

GUANGZHOU PHARMACEUTICAL COMPANY LIMITED PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR OF THE COMPANY

In accordance with the Articles of Association and the Rules of Procedures of the Board of Directors of Guangzhou Pharmaceutical Company Limited (the “Company”), the procedures for shareholders to propose a person for election as a director of the Company are set out as follows:

- I. A candidate for director may be proposed by the Board, the Supervisory Committee, or shareholder(s) individually or jointly holding 1% or more of the issued shares of the Company, and the candidate shall be elected by a general meeting of the Company.

The nomination of a director candidate shall be in accordance with the following criteria:

- i. The candidate shall meet the requirements of relevant laws, regulations, the Articles of Associations and the Rules to ensure the Board can express constructive opinions at the Board meetings and allow the Board to make decisions on a scientific, prompt and prudent basis.
 - ii. The candidate shall possess the knowledge, skills and quality necessary for performing the duties.
 - iii. The candidate, upon being elected, shall enable the Board to operate under a rational and professional structure.
- II. Prior to the convening of the general meeting, each candidate shall undertake to the Company in writing that he agrees to accept the nomination, disclose his information which is true and complete, and that he shall conscientiously perform his duties as a director upon being elected.

The Company shall disclose detailed information in respect of the director candidate prior to the convening of the general meeting to ensure sufficient understanding of the candidate by shareholders before voting.

- III. To nominate a director candidate, the following documents shall be served to the Company (address: 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC) or the share registrar of the Company in Hong Kong, Hong Kong Registrars Limited (address: 17M/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong) seven days prior to the convening of the general meeting, including:

- i. written notice of the intention to nominate the director candidate and his consent letter to accept the nomination;
- ii. notice of the intention to put forward a motion to the general meeting;
- iii. letter signed by the candidate indicating his consent to accept the nomination;
- iv. information in respect of the candidate, including:
 - 1. Declaration and Undertakings of Directors required to be made under the Listing Rules of The Shanghai Stock Exchange;
 - 2. information in respect of the candidate which is discloseable pursuant to Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
 - 3. other information set out below in the appendix “Required Information of Candidates Nominated by Shareholders”;
 - 4. consent letter of the candidate on disclosure of his personal information.

Appendix:

Required Information of Candidates Nominated by Shareholders

In order to allow shareholders to make informed decisions on election of directors, the notice of the intention of shareholder to put forward a motion shall be attached with the following information of the nominated candidate:

1. full name and age;
2. educational background;
3. position in the Company and its subsidiaries (if any);
4. current position of the candidate and any other information necessary for shareholders to understand the candidate's capability or integrity (including business experience and academic background), including his working experience in the last five years, any directorship in any other listed company with securities listed in Hong Kong or any other overseas securities markets; and any other important appointments and professional qualifications;
5. period of time served or to serve in the Company;
6. any connections with any of directors, supervisors, senior management, substantial shareholders or controlling shareholder(s) of the Company, or an appropriate representation disclaiming such connections;
7. whether the candidate has been penalised by the China Securities Regulatory Commission or any other relevant authorities or stock exchanges;
8. any interests in the shares (as defined in Part XV of the Securities and Futures Ordinance of Hong Kong), or an appropriate representation disclaiming any such interests;
9. the Declaration and Undertakings of directors required under the listing rules of the Shanghai Stock Exchange and the representation in accordance with the requirements on discloseable information under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as made by the candidate, or a negative statement, and an appropriate representation that there is no other matter relating to the nominated candidate to be elected as director that needs to be brought to the attention to the shareholders; and
10. contact information.