



# 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 Stck Code: 0874)

## NOTICE CONVENING THE FIRST EXTRAORDINARY GENERAL MEETING FOR 2005

Guangzhou Pharmaceutical Company Limited ("GPC" or "the Company") and all members of the board of directors ("the Board") of the Company 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 for the first extraordinary general meeting ("EGM") for 2005: 16 September, 2005 (Friday) at 10:00 a.m.
- Place for the EGM: at the Conference Room of the Company at 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People's Republic of China ("the PRC")
- Manner of holding the EGM: present
- Major proposals:
  1. the re-appointment of Guangdong Yangcheng Certified Public Accountants Co. Ltd. and PricewaterhouseCoopers, whose appointments have expired, as the domestic and international auditors respectively, and the authorisation of the Board to determine their respective remunerations;
  2. the proposal in relation to the establishment of Ying Bang Branch Company of Guangzhou Pharmaceutical Company Limited (廣州藥業股份有限公司盈邦分公司);
  3. the proposal in relation to the establishment of Ying Bang Pharmacy of Guangzhou Pharmaceutical Company Limited (廣州藥業股份有限公司盈邦大藥房);
  4. the proposed amendments to the Articles of Association of the Company.

### I. INFORMATION REGARDING THE CONVENING OF THE EGM

- (I) The proposal to convene the EGM was considered and passed at the thirteenth meeting of the third Board of the Company;
- (II) Date and time for the EGM: 16 September, 2005 (Friday) at 10:00 a.m.;
- (III) Place for the EGM: at the Conference Room of the Company at 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC.

### II. MATTERS TO BE CONSIDERED AT THE EGM

- (I) to consider the following proposals by way of ordinary resolutions:
  1. the re-appointment of Guangdong Yangcheng Certified Public Accountants Co. Ltd. and PricewaterhouseCoopers, whose appointments have expired, as the domestic and international auditors respectively, and the authorisation of the Board to determine their respective remunerations (The proposal was considered and approved at the Board meeting held on 30 June, 2005 and announced in Mainland China and Hong Kong on 1 July, 2005 and 4 July, 2005 respectively);
  2. the proposal in relation to the establishment of Ying Bang Branch Company of Guangzhou Pharmaceutical Company Limited (廣州藥業股份有限公司盈邦分公司); (The proposal was considered and approved at the Board meeting held on 27 April, 2005 and announced in Mainland China and Hong Kong on 28 April, 2005);
  3. the proposal in relation to the establishment of Ying Bang Pharmacy of Guangzhou Pharmaceutical Company Limited (廣州藥業股份有限公司盈邦大藥房) (The proposal was considered and approved at the Board meeting held on 1 August, 2005 and announced in Mainland China and Hong Kong on 2 August, 2005).
- (II) to consider the proposed amendments to the Articles of Association of the Company by way of a special resolution (The proposal was considered and approved at the Board meeting held on 1 August, 2005 and announced in Mainland China and Hong Kong on 2 August, 2005):

#### (1) Original Article 11 be amended to:

**Article 11** The Company's business scope covers the operation, investment, development and financing of state-owned assets, development and manufacture of CPM, biological products, healthcare medicines and drinks (licensed), sales of dangerous chemicals and medical apparatus (licensed), wholesale and retail trade (except for the commodities exclusively operated and managed by the State). (The following projects are operated by branch entities):

Sales of Chinese medicines (through purchase), Chinese traditional prepared herbal medicine slices, chemical crude drug, chemical preparation, antibiotics, biochemical medicines, curing and diagnostic biological products, medicine packaging materials and vessels, healthcare food, coal, packaged food (licensed); technological services for new technology, products and materials in the medicine sector; product information enquiry; import and export of goods and technology (exclusive of projects restricted by the State); investment in medicine factories and introduction of foreign capital; operation of imported material processing and three categories of processing and one category of compensation businesses; operation of counter trade and entrecote trade; field leasing; storage.

Manufacture of chemical medicine preparation (licensed).

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

(2) **Provision (ii) of original Article 114 be amended to:**

**Article 114 (ii)** being independent as required in Guidance for Independent Director System of Listed Companies issued by the CSRC and being in compliance with the provisions in relation to independent non-executive directors under the listing rules of the stock exchanges on which the Company is listed;

(3) **Paragraph 1 of provision (i) of original Article 118 be amended to:**

**Article 118 (i)** 1. any material connected transaction (representing connected transactions entered into between the Company and any connected parties, the aggregate value of which is over RMB3 million and more than 0.5% of the latest audited net asset value of the Company), shall first be approved by the independent directors, before being submitted to the Board of Directors for discussion. Before making a judgment, independent directors can appoint intermediaries to prepare an independent financial adviser's report as the basis for their judgment.

(4) **Paragraph 4 of provision (i) of original Article 119 be amended to:**

**Article 119 (i)** 4. any loan or other capital payments, existing or newly created, due from the shareholders or the actual controller of the Company or their respective connected parties, the aggregate amount is over RMB3 million and more than 0.5% of the latest audited net asset value of the Company and whether the Company will take effective actions to recover the loans.

### III. ATTENDEES OF THE EGM

- (I) Domestic and foreign shareholders whose names appear on the Register of Members of the Company at the close of trading in the afternoon of Tuesday, 16 August, 2005 (including those foreign shareholders who have already successfully submitted verified application documents for shareholding transfer on or before 16 August, 2005) are entitled to attend the EGM. The Register of Members of the Company will be closed from Wednesday, 17 August, 2005 to Thursday, 15 September, 2005 (both days inclusive) during which period no transfer of H shares will be effected;
- (II) Each shareholder who is entitled to attend and vote at the EGM can appoint one or more persons as his/her proxy to attend and vote at the EGM on his/her behalf and such proxy needs not be a shareholder;
- (III) The directors, supervisors and senior management of the Company.

### IV. REGISTRATION FOR THE EGM

- (I) Registration procedures: to attend the EGM, 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 representative, shareholder account card and the identity card of the attendee. Overseas shareholders can make registration by mail, telephone or fax;
- (II) Registration time and place of registration:

Registration date and time : Friday, 26 August, 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  
45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC

### V. OTHERS

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

Postal code : 510130  
Contact : He Shuhua  
Tel : 86-20-81218119 Fax: 86-20-81216408

- (II) Address of Shanghai Office of Central Securities Clearing and Registration Corporation: 36/F., China Insurance Building, No. 1 Lujiazui Road East, Pudong New District, Shanghai, the PRC

Address of Hong Kong Registrars Limited: 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong

- (III) The duration of the EGM is expected to last for half a day. Shareholders attending the meeting shall be responsible for their own travelling and accommodation expenses.

### VI. DOCUMENTS AVAILABLE FOR INSPECTION

- (1) Announcement of resolutions passed at the twelfth meeting of the third Board;
- (2) Announcement of resolutions passed at the thirteenth meeting of the third Board.

By order of the Board  
**He Shuhua**  
Secretary to the Board

Guangzhou, the PRC, 1 August, 2005

As at the date of this notice, the Board comprises Mr. Yang Rongming, Mr. Zhou Yuejin, Mr. Xie Bin and Mr. Feng Zansheng as executive directors, and Mr. Wu Zhang, Mr. Wong Hin Wing and Mr. Zhang Heyong as independent non-executive directors.