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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)

**SECOND INDICATIVE NOTICE OF THE
FIRST EXTRAORDINARY GENERAL MEETING IN 2012**

The Notice of the First Extraordinary General Meeting in 2012 (the “Meeting”) of Guangzhou Pharmaceutical Company Limited (the “Company”) dated 3 August 2012 was published and the First Indicative Notice of the Meeting was published on 17 August 2012 as an overseas regulatory announcement (Chinese version only). In accordance with the requirement of article 67 of the articles of association of the Company, a second indicative notice of the relevant matters of the Meeting is hereby given by the Company as follows:

- (1) Time for the Meeting: 19 September 2012 (Wednesday) at 09:30 a.m.
- (2) Place of the Meeting: Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China (“PRC”)
- (3) The Meeting will be held both on-site and by way of network voting (Applicable to A shares)
- (4) Proposed resolutions of the Meeting

To be considered and approved by way of ordinary resolutions:

1. The Resolution on the Eligibility for Major Assets Reorganization of Guangzhou Pharmaceutical Company Limited;
2. The Resolution on the Entering into and Implementation of the Trademark Custody Agreement and the Trademark Custody Supplemental Agreement with Guangzhou Pharmaceutical Holdings Limited;
3. The Resolution on the Approval of the Audit Report, Valuation Reports and Profit Forecast Reports;

4. The Resolution regarding the election of Ms. Cheng Ning as an executive director of the Company (the profile of whom was set out in the announcement of written resolution passed by the meeting of the fifth session of the Board dated 16 July 2012 and the Notice of the First Extraordinary General Meeting in 2012 dated 3 August 2012). If elected, the tenure shall commence from the date of her appointment to the date when members of the new session of the Board are elected.

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;
8. The Resolution on Authorization by General Meeting to the Board for Handling Matters at its Discretion regarding the Absorption and Merger through Share Swap and the Asset Acquisition through Issuance of Shares;
9. The Resolution on the Proposed Amendments to the Articles of Association of the Company.

The matters to be considered at the Meeting as well as the date and place of the Meeting remain the same as those set out in the Notice of the First Extraordinary General Meeting in 2012 which were published in the Shanghai Securities News, the Securities Times and on the website of The Shanghai Stock Exchange on 3 August 2012 and on the website of The Stock Exchange of Hong Kong Limited on 2 August 2012.

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 31 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.