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**THIS SUPPLEMENTAL CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this supplemental circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Guangzhou Pharmaceutical Company Limited (the “Company”), you should at once hand this supplemental circular, together with the accompanying revised form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO SHAREHOLDERS DATED  
13 MAY 2010  
RELATING TO THE PROPOSED AMENDMENTS TO THE ARTICLES OF  
ASSOCIATIONS OF THE COMPANY  
ELECTION OF DIRECTORS AT THE AGM  
AND  
SUPPLEMENTAL NOTICE OF THE AGM**

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This supplemental circular (“**Supplemental Circular**”) should be read together with the circular to Shareholders dated 13 May 2010 (the “**Circular**”) and the notice of the AGM dated 11 May 2010 (the “**Notice of the AGM**”). The AGM of the Company is to be held as originally scheduled at the conference room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China, on Monday, 28 June 2010 at 10 a.m. The notice convening the AGM has been despatched to the Shareholders on 13 May 2010. Unless the context requires otherwise, capitalized terms used in this supplemental circular shall have the same meanings ascribed thereto in the Circular.

Two additional resolutions will be propose at the AGM in relation to the proposed further amendments to the Articles of Association and the election of additional Directors, particulars of which are set out in this Supplemental Circular. A revised form of proxy (the “**Revised Proxy Form**”) is for use at the AGM, which contains the additional resolutions to be proposed at the AGM, is enclosed and is also published on the websites of the Stock Exchange and the Company.

Whether or not you proposed to attend the AGM, you are requested to complete the Revised Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the Revised Proxy Form will not preclude you from attending and voting in person at the AGM should you so wish.

10 June 2010

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LETTER FROM THE BOARD

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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)

*Board of Directors:*

*Executive:*

Mr. Yang Rongming (*Chairman*)

Mr. Shi Shaobin

*Independent non-executive Directors:*

Mr. Wong Hin Wing

Mr. Liu Jinxiang

Mr. Li Shanmin

Mr. Zhang Yonghua

*Registered address and office:*

45 Sha Mian North Street

Liwan District

Guangzhou City

Guangdong Province

the PRC

*Principal place of business in Hong Kong:*

Room 2005

20th Floor

Tower Two Lippo Center

89 Queensway

Hong Kong

10 June 2010

*To the Shareholders*

Dear Sir or Madam,

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO SHAREHOLDERS DATED  
13 MAY 2010**

**RELATING TO THE PROPOSED AMENDMENTS TO THE ARTICLES OF  
ASSOCIATIONS OF THE COMPANY  
ELECTION OF DIRECTORS AT THE AGM  
AND SUPPLEMENTAL NOTICE OF THE AGM**

**INTRODUCTION**

Reference is made to (i) the Circular in relation to, among others, the proposed amendments to the Articles of Associations and election of Directors and Supervisors; (ii) the Notice of the AGM and; (iii) the announcement in relation to the resolutions passed at the 22nd meeting of the fourth session of the Board regarding the proposed further amendments to the Articles of Associations and additional candidates to be elected as Directors.

Unless the context requires otherwise, capitalized terms used in this Supplemental Circular shall have the same meanings ascribed thereto in the Circular.

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## LETTER FROM THE BOARD

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The purpose of this Supplemental Circular is to provide you with information regarding (i) proposed further amendments to the Articles of Association; and (ii) profiles of additional candidates to be elected as Directors. Save as disclosed above, all information and contents set out in the Circular and the Notice of AGM remain unchanged.

### **PROPOSAL OF NEW RESOLUTIONS TO BE CONSIDERED AT THE AGM**

In the Circular, the Board proposed to amend the Articles of Associations in order to get in line with and engage within the business scope registered with the State Administration for Industry and Commerce of the PRC.

Subsequent to the despatch of the Circular, the Company received a written notice dated 7 June 2010 from the Company's controlling shareholder, Guangzhou Pharmaceutical Holdings Limited, of its intention to propose two resolutions, namely the proposed further amendments to the Articles of Association and the election of additional Directors at the AGM in accordance with Article 66 of the Articles of Association. Details of the proposed resolutions are set out below:

**(a) proposed amendments to the Articles of Associations:**

*Article 123 prior to the proposed amendments is as follows:*

The Company set up the Board (the "Board"). The Board of Directors consists of seven directors, including one chairman and one vice chairman.

*Article 123 after the proposed amendments is as follows:*

The Company set up the Board (the "Board"). The Board of Directors consists of nine directors, including one chairman and one vice chairman.

The proposed amendments to the Articles of Association and the supplemental amendments are subject to the approval of the shareholders by way of special resolution at the AGM.

**(b) Election of additional Directors**

Two additional candidates are proposed to be elected as Directors at the AGM. Details of their profiles.

### **AGM**

The Supplemental Notice of the 2009 Annual General Meeting, which will be held as originally scheduled at the conference room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC, on Monday, 28 June 2010 at 10:00 a.m., is set out in Appendix II to this Supplemental Circular.

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## LETTER FROM THE BOARD

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Please refer to the Notice of the AGM for details in respect of other resolutions to be considered, the eligibility for attending the AGM, proxy, registration procedures, closure of register of members and other relevant matters.

### **Revised Proxy Form**

Since the proxy form (the “**First Proxy Form**”) sent together with the Circular does not contain the proposed resolutions as set out in this Supplemental Circular, the Revised Proxy Form has been prepared and is enclosed with this Supplemental Circular.

You are requested to complete and return the Revised Proxy Form in accordance with the instructions thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (the “**Closing Time**”). Special arrangements about the completion and submission of the Revised Proxy Form are also set out below in this Supplemental Circular. Shareholders who have appointed or intend to appoint proxies to attend the AGM are requested to pay particular attention to the special arrangements set out therein.

If you are a non-registered Shareholder (i.e. your Shares are held in an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee), you will not receive the Revised Proxy Form. You have to give instruction to your intermediary/ nominee to vote on your behalf, or if you wish to attend and vote at the AGM, you should arrange with your intermediary/ nominee directly to obtain an authorization.

A Shareholder who has not yet lodged the First Proxy Form in accordance with the instructions therein is requested to lodge the Revised Proxy Form if he/she wishes to appoint proxies to attend the AGM on his/her behalf. In this case, the First Proxy Form should not be lodged with the Company.

A Shareholder who has already lodged the First Proxy Form in accordance with the instructions therein should note that:

- (i) **If no Revised Proxy Form is lodged with the Company prior to Closing Time, the First Proxy Form will be treated as a valid proxy form lodged by him/her if correctly completed.** The proxy so appointed by the Shareholder will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM other than those referred to in the Notice of the AGM and the First Proxy Form including the additional resolutions for proposed further amendments to the Articles of Association and the election of additional Directors.
- (ii) **If the Revised Proxy Form is lodged with the Company prior to the Closing Time, the Revised Proxy Form will revoke and supersede the First Proxy Form previously lodged by him/her. The Revised Proxy Form will be treated as a valid proxy form lodged by the Shareholder if correctly completed.**

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## LETTER FROM THE BOARD

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- (iii) **If the Revised Proxy Form is lodged with the Company after the Closing Time, the Revised Proxy Form will be invalid. However, it will revoke the First Proxy Form previously lodged by the Shareholder and any vote that may be cast by the purported proxy (whether appointed under the First Proxy Form or the Revised Proxy Form) will not be counted in any poll which will be taken on a proposed resolution. Accordingly, Shareholders are advised not to lodge the Revised Proxy Form after the Closing Time.** If such Shareholders wish to vote at the AGM, they will have to attend in person and vote at the AGM themselves.

Shareholders are reminded that completion and delivery of the First Proxy Form and/or the Revised Proxy Form will not preclude Shareholders from attending and voting in person at the AGM or at any adjourned meeting should they so wish.

Whether or not you proposed to attend the meeting, you are requested to complete the Revised Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding of the AGM or any adjournment thereof.

All resolutions will be passed by way of poll.

Yours faithfully,  
On behalf of the Board  
**Guangzhou Pharmaceutical Company Limited**  
**Yang Rongming**  
*Chairman*

## Appendix I:

## 1. Profiles of the candidates for election as directors

**Mr. Li Chuyuan**, aged 44, holds a bachelor degree and master degree in Executive Business Administration, and is a senior economist. Mr. Li started his career since July 1988 and had been Deputy Director of operation department of Guangzhou Baiyunshan Pharmaceutical General Factory, Assistant to General Manager and Deputy General Manager of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. Mr. Li currently is the Deputy Chairman of the Science, Education, Sanitation and Sport Committee of Guangdong Political Consultative Conference, director and Deputy General Manager of Guangzhou Pharmaceutical Holdings Limited, director of Guangzhou Baiyunshan Pharmaceutical Co., Ltd, the Secretary of the Communist Party Committee and General Manager of Guangzhou Hutchison Whampoa Chinese Medicine Co., Ltd and General Manager of Polian Development Co., Ltd in Hong Kong. Mr. Li has extensive experience in the fields of corporate management and marketing.

**Mr. Qiu Hongzhong**, aged 53, a master degree postgraduate and professor. He graduated in 1981 with a degree in clinical medicine and was a master degree postgraduate in 1988. He was a senior visiting scholar of anthropology in Sun Yat-sen University and completed courses of strategic management training class in Party School of the Central Committee of C.P.C.. Mr. Qiu had been the Head of the Medical Department in DongJiang Hospital of Eighth Engineering Bureau, Ministry of Water Conservancy, Deputy Director of Department of Society Science in Guangzhou University of Traditional Chinese Medicine, Deputy head of Huodao Town, Gaoyao County of Guangdong Province, a visiting scholar of anthropology in Sun Yat-sen University, Standing Vice President, President and the Secretary of the Communist Party Committee of School of Economic and Management in Guangzhou University of Traditional Chinese Medicine. Mr. Qiu is currently the President, Graduate Tutor, Professor and Chief Physician of School of Economic and Management in Guangzhou University of Traditional Chinese Medicine, and is also a member of the Medicine Teaching and Guidance Committee of Higher Education Institution under the Ministry of Education of China, Deputy Director of Psychology of TCM in Chinese Medical Association of Guangdong Province, Editor of the national core journal – Journal of Medicine and Philosophy, Standing Director of the Society of Chinese Medicine and Health Economics, an expert of Health Economics Institute of Guangdong Academy of Medical Sciences and Standing Vice-chairman of School of Management of Hospital of Traditional Chinese Medicine of Guangdong Provincial Association of Chinese Medicine. Mr. Qiu has extensive experience in economic management and pharmaceutical industry.

2. The information in relation to the candidates as directors as required to be disclosed to the shareholders under Rule 13.74 and the note to the Rule 13.51(2) of the Listing Rules on the Stock Exchange is set out below:

According to the emolument policy of the Group, the annual emoluments of the directors of the Company are proposed by the Board to the annual general meeting 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. If elected, Mr. Li Chuyuan and Mr. Qiu Hongzhong will be entitled to emoluments determined by the Board in accordance with the authorization of the general meeting of the Company.

If elected, Mr. Li Chuyuan and Mr. Qiu Hongzhong shall serve, from the date of their respective appointments to the date when members of the new session of the Board are elected.

Save as disclosed above, Mr. Li Chuyuan and Mr. Qiu Hongzhong do 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 supplemental circular, Mr. Li Chuyuan and Mr. Qiu Hongzhong do not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information disclosed above, all candidates as mentioned above have indicated that there is no other information required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of shareholders.





# 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)

## SUPPLEMENTAL NOTICE OF THE 2009 ANNUAL GENERAL MEETING

Reference is made to the notice of the 2009 annual general meeting (the “AGM”) of Guangzhou Pharmaceutical Company Limited (the “Company”) dated 11 May 2010 (“Notice of the AGM”), which set out the resolutions to be considered by the shareholders at the AGM to be held at the conference room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC, on Monday, 28 June 2010 at 10:00 a.m..

The Company received a written notice from the Company’s controlling shareholder, namely Guangzhou Pharmaceutical Holdings Limited (holding 48.20% equity interest of the Company), of its intention to propose two resolutions, namely the proposed further amendments to the Articles of Association and the nomination of additional candidates for election as directors at the AGM. Details of the proposed resolutions are set out below:

- (1) Proposed amendments to Articles of Association of the Company

**Article 123 is to be amended as follows:**

The Company set up the Board (the “Board”). The Board of Directors consists of nine directors, including one chairman and one vice chairman.

- (2) Nomination of Mr. Li Chuyuan as a candidate for election as an executive director and Mr. Qiu Hongzhong as a candidate for election as an independent non-executive director of the new session of the Board of the Company.

The Board considers that qualifications of the proposer of the above resolutions is legal and the procedure is in compliance with the relevant regulations, and agreed to submit the following additional resolutions to the AGM which will be held as originally scheduled, for consideration by the shareholders:

- (1) To be considered by way of special resolution:

Proposed amendments to the Articles of Association of the Company:

**Article 123 is to be amended as follows:**

The Company set up the Board (the “Board”). The Board of Directors consists of nine directors, including one chairman and one vice chairman.

- (2) To be considered by way of ordinary resolution:

To elect Mr. Li Chuyuan as executive director and to elect Mr. Qiu Hongzhong as independent non-executive director of the new session of the Board of the Company. Each of them will have a term of office for three years commencing from his date of appointment up to the date when members of the new session of the Board are elected.

Details of the proposed resolutions are set out in the announcement of resolutions passed at the 22nd meeting of the fourth session of the Board.

Apart from the above-mentioned, the eligibilities for attending the AGM, proxy, the registration procedures, closure of register of members and other relevant matters in relation to the AGM remain unchanged. Please refer to the Notice of the AGM dated 11 May 2010 for details, which was published in Shanghai Securities News, the websites of The Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.gpc.cpm.cn](http://www.gpc.cpm.cn)). The Company will send a supplemental circular and the revised proxy form which contain the additional proposed resolutions to holders of the H shares of the Company in due course.

The Board of  
**Guangzhou Pharmaceutical Company Limited**

Guangzhou, the PRC, 9 June 2010