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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 CONVENING THE EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTICE

- Date and time of the extraordinary general meeting (“EGM”): Thursday, 30 December 2010, at 10:00 a.m.
- Place of the EGM: Conference Room of Guangzhou Pharmaceutical Company Limited (“GPC” or the “Company”), 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”)
- Manner of holding the EGM: present
- Significant items to be considered:
 1. Provision of guarantees by Guangzhou Bai Di Bio-technology Co., Ltd, a subsidiary of the Company, to secure bank loans for Guangzhou Nuo Cheng Bio-technology Co., Ltd;
 2. Resolution in relation to the Purchase and Sale Agreement relating to Connected Transactions entered into between the Company and Guangzhou Pharmaceutical Holdings Limited and the transactions contemplated thereunder;
 3. Resolution in relation to the Purchase and Sale Agreement relating to Connected Transactions entered into between the Company, Guangzhou Pharmaceutical Corporation and Guangzhou Wang Lao Ji Pharmaceutical Company Limited and the transactions contemplated thereunder;
 4. Resolution in relation to amendment to the Rules of Procedures for the board of directors of the Company;
 5. Resolution in relation to amendments to the Articles of Association of the Company.

I. INFORMATION REGARDING THE CONVENING OF THE EGM

1. The resolution to convene the EGM was considered and passed at the 4th meeting of the fifth session of the board of directors of the Company;
2. Date and time of the EGM: Thursday, 30 December 2010 at 10:00 a.m.;
3. Place of the EGM: Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.

II. MATTERS TO BE CONSIDERED AT THE EGM

1. To be considered and approved by way of ordinary resolution:
 - (1) Provision of guarantees by Guangzhou Bai Di Bio-technology Co., Ltd, a subsidiary of the Company, to secure bank loans for Guangzhou Nuo Cheng Bio-technology Co., Ltd;
 - (2) Resolution in relation to the Purchase and Sale Agreement relating to Connected Transactions entered into between the Company and Guangzhou Pharmaceutical Holdings Limited and the transactions contemplated thereunder;
 - (3) Resolution in relation to the Purchase and Sale Agreement relating to Connected Transactions entered into between the Company, Guangzhou Pharmaceutical Corporation and Guangzhou Wang Lao Ji Pharmaceutical Company Limited and the transactions contemplated thereunder;
 - (4) Resolution in relation to amendment to the Rules of Procedures for the board of directors of the Company.
2. To be considered and approved by way of special resolution:

Resolution in relation to amendments to the Articles of Association of the Company. Details are set out as follows:

The existing Article 6 is amended as follows:

These Articles of Association are amended by way of special resolution passed at the general meeting of the Company and come into effect thereupon, with the existing related Articles of Association voided on the same day.

These Articles of Association shall be, with effect from their effective date, taken as the instrument with binding effect in governing the Company's organization and corporate behavior, the rights and obligations between the Company and shareholders and among shareholders.

The existing Article 23 is amended as follows:

Shares held by the promoters in the Company shall not be transferred within one year from the date of incorporation of the Company. Shares issued by the Company before the share offering shall not be transferred within one year from the date on which the shares of the Company are listed on a stock exchange.

Directors, supervisors and senior management of the Company shall declare their shareholdings in the Company and the changes therein to the Company; and shall not transfer more than 25% of their shareholdings in the Company during their respective term of office or transfer their shares within one year from the date on which the shares of the Company are listed on a stock exchange. The aforesaid persons shall not transfer their shares in the Company within half a year after leaving their offices.

In the event that any director, supervisor or senior management of the Company or any person who holds more than 5% of the shares in the Company sells the Company's shares within six months after the acquisition of the same or repurchases the Company's shares within six months after sale of the same, any proceed arising therefrom shall be attributed to the Company and the Company's board of directors shall retrieve such proceed. In the case that the board of directors fails to comply with the requirements under this paragraph, the responsible director(s) shall assume joint liability according to the law.

In the case that the board of directors fails to comply with the requirements under the aforesaid paragraph, a shareholder shall have the right to request the board of directors to comply within thirty days. In case of the board of directors' failure to comply with the same within the aforesaid period, such shareholder shall have the right to institute a legal proceeding directly with the people's court in its own name for the benefit of the Company.

Unless otherwise required by the laws, administrative regulations and these Articles of Association, the shares of the Company may be freely transferred free from any lien. The Company shall not accept its shares being held as security under a pledge.

The above resolutions were considered and passed at the 2nd meeting of the fifth session of the board of directors and the 2nd meeting of the fifth session of the Supervisory Committee held on 27 August 2010, and the 4th meeting of the fifth session of the board of directors and the 3rd meeting of the fifth session of the Supervisory Committee held on 28 October 2010.

III. ATTENDEES OF THE EGM

1. Holders of domestic shares and overseas listed foreign capital shares whose names appeared on the Register of Members of the Company at the close of business in the afternoon on Monday, 29 November 2010 (including those overseas shareholders who

have already successfully submitted documents of shareholding transfer applications on or before 29 November 2010) are entitled to attend the EGM. The Register of Members of the Company will be closed from Tuesday, 30 November 2010 to Thursday, 30 December 2010 (both days inclusive) during which no transfer of H shares will be effected.

2. Any shareholder of the Company (“Shareholder”) entitled to attend and vote at the EGM is entitled to appoint one or more proxies (whether he/she is a Shareholder or not) to attend and vote at the meeting on his/her behalf. If any Shareholder appoints more than one proxy, the proxy(ies) can only vote by poll. To be valid, the proxy form and the notarially certified power of attorney or other documents of authorization (if any) must be delivered to the address of the Company no less than 24 hours before the time appointed for the holding of the EGM or its any adjournment thereof.
3. The directors, supervisors and senior management of the Company.

IV. REGISTRATION FOR THE EGM

1. To attend the EGM, an individual Shareholder should bring along his/her identity card, the Shareholder account card; a proxy should bring along the proxy form, 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 license, the proxy form signed by the legal entity, the Shareholder account card and the identity card of the attendee. Shareholders outside Guangzhou can register by mail, telephone or fax.
2. Place and time of registration:

Registration date and time: 8:30 a.m. to 11:30 a.m. and 2:00 p.m. to 4:30 p.m. on 9 December 2010 (Thursday)

Place of registration: The Secretariat of the Company, 2nd Floor, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC

V. OTHERS

1. Address: Guangzhou Pharmaceutical Company Limited, 2nd Floor, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC

Postal code: 510130

Contact person: Pang Jianhui
Tel: 8620-8121 8117/8121 8119
Fax: 8620-8121 6408

2. Address of Shanghai Branch 3/F., China Insurance Building, No. 166 Lujiazui
Company of China Securities Road East, Shanghai, the PRC
Depository and Clearing
Corporation Limited:
- Address of Hong Kong 17M Floor, Hopewell Centre, 183 Queen's Road East,
Registrars Limited: Wanchai, Hong Kong
3. The EGM 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 announcements of resolutions passed at the 2nd and the 4th meetings of the fifth session of the board of directors of the Company.
2. Resolutions and announcements of resolutions passed at the 2nd and the 3rd meetings of the fifth session of the Supervisory Committee of the Company.

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 11 November 2010

As at the date of this notice, the Board comprises Mr. Yang Rongming, Mr. Li Chuyuan, Mr. Shi Shaobin and Mr. Wu Changhai as executive directors, and Mr. Liu Jinxiang, Mr. Li Shanmin, Mr. Zhang Yonghua, Mr. Wong Lung Tak Patrick and Mr. Qiu Hongzhong as independent non-executive directors.