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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 FIRST CLASS MEETING OF HOLDERS OF OVERSEAS LISTED FOREIGN CAPITAL SHARES IN 2012

IMPORTANT NOTICE

- Date and time of the first class meeting of holders of overseas listed foreign capital shares in 2012 (the “Class Meeting of H Shareholders”): Morning of Wednesday, 19 September 2012 (immediately after the conclusion of the first extraordinary general meeting in 2012 or any adjournments thereof held on the same date and at the same place)
- Place of the Class Meeting of H Shareholders: Conference Room of Guangzhou Pharmaceutical Company Limited (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 Class Meeting of H Shareholders: On-site

I. INFORMATION REGARDING THE CONVENING OF THE CLASS MEETING OF H SHAREHOLDERS

1. The resolution to convene the Class Meeting of H Shareholders was considered and passed at the 17th meeting of the fifth session of the board of directors (the “Board”).
2. Date and time of the Class Meeting of H Shareholders: Morning of Wednesday, 19 September 2012.
3. Place of the Class Meeting of H Shareholders: Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.
4. The Convener of the meeting: the Board of the Company.

II. MATTERS TO BE CONSIDERED AT THE CLASS MEETING OF H SHAREHOLDERS

To be considered and approved by way of special resolutions:

1. The Resolution on the concurrent implementation of the Absorption and Merger of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. through Share Swap of additional A Shares and the Asset Acquisition through Issuance of A Shares to Guangzhou Pharmaceutical Holdings Limited by Guangzhou Pharmaceutical Company Limited;
2. The Resolution on the Proposal for the Absorption and Merger of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. by Guangzhou Pharmaceutical Company Limited through Share Swap of Additional A Shares;
3. The Resolution on the Entering into and Implementation of the Absorption and Merger Agreement with Guangzhou Baiyunshan Pharmaceutical Co., Ltd.;
4. The Resolution on the Proposal for Asset Acquisition through Issuance of A Shares to Guangzhou Pharmaceutical Holdings Limited on an item-by-item basis;
 - 4.1. Valuation date
 - 4.2. Nature of shares
 - 4.3. Method of issue
 - 4.4. Target subscriber and subscription method
 - 4.5. Value of the assets to be acquired
 - 4.6. Number of shares to be issued
 - 4.7. Issue price
 - 4.8. Attribution of profit and loss from the assets to be acquired from the valuation date to the completion date
 - 4.9. Lock-up period
 - 4.10. Place of listing
 - 4.11. Arrangement for accrued profit
 - 4.12. Validity of resolutions on the asset acquisition through issuance of shares
 - 4.13. Conditions precedent of the Asset Acquisition Agreement and its supplemental agreement
5. The Resolution on the Entering Into and Implementation of the Assets Acquisition Agreement through Issuance of Shares and the Supplemental Agreement to the Agreement on Asset Acquisition through Issuance of Shares with Guangzhou Pharmaceutical Holdings Limited;

6. The Resolution on Entering Into and Implementation of the Agreement for the Compensation of the Difference between Actual Earning and Net Earning Forecast of the Assets Proposed to be Acquired with Guangzhou Pharmaceutical Holdings Limited;
7. The Resolution on the Report on the Absorption and Merger of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. through Share Swap, Asset Acquisition through Issuance of Shares and Connected Transactions of Guangzhou Pharmaceutical Company Limited (draft) published by the Company.

The above resolutions were considered and passed at the 13th meeting of the fifth session of the Board and the 9th meeting of the fifth session of the supervisory committee held on 29 February 2012, the 17th meeting of the fifth session of the Board and the 13th meeting of the fifth session of the supervisory committee held on 15 June 2012.

III. ATTENDEES OF THE CLASS MEETING OF H SHAREHOLDERS

1. Holders of H Shares whose names appeared on the register of members of the Company at the close of trading in the afternoon on Friday, 17 August 2012 (including those holders of H Shares who have already successfully submitted verified documents of shareholding transfer applications on or before 17 August 2012) are entitled to attend the Class Meeting of H Shareholders. The register of members of the Company will be closed from Saturday, 18 August 2012 to Wednesday, 19 September 2012 (both days inclusive) during which no transfer of H Shares will be effected. In order to determine who are entitled to attend the Class Meeting of H Shareholders, all H shares share transfer documents together with the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, namely Hong Kong Registrars Limited, for share transfer registration not later than 16:00 on Friday, 17 August 2012.
2. Any shareholder entitled to attend and vote at the Class Meeting of H Shareholders is entitled to appoint one or more proxies (whether or not he/she is a shareholder) to attend and vote at the Class Meeting of H Shareholders on his/her behalf. If any shareholder appoint more than one proxy, the proxy(ies) can only vote by poll. To be valid, the proxy form and notarially certified power of attorney, or other documents of authorization (if any) must be delivered to the address of the Company not less than 24 hours before the time appointed for the holding of the Class Meeting of H Shareholders or any adjournment thereof.
3. Shareholders who intend to attend the Class Meeting of H Shareholders in person or by proxy should complete and return the attached reply slip by hand, by mail or by fax in accordance with the instructions printed thereon, before Thursday, 30 August 2012.
4. The directors, supervisors and senior management of the Company.

IV. REGISTRATION FOR THE CLASS MEETING OF H SHAREHOLDERS

1. To attend the Class Meeting of H Shareholders, 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 of H shares 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. Overseas shareholders can make registration by mail, telephone or fax.

2. Place and time of registration:

Registration date and time: 08:30 to 11:30 and 14:00 to 16:30 on Thursday, 30 August 2012

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: 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 8120
Fax: (8620) 8121 6408
2. Address of Hong Kong Registrars Limited: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
3. The Class Meeting of H Shareholders is expected to last for a half day. Shareholders attending the meeting shall be responsible for their own travelling and accommodation expenses.
4. Reporters attending the Class Meeting of H Shareholders shall register in advance during the shareholder registration time.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions and announcement of the 13th meeting of the fifth session of the Board.
2. Resolutions and announcement of the 9th meeting of the fifth session of the supervisory committee.
3. Resolutions and announcement of the 17th meeting of the fifth session of the Board.
4. Resolutions and announcement of the 13th meeting of the fifth session of the supervisory committee.

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 3 August 2012

As at the date of this notice, the Board comprises Mr. Yang Rongming, Mr. Li Chuyuan 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.