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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 DOMESTIC SHARES IN 2012

IMPORTANT NOTICE

- Date and time of the first class meeting of holders of domestic shares (the “Class Meeting of A Shareholders”) in 2012: Morning of Wednesday, 19 September 2012 (immediately after the conclusion of the first extraordinary general meeting in 2012 and the first class meeting of holders of overseas listed foreign capital shares in 2012 or any adjournments thereof held on the same date and at the same place)
- Place of the Class Meeting of A 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”)
- The voting time for network voting for Class Meeting of A Shareholders: on Wednesday, 19 September 2012 at 09:30-11:30 and 13:00-15:00
- The shareholding registration date of Class Meeting of A Shareholders: Friday, 17 August 2012
- Manner of holding the Class Meeting of A Shareholders: the Class Meeting of A Shareholders will be held both on-site and by way of network voting
- Whether network voting is provided: Yes

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

1. The resolution to convene the Class Meeting of A 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 A Shareholders: Morning of Wednesday, 19 September 2012.

3. Time for the network voting: on Wednesday, 19 September 2012 at 09:30-11:30 and 13:00-15:00.
4. Place of the Class Meeting of A Shareholders: Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.
5. The Convener of the meeting: the Board of the Company.
6. Manner of holding the Class Meeting of A Shareholders: the Class Meeting of A Shareholders will be held both on-site and by way of network voting. The Company shall offer a network-voting platform to shareholders holding A shares of the Company via the trading system of The Shanghai Stock Exchange (the "SSE"). The shareholders of A shares of the Company may exercise their voting rights at the stipulated network-voting time via the SSE system.
7. For the convenience of the securities margin trading brokers (the "Brokers ") to participate in voting at the Class Meeting of A Shareholders, the following method of voting at the Class Meeting of A Shareholders is offered for the Brokers:

Brokers may, according to voting opinions solicited from the securities margin trading investors, vote at the Class Meeting of A Shareholders via the voting system stipulated by the SSE for securities margin trading broker members. Brokers may also split their votes in accordance to the different voting opinions of the investors on the same resolution. Time for the voting: 09:30-11:30 on Wednesday, 19 September 2012, the URL: www.sseinfo.com.

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

1. Holders of domestic shares (A shares) whose names appeared on the register of members of the Company at the close of business in the afternoon on Friday, 17 August 2012 are entitled to attend the Class Meeting of A Shareholders.
2. Any shareholder entitled to attend and vote at the Class Meeting of A Shareholders is entitled to appoint one or more proxies (whether or not he/she is a shareholder) to attend and vote at the meeting 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 the notarially certified power of attorney or other documents of authorization (if any) must be delivered to the Company's office address no less than 24 hours before the time appointed for the holding of the Class Meeting of A Shareholders or its any adjournment thereof.
3. Shareholders who intend to attend the Class Meeting of A 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 A SHAREHOLDERS

A. Methods of registration

1. On-site registration

To attend the Class Meeting of A 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 A 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. Shareholders outside Guangzhou can make registration by mail, telephone or fax.

2. Registration for network voting

Securities investments funds voting at the Class Meeting of A Shareholders via network voting shall make filings at the network voting shareholders' accounts of the SSE Infonet Company Limited within two working days after the shareholding registration date of Class Meeting of A Shareholders.

B. 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 Shanghai Branch Company of China Securities Depository and Clearing Corporation Limited: 3/F, China Insurance Building, No. 166 Lujiazui Road East, Shanghai, the PRC
3. The Class Meeting of A 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 A Shareholders shall register in advance during the shareholder registration time.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

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

ATTACHMENT A:

Procedures for Online Voting by A Shareholders

Voting date: 19 September, 2012 during 09:30-11:30 and 13:00-15:00

Total resolutions to be proposed: 7

A. Voting Procedures

1. Voting code

Voting code on The Shanghai Stock Exchange	Voting abbreviation on The Shanghai Stock Exchange	Number of Resolutions to be voted	Descriptions
738332	廣藥投票 (Guang Yao Tou Piao)	7	A share

2. Voting Method

(1) One-off voting

In case a one-off voting for all matters is required, please vote in the following manner:

Serial number of voting	Content	Voting code	Quoted price	For	Against	Abstain
1-7	All 7 resolutions to be proposed in the Class Meeting of A Shareholders	738332	99.00	1 share	2 shares	3 shares

(2) *Separate voting on each resolution*

Where a separate vote is required for each resolution, please vote in the following manner:

	Resolutions	Voting code	Quoted price	For	Against	Abstain
	Total resolutions (To vote for the 1 to 7 resolutions)	738332	99.00			
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;		1.00			
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;		2.00			
3	The Resolution on the Entering into and Implementation of the Absorption and Merger Agreement with Guangzhou Baiyunshan Pharmaceutical Co., Ltd.;		3.00			
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;		4.00			
4.1	Valuation date		4.01			
4.2	Nature of shares		4.02			
4.3	Method of issue		4.03			
4.4	Target subscriber and subscription method		4.04			
4.5	Value of the assets to be acquired		4.05			
4.6	Number of shares to be issued		4.06			
4.7	Issue price		4.07			
4.8	Attribution of profit and loss from the assets to be acquired from the valuation date to the completion date		4.08			

	Resolutions	Voting code	Quoted price	For	Against	Abstain
4.9	Lock-up period		4.09			
4.10	Place of listing		4.10			
4.11	Arrangement for accrued profit		4.11			
4.12	Validity of resolutions on the asset acquisition through issuance of shares		4.12			
4.13	Conditions precedent of the Asset Acquisition Agreement and its supplemental agreement		4.13			
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;		5.00			
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;		6.00			
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.		7.00			

3. To fill in the intention of the vote for the “number of shares to be voted”

Intention	Number of shares to be voted
For	1
Against	2
Abstain	3

B. Examples For Voting

1. Following the closing of trading of the A shares on 17 August 2012, which is the registration date for entitlements, any holder of A shares of a company shall fill in “99.00” and “1 share” under the quoted price and the number of shares to be voted if they intend to vote in favor of all resolutions to be proposed during the online voting, and shall vote in the following manner:

Voting code	Buy or Sell	Trading price	Number of shares to be traded
738332	Buy	99.00	1 share

2. If any holder of A shares would like to vote separately for the resolutions to be proposed in the Class Meeting of A Shareholders with the intention to vote in favor of the proposed Resolution 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 Holding Limited by Guangzhou Pharmaceutical Company Limited”, during the online voting, he shall vote in the following manner:

Voting code	Buy or Sell	Trading price	Number of shares to be traded
738332	Buy	1.00	1 share

3. If any holder of A shares would like to vote separately for the resolutions to be proposed in the Class Meeting of A Shareholders with the intention to vote against the proposed Resolution 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 Holding Limited by Guangzhou Pharmaceutical Company Limited”, during the online voting, he shall vote in the following manner:

Voting code	Buy or Sell	Trading price	Number of shares to be traded
738332	Buy	99.00	2 shares

4. If any holder of A shares would like to vote separately for the resolutions to be proposed in the Class Meeting of A Shareholders with the intention to abstain from voting to the proposed Resolution 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 Holding Limited by Guangzhou Pharmaceutical Company Limited”, during the online voting, he shall vote in the following manner:

Voting code	Buy or Sell	Trading price	Number of shares to be traded
738332	Buy	99.00	3 shares

C. Matters need to be brought to attention for voting

1. In view of the massive number of resolutions to be voted, it is suggested that an A shareholder shall take a vote by proxy directly with quoted price of \$99.00 if he would like to vote for or against or abstain from voting to all resolutions. The A shareholder may decide the sequence of voting for various resolutions to be voted in the Class Meeting of A Shareholders. Any vote shall not be withdrawn.
2. Each shareholder shall only vote once for each resolution. If more than one vote (including vote in person, by proxy or through online) is taken, the vote which was first made shall be counted.
3. In case that various matters are to be voted in the Class Meeting of A Shareholders, the A shareholder who takes a vote on an individual or several resolution(s) online would be deemed as having in present at the Class Meeting of A Shareholders and the number of votes held by him would be counted as the quorum of the Class Meeting of A Shareholders. The shareholder who have not voted or where their voting failed to satisfy the requirement of “The Implementation Rules for the Online Voting in the General Meeting for Listed Companies on the Shanghai Stock Exchange (《上海證券交易所上市公司股東大會網絡投票實施細則》)” would be deemed as having abstained from voting.