laws and regulations and ensuring the Company is operating efficiently and decisions are made scientifically. The Board of directors may be authorised or entrusted to deal with the following matters:

1. Amendment of the wordings of the Company's Articles of Association after approval in principle of the amendment of the Articles of Association by shareholders in general meeting;
2. Payment of interim dividends;
3. Matters concerning issuance of new shares and convertible debentures;

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4. Disposal, mortgage or guarantee of fixed assets within approved operation strategy and investment plans;
5. Other issues which can be authorised or entrusted to the Board of directors in accordance with the laws, regulations and the Articles of Association of the Company.

(xvii) to resolve any other matters that are required by laws, administrative regulations and the Articles of Association to be determined by the shareholders in general meeting.

Original Articles 53 to 58 are re-numbered as Articles 54 to 59 respectively.

- (6) Original Article 59 is amended as:

**Article 60** Notice of general meeting shall comply with the following requirements:

- (i) in writing;
- (ii) specify the place, date and time of the meeting;
- (iii) set out the matters to be considered at the meeting;
- (iv) provide shareholders with such information and explanation as necessary for them to make informed decisions on matters to be considered. The principle includes (but not limited to) when there are proposals on merger, repurchase of shares, capital restructuring, or any other kind of restructuring, terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, with serious explanation of the origin and effect of such proposal;
- (v) disclose the nature and degree of any material interest of any director, supervisor, manager and other senior management in matters to be considered. In case that the impact of the matters to be considered on such director, supervisor, manager and other senior management as a shareholder is different from that on the other holders of the same class of shares, the difference shall be explained;
- (vi) set out the full text of any special resolution proposed to be passed at the meeting;
- (vii) contain a prominent written statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote on his behalf and that the proxy need not be a shareholder;

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(viii) specify the time and place for depositing proxy forms.

In convening the general meeting and providing online voting for domestic shareholders, the Company shall specify in the notice of the meeting the time of online voting, the voting procedures and the matters to be considered.

Original Articles 60 to 66 are re-numbered as Articles 61 to 67 respectively.

(7) Articles 68 to 70 are added after the amended Article 67:

**Article 68** The Company shall, on the condition that the meeting is validly and efficiently held, use all means and channels as far as conditions permit, including the use of modern information technology to provide a network voting platform to domestic shareholders, to increase the participation of public shareholders at general meetings.

**Article 69** To effectively safeguard the interests of public shareholders, the Company may, if conditions permit, provide a network voting system for domestic shareholders to vote at general meetings. The Company shall provide a network voting platform for domestic shareholders to vote in relation to the matters set out in Article 79.

If a network voting platform is provided for domestic shareholders to vote at general meeting, all domestic shareholders whose names appeared in the register of the Company at the date of record of shareholders for the meeting are all entitled to vote via the network, provided that only one of the voting methods either in person, through the network or other ways shall be selected for the same shares.

Network voting for domestic shareholders at general meeting shall be implemented in accordance with relevant laws, regulations and provisions.

**Article 70** The Board of directors, independent directors and eligible shareholders are entitled to solicit proxy from other shareholders in respect of voting rights at general meeting. Such solicitation of proxy shall be at nil consideration, and sufficient information shall be disclosed to the shareholder giving the proxy.

Original Articles 67 to 74 are re-numbered as Articles 71 to 78 respectively.

(8) Articles 79 to 80 are added after the amended Article 78:

**Article 79** Unless otherwise provided in the Articles of Association, the implementation or proposal of the following matters are subject to and conditional upon approval at general meeting of more than half of the voting rights casted by public shareholders:

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- (i) issue of additional new shares to the public, issue of convertible debentures, share placement to existing shareholders (save for shares to be fully subscribed in cash by the ultimate controlling shareholder pursuant to undertaking made prior to the meeting);
- (ii) material asset restructuring of the Company, acquisition, total consideration of which is 20% or more of the audited net book value of the assets acquired;
- (iii) repayment of debts due to the Company by a shareholder by way of its equity interest in the Company;
- (iv) proposed overseas listing of a subsidiary of material significant to the Company; and
- (v) matter with significant impact on the interests of public shareholders in the course of the Company's operation.

In the announcement of the resolutions passed in respect of any of the abovementioned matters at general meeting, the Company shall set out the number of public shareholders that vote at the meeting, the total number of shares held by them, the percentage in the Company's shares held by the public and the voting result. The shareholdings and the votes casted by the top 10 public shareholders should also be disclosed.

In convening a general meeting to consider any of the above-mentioned matters, the Company shall provide domestic shareholders with voting by network voting platform.

**Article 80** For the purpose of considering the matters set out in Article 79, the Company shall, after publishing the notice of such general meeting, publish a second notice of such general meeting within 3 days following the date of record of the shareholders for such meeting.

- (9) Original Article 75 is amended as:

**Article 81** Convening of a shareholders' extraordinary general meeting or a class meeting which is demanded by shareholders or the Supervisory Committee shall follow the following procedures:

- (i) Two or more shareholders jointly holding 10 per cent or more of the shares carrying voting rights at the meeting to be convened or the Supervisory Committee shall sign one or more written requisitions with the same content and of the same format requesting the Board of directors to convene an extraordinary general meeting or a class meeting and stating the matters to be considered at the meeting. The Board of directors shall, upon receipt of the written request, proceed to convene an extraordinary general meeting or a class meeting as soon as possible. The shareholdings referred to above shall be the shareholdings as at the date of the deposit of the written requisition.



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- (ii) If the Board of directors fails to issue a notice of such a meeting within thirty (30) days after the date of the receipt of the written requisition, the shareholders or the Supervisory Committee making the request may convene a meeting within four (4) months after the date of receipt of the requisition by the Board of directors. The procedures for convening the meeting shall as far as possible be the same as the procedures of the Board of directors in convening general meetings.

Any reasonable expenses incurred for a meeting convened by the shareholders or the Supervisory Committee by reason of the failure of the Board of directors in convening the meeting in response to the aforesaid written requisition shall be borne by the Company, and shall be deducted from the amount due by the Company to the director(s) in default.

Original Articles 76 to 82 are re-numbered as Articles 82 to 88 respectively.

- (10) Original Article 83 is amended as:

**Article 89** Variations or abrogation of the rights conferred on a class of shareholders shall be approved by special resolution passed at general meeting and approved by holders of shares of that class at a class meeting convened in accordance with Articles 91 to 95.

Original Article 84 is re-numbered as Article 90.

- (11) Original Article 85 is amended as:

**Article 91** Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall be entitled to vote at class meetings in respect of matters under paragraphs (2) to (8), (11) and (12) of Article 90, but interested shareholder(s) shall not be entitled to vote at such class meetings.

“Interested shareholder(s)” mentioned in the preceding paragraph means:

- (i) in the case of a repurchase of shares from all the shareholders in proportion to their arising shareholdings or by public purchases through the stock exchanges made in accordance with Article 27, interested shareholder refers to the controlling shareholder as defined under Article 50;
- (ii) in the case of a repurchase of shares under an off-market agreement made in accordance with Article 27; interested shareholder refers to the shareholder relating to that agreement;
- (iii) in the case of a restructuring of the Company, interested shareholder refers to a shareholder within a class who bears less than proportionate liabilities imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of the shareholders of that class.

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- (12) Original Article 86 is amended as:

**Article 92** Resolution of a class meeting shall be passed by votes casted by more than two-thirds of the voting rights of shareholders of that class who, according to Article 91, are entitled to vote at such class meeting.

Original Articles 87 to 99 are re-numbered as Articles 93 to 105 respectively.

- (13) Original Article 100 is amended as:

**Article 106** The Board of directors may consider and approve resolution in written form instead of convening a board meeting. Draft of resolution shall be despatched to each director by email, mail, telegraph, fax or in person. Such resolution will be passed as a resolution of the Board of directors only after it is signed and approved by two-third or more of the directors and delivered to the secretary to the Board of directors by any one of the aforesaid means.

For resolution required to be passed at an extraordinary board meeting, if the content of the proposed resolution to be passed has been sent to all the directors in writing (including by email, telegraph and fax) and the number of directors who signed and approved such resolution meets the required number provided under Article 98, such resolution is deemed effectively passed and no meeting of the Board of directors is required to be convened.

Original Article 101 is re-numbered as Article 107.

- (14) Article 108 is added after the amended Article 107:

**Article 108** Proceedings and voting procedures of meetings of the Board of directors shall be in accordance with the Rules of Procedures for the Board of directors of the Company.

Original Articles 102 to 104 are re-numbered as Articles 109 to 111 respectively.

- (15) Original Article 105 is amended as:

**Article 112** The Company shall appoint independent directors. The ratio of independent directors to the total number of directors in the Board of directors shall be no less than one-third. Under no circumstances shall there be less than three independent non-executive directors (independent directors shall satisfy the requirements of an independent non-executive director under the respective listing rules of The Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited). At least one of the independent directors should be a professional accountant with senior title or qualification as a certified public accountant.

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- (16) Article 113 is added after the amended Article 112:

Article 113 Independent directors shall attend meetings of the Board of directors, understand the production and operation of the Company, conduct active investigation to obtain the background and information required for decision-making. Independent directors shall submit an annual report of all independent directors to the annual general meeting of the Company, stating their performance of duties.

Original Articles 106 to 107 are re-numbered as Articles 114 to 115 respectively

- (17) The original Article 108 is amended as:

**Article 116** Independent director has obligations of good faith and due diligence to the Company and all shareholders. Independent director shall in accordance with the relevant laws, regulations and the Articles of Association perform his duties in a serious manner, safeguard the overall interests of the Company and, in particular, to ensure that the legal rights of the minority shareholders are not harmed.

An independent director shall carry out his duties independently without being influenced by substantial shareholder, de facto shareholder or any entity or individual having interested in the Company and its substantial shareholders or de facto shareholder, and shall ensure that he has sufficient time and energy to effectively carry out his duties.

In the event that an independent director fails to comply with the requirement of independence or in situations that an independent director fails to perform his duty in the capacity of an independent director and results in the inadequate number of independent directors as stipulated under the Articles of Association, the Company shall appoint the number of independent directors as required.

- (18) The original Article 109 is re-numbered as Article 117, and paragraph (vi) under this article is amended as:

**Article 117** (vi) An independent director may resign before expiration of his term of office. An independent director shall submit his resignation in writing to the Board of directors, providing any details which are related to his resignation or are necessary in his opinion to be brought to the attention of the shareholders and creditors of the Company. If the resignation of the independent director results in the percentage of independent directors in the Board of directors or the members of the Board of directors falls below the statutory minimum or the requirement under the Articles of Association, the resignation shall become effective only upon the appointment of a replacement independent director. The Board of directors shall convene a general meeting within two months to appoint independent directors. In the case that the Board of directors fails to convene a general meeting, independent directors may not continue to perform their duties.

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(19) Original Article 110 is amended as:

**Article 118** Power and duties of independent directors

- (i) In order to exercise the function of an independent director, save for the power vested by the company law and other relevant laws, regulations and the Articles of Association, independent directors of the Company shall be vested with the following special power and duties:
1. any material connected transaction (refer to connected transactions entered into between the Company and any connected parties, the aggregate consideration of which is more than RMB3 million and more than 5% of the latest audited net asset value of the Company), shall first be approved by independent directors before being submitted to the Board of directors for discussion. Before making a judgement, independent directors can appoint intermediaries to prepare independent financial adviser's report as the basis for their judgement.
  2. propose to the Board of directors for the appointment or removal of auditors;
  3. propose to the Board of directors for convening an extraordinary general meeting;
  4. propose to convene Board meetings;
  5. appoint an independent external auditing firm or consultant firm;
  6. solicit proxies from shareholders before proposing to the Board of directors for convening extraordinary general meeting or board meeting or before convening general meeting.
- (ii) Independent director shall obtain the consent of at least half of all independent directors to exercises the above power.
- (iii) Should the above proposal not be adopted or the above power not be exercised normally, the Company shall disclose the above matters.
- (iv) With the approval of all independent directors, an independent director may appoint independent external auditing firm or consultant firm to provide auditing or consulting services in respect of any particular events, and the relevant expenses incurred shall be borne by the Company.

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(v) Save for the power of directors and special power vested by the Company, an independent director shall abide by all provisions of these Articles of Association in respect of duties of a director.

- (20) Original Article 111 is re-numbered as Article 119 and sub-paragraph 6 be added under paragraph (i) of this article:

**Article 119 (i) 6.** Nil cash distribution proposal recommended by the Board of directors;

Accordingly, original paragraphs 6 and 7 be re-numbered as paragraphs 7 and 8 respectively.

- (21) Original Article 112 is re-numbered as Article 120 and paragraph (i) under this article be amended as:

**Article 120 (i)** The Company shall ensure that independent directors have the same right to information as other directors, shall provide independent directors with relevant materials, information of its operation on a timely basis. On-site visits may also be arranged when necessary. The Company shall within statutory time inform independent directors in advance of matters to be considered by the Board of directors and provide them with enough information. Should an independent director regards the information provided not sufficient, he may request supplementary information. Whenever two or more independent directors are of the opinion that the information provided is insufficient or the evidence is not explicit, they can jointly in writing request the Board of directors to postpone the convening of the board meeting or postpone consideration of that matter, and the Board of directors shall accept accordingly. Information provided to independent directors by the Company shall be kept for at least 5 years by the Company and each independent director.

Original Articles 113 to 145 are re-numbered as Articles 120 to 153 respectively.

- (22) Original Article 146 is re-numbered as Article 154 and paragraph (3) be added under the article:

**Article 154 (iii)** Considering and approving procedures for external guarantee:

(i) The Company shall obtain consent in writing of over two-thirds of the members of the Board of directors or approval from general meeting in accordance with the laws, regulations in the PRC or the listing rules of its listing stock exchanges when providing external guarantee. The power of approval by the Board of directors are stipulated in Rules of Procedures for the Board of directors.

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(ii) Before the Board of directors decides to provide external guarantee (or submits it to general meeting for approval), adequate information in respect of the credit standing of debtors shall be obtained and sufficient analysis with respect to the benefits and risks of guarantee to be provided shall be conducted. Detailed disclosure should be made in relevant announcements.

(iii) In case of a shareholder or director interested in the guarantee to be considered by general meetings or Board meetings, the said shareholder or director shall abstain from voting.

(23) Original Article 147 is amended as:

**Article 155** In the case that the Company provides loans in violation of Article 154, the party receiving the loans shall repay the same immediately irrespective of the terms of the loans.

(24) Original Article 148 is amended as:

**Article 156** In the case that the Company provides loans in violation of the first paragraph of Article 154, the Company is not obliged to execute, unless:

- (i) the loan is provided to the respective associates of directors, supervisors, general managers and other senior management of the Company or its controlling company and the person providing the loans is not aware of the connections; or
- (ii) that the collateral provided by the Company have been legally sold to bona fide purchaser by the party granting such loan.

Original Articles 149 to 206 are re-numbered as Articles 157 to 214.

(25) Article 215 is added after the amended Article 214:

**Article 215** The Rules of Procedures for Shareholders' Meetings, The Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee shall be formulated in accordance with these Articles of Association. The aforesaid rules shall be made as appendices to these Articles of Association, and become effective upon approval by general meetings of the Company.

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(26) Original Article 207 is amended as:

**Article 216** In the Articles of Association, the following expressions have the following meanings

“Articles of Association”	the existing Articles of Association of the Company in force
“Board of directors”	the board of directors of the Company
<u>“Supervisory Committee”</u>	<u>the Supervisory Committee of the Company</u>
“PRC”	the People’s Republic of China;
“Renminbi or RMB”	the lawful currency of the PRC
“Chop”	common chop used and the formal chop (if any) kept by the Company or either one of the two as the case may be.
“Business day”	normal business hours for banks in the PRC ( exclusive of Saturday)

Original Article 208 is re-numbered as Article 217.

2. The proposed amendment of the Rules of Procedures for Shareholders’ Meetings of the Company (Please refer to the website of Shanghai Stock Exchange for details);
3. The proposed amendment of the Rules of Procedures for the Board of Directors of the Company (Please refer to the website of Shanghai Stock Exchange for details);
4. The proposed amendment of the Rules of Procedures for the Supervisory Committee of the Company (Please refer to the website of Shanghai Stock Exchange for details).

### 3. ATTENDEES OF THE AGM

- (1) Domestic and foreign shareholders whose names appear on the Register of Members of the Company at the close of trading in the afternoon on Monday , 30 May 2005 (including those foreign shareholders who have already successfully submitted verified documents of shareholding transfer applications on or before 30 May 2005) are entitled to attend the AGM. The Register of Members of the Company will be closed from Tuesday, 31 May 2005 to Wednesday, 29 June 2005 (both days inclusive) during which period no transfer of H shares will be effected;

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- (2) Each shareholder can appoint one or more persons as his/her proxy to attend and vote at the AGM on his/her behalf.
- (3) The directors, supervisors and senior management of the Company.

#### 4. REGISTRATION FOR THE AGM:

- (1) Registration procedures: to attend the AGM, an individual shareholder should bring along his/her identity card, shareholder account card; a proxy should bring along the power of attorney, his/her identity card and the identity card of the principal and the shareholder account card of the principal. A legal person shareholder shall bring along a copy of the business license, the power of attorney issued by the legal entity, shareholder account card and the identity card of the attendee. Overseas shareholders can make registration by mail, telephone or fax;

- (2) Registration time and place of registration:

Registration date and time: Thursday, 9 June 2005 8:30 a.m. - 11:30 a.m. and 2:00 p.m. - 4:30 p.m.

Place of registration: Secretariat to the Board

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

#### 5 OTHERS

- (1) Address : 2nd Floor, No. 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC

Postal code : 510130

Contact : He Shuhua

Tel : 86 20-8121 8119

Fax : 86 20-8121 6408

- (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



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- (3) The duration of the AGM is expected to last for 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 the 11th meeting of the 3rd session of the board of directors

**Guangzhou Pharmaceutical Company Limited**  
The Board of Directors

Guangzhou, the PRC, 12 May 2005

As at the date of this notice, the Board comprises executive directors Mr. Yang Rongming, 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 director candidate as 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 (the “Stock Exchange”) is set out below:

#### **1. Profiles of the director candidate**

Mr. Xie Bin, aged 47, a master degree holder in science, is an economist. He has been the General Manager of the Company since November 2004. Since he began his career in August 1974, Mr. Xie had served as factory manager of Guangzhou Baiyunshan Chinese Medicine Factory, the factory manager of Guanzhou Baiyunshan Pharmaceutical Factory, the deputy general manager and the general manager of Guanzhou Baiyunshan Pharmaceutical Company Limited. Mr. Xie was also the Vice Chairman of Guanzhou Wang Lao Ji Pharmaceutical Company Limited, the manager of Guanzhou Chinese Medicine Corporation and a director of Guanzhou Baiyunshan Pharmaceutical Company Limited. Mr. Xie has extensive experience in corporate management and marketing.

Apart from being director of Guanzhou Baiyunshan Pharmaceutical Company Limited for the past three years, Mr. Xie has not been appointed as director of any other listed companies.

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### 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 to 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. Xie 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 Company (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. Xie 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. Xie does not have any relationship with any other directors, supervisors, senior management members or substantial or controlling shareholders of the Company.

As at the date of this notice, the interests of Mr. Xie in the shares or debentures of the Company or any of its associated corporations, which shall be notified to the Company and the Stock Exchange pursuant to Section 341 of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers, or any other interests which shall be recorded in the register of name as required to be kept by the Company in accordance with Section 352 of the SFO is set out below:

<b>Name</b>	<b>Type of interests</b>	<b>Company</b>	<b>Number of shares</b>
Xie Bin	Personal	A shares of the Company	1,000

Save as disclosed above, Mr. Xie does not have any other interests in the shares or debentures of the Company or any of its associated corporations, which shall be notified to the Company and the Stock Exchange pursuant to Section 341 of the SFO or the Model Code for Securities Transactions by Directors of Listed Companies. Nor did he have any other interests which shall be recorded in the register of name as required to be kept by the Company in accordance with Section 352 of the SFO.