



# 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 EXTRAORDINARY GENERAL MEETING IN 2007

### IMPORTANT NOTICE

- Date and time of the first extraordinary general meeting (the “EGM”) in 2007: 2 April 2007 (Monday) at 10:00 a.m.
- Place of the EGM: Conference Room of the Company, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”).
- Manner of holding the EGM: Present.
- Significant items in the agenda:

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

1. Election of Mr. Shi Shaobin as a director of the Company.
2. Provision of guarantees by the Company to secure bank loans for its certain subsidiaries in 2007.

Resolution to be considered and approved by way of special resolution:

“Transfer of equity interests in Guangzhou Pharmaceutical Corporation (“GP Corp.”) held by Guangzhou Jing Xiu Tang (Pharmaceutical) Co., Ltd. (“Jingxiutang”) and Guangzhou Pangaoshou Pharmaceutical Co., Ltd. (“Pangaoshou”), both of which are subsidiaries of the Company, and 33 natural persons, and capital increase in GP Corp. by Alliance BMP Limited (“Alliance BMP”).”

### I INFORMATION REGARDING THE CONVENING OF THE EGM

- (1) The resolution to convene the EGM was considered and passed at the 30th meeting of the 3rd session of the Board (the “Board Meeting”).
- (2) Date and time of the EGM: 2 April 2007 (Monday) at 10:00 a.m.
- (3) Place of the EGM: Conference Room of the Company, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC.

## II. MATTERS TO BE CONSIDERED AT THE EGM

(1) Resolutions to be considered and approved by way of ordinary resolutions:

1. Election of Mr. Shi Shaobin as a director of the Company;
2. Provision of guarantees by the Company to secure bank loans for its certain subsidiaries in 2007.

The above Resolution No. 1 was considered and approved at the 23rd meeting of the 3rd session of the Board held on 15 June 2006 and announcements in relation to the resolution were published both in the PRC and Hong Kong on 16 June 2006. Resolution No. 2 was considered and approved at the Board Meeting and announcements in relation to the resolution were published both in the PRC and Hong Kong on 30 January 2007 and 31 January 2007 respectively.

(2) Resolution to be considered and approved by way of special resolution:

“THAT the Capital Transfer Contract of GP Corp. entered into by Jingxiutang, Pangaoshou and 33 natural persons and Alliance BMP on 27 January 2007, the Capital Increase Contract and JV Contract entered into by the Company and Alliance BMP on the same day and the relevant transactions contemplated thereunder be approved, ratified and confirmed. The details of the above transactions are set out in the Circular to Shareholders of the Company despatched on 14 February 2007. The directors of the Company be and are hereby authorized to sign, seal, execute, perfect and deliver for and on behalf of the Company all such documents and deeds and to do all other acts and things as they may in their absolute discretion consider necessary or desirable for the purpose of carrying out the relevant transactions and in the interests of the Company.”

The above transactions were approved at the Board Meeting and announcements in relation to the transactions were published both in the PRC and Hong Kong on 30 January 2007 and 31 January 2007 respectively.

## III. ATTENDEES OF THE EGM

- (1) Holders of domestic shares and overseas listed foreign capital shares (“H Shares”) whose names appeared on the Register of Members of the Company at the close of trading in the afternoon on Friday, 2 March 2007 (including those holders of H Shares who have already successfully submitted verified documents of shareholding transfer applications on or before 2 March 2007) are entitled to attend the EGM. The Register of Members of the Company will be closed from Saturday, 3 March 2007 to Sunday 1 April 2007 (both days inclusive) during which no transfer of H Shares will be effected.
- (2) Any shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (whether or not he/she is a shareholder) to attend and vote at the EGM 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 EGM or 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. 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 11:30 a.m. and 2:00 p.m. to 4:30 p.m. on 13 March 2007 (Tuesday).

Place of registration: The 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: (8620) 8121 8119 Fax: (8620) 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 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 announcement of the 23rd meeting of the 3rd session of the Board; and
- (2) Resolutions and announcement of the 30th meeting of the 3rd session of the Board Meeting.

**The Board of Guangzhou Pharmaceutical Company Limited**

13 February 2007

*As at the date of this notice, the Board comprises Mr. Yang Rongming, Mr. Feng Zansheng and Mr. Chen Zhinong as Executive Directors and Mr. Wu Zhang, Mr. Wong Hin Wing and Mr. Zhang Heyong as Independent Non-executive Directors.*

**Attachment:**

Pursuant to 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”), the information required to be disclosed to the shareholders in relation to the candidate to be appointed as director is set out below:

1. **Mr. Shi Shaobin**, aged 39, General Manager of the Company, is a postgraduate and a master in business administration, and a senior engineer in pharmacy. Mr. Shi had served as a technician in research institute, salesman in Sales Department, head of the Administration Department, Assistant to General Manager, Manager of Marketing Department and Deputy General Manager of Jingxiutang after he graduated from the Faculty of Biology of Zhongshan University in 1989. He received a master degree in business administration in 2001. From 2001 to 2004, he served as Chairman and General Manager of Guangzhou Yangcheng Pharmaceutical Co., Ltd (廣州羊城藥業股份有限公司), and has been a director and Chief Executive Officer of Guangzhou Wanglaoji Pharmaceutical Co., Ltd. since 2005. Since June 2006, Mr. Shi has been the General Manager of the Company. Mr. Shi has extensive experience in corporate production, marketing and operation management.

2. **Other information:**

According to the emoluments policy of the Company and its subsidiaries (collectively, 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 Company’s Directors and supervisors. If elected, Mr. Shi will be entitled to a basic salary determined in accordance with his management position 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. Shi shall serve from the date of his appointment to the date when members of the fourth session of the Board are elected.

Save as disclosed above, Mr. Shi 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, the 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 Securities and Futures Ordinance (the “SFO”) or the Model Code for Securities Transactions by Directors of Listed Companies, or any interests which shall be recorded in the register as required to be kept by the Company in accordance with Section 352 of the SFO is as follows:

<b>Name</b>	<b>Class of interests</b>	<b>Company</b>	<b>No. of shares</b>
Shi Shaobin	Personal	Jingxiutang	25,000

Save as disclosed above, Mr. Shi 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.