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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)

NOTICE OF THE 2005 ANNUAL GENERAL MEETING

IMPORTANT NOTICE

- Date and time of the 2005 annual general meeting (“AGM”): 15 June 2006 (Thursday) at 10:00 a.m.
- Place of the AGM: Conference Room, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”)
- Manner of holding the AGM: present
- Significant items in the agenda:
 - (1) report of the Board of the Company for the year 2005;
 - (2) report of the Supervisory Committee for the year 2005;
 - (3) financial reports of the Company for the year 2005;
 - (4) auditors’ reports for the year 2005;
 - (5) proposal for profit distribution and dividend payment for the year 2005;
 - (6) projected profit distribution policy of the Company for the year 2006;
 - (7) total emoluments to be paid to the Directors of the Company for the year 2006;
 - (8) total emoluments to be paid to the Supervisors of the Company for the year 2006;
 - (9) 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 authorization of the Board to determine their respective remunerations;
 - (10) proposed amount of guarantees provided by the Company for bank loans to certain of its subsidiaries in 2006;
 - (11) election of Mr. Chen Zhinong as a Director of the Company;
 - (12) amendments to the Articles of Association of the Company;
 - (13) amendments to the Rules of Procedures for Shareholders’ Meetings of the Company;
 - (14) amendments to the Rules of Procedures for Board of the Company; and
 - (15) amendments to the Rules of Procedures for Supervisory Committee of the Company.

I. INFORMATION REGARDING THE CONVENTION OF THE AGM

- (1) The resolution to convene the AGM was considered and passed at the 21st meeting of the 3rd session of the Board;
- (2) Date and time of the AGM: 15 June 2006 (Thursday) at 10:00 a.m.
- (3) Place of the AGM: Conference Room, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC.

II. MATTERS TO BE CONSIDERED AT THE AGM

I. Resolutions to be considered and approved by way of ordinary resolutions:

1. report of the Board of the Company for the year 2005;
2. report of the Supervisory Committee for the year 2005;
3. financial reports of the Company for the year 2005;
4. auditors' reports for the year 2005;
5. proposal for profit distribution and dividend payment for the year 2005;
6. projected profit distribution policy of the Company for the year 2006;
7. total emoluments to be paid to the Directors of the Company for the year 2006;
8. total emoluments to be paid to the Supervisors of the Company for the year 2006;
9. 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 authorization of the Board to determine their respective remunerations;
10. proposed amount of guarantees provided by the Company for bank loans to certain of its subsidiaries in 2006; and
11. election of Mr. Chen Zhinong as a Director of the Company.

II. Resolutions to be considered and approved by way of special resolutions:

1. amendments to the Articles of Association of the Company;
2. amendments to the Rules of Procedures for Shareholders' Meetings of the Company;
3. amendments to the Rules of Procedures for Board of the Directors of the Company; and
4. amendments to the Rules of Procedures for Supervisory Committee of the Company.

The above resolutions No. 1 to 10 under category I by way of ordinary resolutions were considered and approved at the Board meeting held on 31 March 2006 and the announcements in relation to the resolutions passed at such meeting were published both in the PRC and Hong Kong on 3 April 2006. Resolution No. 11 under category I by way of ordinary resolution and resolutions No. 1 to 3 under category II by way of special resolutions were considered and approved at the Board meeting held on 27 April 2006, resolution No. 4 under category II by way of special resolution was considered and approved at the meeting of the Supervisory Committee held on 27 April 2006 and the announcements in relation to the resolutions passed at such meetings will be published both in the PRC and Hong Kong on 28 April 2006.

III. 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 Tuesday, 16 May 2006 (including those foreign shareholders who have already successfully submitted verified documents of shareholding transfer applications on or before 16 May 2006) are entitled to attend the AGM. The Register of Members of the Company will be closed from Wednesday, 17 May 2006 to Wednesday, 14 June 2006 (both days inclusive) during which no transfer of H shares will be effected. Holders of H shares of the Company, who are entitled for the final dividend for the year 2005, should deposit all of the share transfer documents together with relevant share certificates to the share registrar of the Company in Hong Kong, namely Hong Kong Registrars Limited, for share transfer registration at or before 4:00 p.m. on 16 May 2006;

- (2) Each shareholder entitled to attend and vote at the meeting can appoint one or more persons as his /her proxy(ies) to attend and vote at the AGM on his / her behalf, and such proxy(ies) may not be a shareholder of the Company;
- (3) The Directors, Supervisors and senior management of the Company.

IV. REGISTRATION FOR THE AGM

- (1) Registration procedures:

To attend the AGM, an individual shareholder should bring along his/her identity card, the 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. A legal person shareholder shall bring along a copy of the business licence, the power of attorney issued by the legal entity, the shareholder account card and the identity card of the attendee. Overseas shareholders can make registration by mail, telephone or fax;

- (2) Place and time of registration:

Registration date and time: 8:30 a.m. to,11:30a.m. and 2:00 p.m.to,4:30 p.m. on 26 May 2006 (Friday)

Place of registration: Secretariat to the Board

2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC

V. OTHERS

- (1) Address: 2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC
Postal code: 510130
Contact person: He Shuhua
Tel: 86 20-8121 8119
Fax: 86 20-8121 6408
- (2) Address of Shanghai Securities Central Clearing and Registration Corporation: 3/F., China Insurance Building, No.166 Lujiazui Road East, Shanghai, the PRC

Address of Hong Kong Registrars Limited: 46th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- (3) The AGM is expected to last for a half day. Shareholders attending the meeting shall be responsible for their own travelling and accommodation expenses.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

- (1) Resolutions and announcement of the 21st meeting of the 3rd session of the Board; and
- (2) Resolutions and announcement of the 22nd meeting of the 3rd session of the Board.

By order of the Board
He Shuhua
Company Secretary

Guangzhou, the PRC, 27 April 2006

As at the date of this notice, the Board comprises Mr. Yang Rongming, Mr. Zhou Yuejin (resigned on 27 April 2006), 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.

Attachment:

The information in relation to the candidate for the director to be approved as director as required to be disclosed to the shareholder under Rule 13.74 and the note to the 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. Profile of the candidate as director of the Company:

Mr. Chen Zhinong, aged 45, university diploma holder, is currently Director and Deputy General Manager of Guangzhou Pharmaceutical Holdings Limited, General Manager of Guangzhou Hanfang Contemporary Medicine Research and Development Co., Ltd. and Vice Chairman of Guangzhou Pharmaceutical Soccer Club Co., Ltd. Mr. Chen commenced working since November 1983 and served as technician and deputy factory manager of the first branch factory of Guangzhou Baiyunshan Pharmaceutical General Factory, deputy factory manager and factory manager of Guangzhou Baiyunshan Pharmaceutical General Factory, assistant to the general manager, deputy general manager, general manager and chairman of Guangzhou Baiyunshan Enterprise Group Company. Mr. Chen has extensive experience in corporate management and technology research and development.

2. Other information:

According to the emoluments policy of the Group, the annual emoluments of Directors and Supervisors of the Company are proposed by the Board to the AGM of the Company at which the Board will seek authorization to determine the amount of the emoluments and the method of payment for services of the Companys Directors and supervisors, If elected, Mr. Chen will be entitled to a basic salary determined in accordance with his management positions and an 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. Chen shall serve, from the date of his appointment to the date when members of the fourth session of the Board is elected.

Save as disclosed above, Mr. Chen does not have any relationship with any other Directors, Supervisors, senior management or substantial or controlling shareholders of the Company.

As at the date of this notice, Mr. Chen does not have any 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 as required to be kept by the Company in accordance with Section 352 of the SFO.

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