

Change in share capital

1 Movement in and components of the share capital

Unit: share

	Before this change	Right issues	Change (+, -)		New issues	Others	Sub-total	After the change
			Bonus issues	Reserves to shares				
A. Unlisted shares								
1. Initiators' shares								
including:								
State-owned shares	513,000,000	-	-	-	-	-	-	513,000,000
Domestic legal entities' shares	-	-	-	-	-	-	-	-
Foreign legal entities' shares	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
2. Collected legal entities' shares	-	-	-	-	-	-	-	-
3. Inner staff shares	-	-	-	-	-	-	-	-
4. Preferred shares or others	-	-	-	-	-	-	-	-
Total unlisted shares	<u>513,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>513,000,000</u>
B. Listed shares								
1. RMB ordinary shares	-	-	-	-	78,000,000	-	-	78,000,000
2. Foreign shares under the domestic offering	-	-	-	-	-	-	-	-
3. Foreign shares under foreign offering (H Shares)	219,900,000	-	-	-	-	-	-	219,900,000
4. Others	-	-	-	-	-	-	-	-
Total listed shares	<u>219,900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,000,000</u>	<u>-</u>	<u>-</u>	<u>297,900,000</u>
C. Total Shares	<u>732,900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,000,000</u>	<u>-</u>	<u>-</u>	<u>810,900,000</u>

2 Shares issued to the public

The H shares of the Company were issued in Hong Kong on 24 October 1997. The issue price was HK\$1.65 per share and 219,900,000 shares of Rmb1.00 each were issued. These H shares were listed on the HKSE on 30 October 1997.

The A shares of the Company were issued in the PRC on 10 January 2001. The issue price was Rmb 9.80 per share and 78,000,000 shares of Rmb1.00 each were issued. These A shares were listed on the SSE on 6 February 2001.

Subsequent to the issue of A shares, the total issued share capital of the Company is 810,900,000 shares of Rmb1.00 each, which included 513,000,000 State-owned shares, 78,000,000 A shares, and 219,900,000 H shares. The State-owned shares, A shares, and H shares respectively represented 63.26%, 9.62% and 27.12% of the Company's total issued share capital.

3 The inner staff shares

The Company does not have any inner staff shares.

Introduction of shareholder details

1 Number of shareholders as at 31 December 2001

As at 31 December 2001, there were 62,670 shareholders in total. Only one shareholder holds the State-owned shares for the State. There were 62,632 shareholders holding the A shares and 37 shareholders holding the H shares.

2 Substantial shareholders

(a) The register of substantial shareholders maintained under section 16(1) of the Securities (Disclosure of Interests) Ordinance (the "SDI Ordinance"), Chapter 396 of the Laws of Hong Kong shows that as at 31 December 2001, the Company had the following substantial shareholders' interest, being 10% or more of the Company's issued share capital. These interests are in addition to those disclosed elsewhere in this report in respect of the directors, supervisors and chief executives.

- (i) GZPHL held 513 million State-owned shares, representing approximately 63.26% of the issued share capital of the Company as at 31 December 2001.
- (ii) As notified by the HKSCC Nominees Limited, the following companies were holding more than 10% of the H shares issued by the Company as at 31 December 2001:

Shareholders	Types of shares	shareholding at year end	Percentage
Guotai Junan Securities (Hong Kong) Company Limited	H Shares	26,342,000	11.98%
The Hong Kong and Shanghai Banking Corporate Limited	H Shares	26,293,950	11.96%

Other than those listed above, there was no other person holding more than 10% of the Company's issued share capital as at 31 December 2001.

(b) As at 31 December 2001, the top ten major shareholders of the Company were as follows:

Shareholders	Type of shares	No. of shares	%
GZPHL	State-owned shares	513,000,000	63.26
HKSCC Nominees Limited	H Shares	218,683,000	26.97
Xinghe Trust Fund	A Shares	337,108	0.04
Deng Dakai	A Shares	305,740	0.04
De Jing Department Store	A Shares	160,600	0.02
Southern Trust Fund	A Shares	151,212	0.02
Tianyuan Trust Fund	A Shares	139,000	0.02
Sun Xisheng	A Shares	135,530	0.02
Zhang Na	A Shares	123,000	0.02
Xie Fenghua	A Shares	115,000	0.01

Note: Southern Trust Fund and Tianyuan Trust Fund, are under common control of China Southern Fund Management Co., Ltd. Other top ten shareholders are not connected with each other.

(c) Information of controlling shareholder

Name of shareholder	:	GZPHL
Legal representative	:	Cai Zhixiang
Date of establishment	:	7 August 1996
Registered capital	:	Rmb1,007,700,000
Type of legal entity	:	State-owned enterprise with limited liability

GZPHL's business scope is to invest in and manage State-owned assets, to sell and manufacture Western pharmaceutical medicine, CPM, Chinese raw medicine, biological products, medical apparatus, packing materials for pharmaceutical products, health drinks and food, hygienic materials and medicine-related merchandise; to undertake medicine-related import and export affairs and to develop real estate.

(d) The shares held by GZPHL were not pledged as collateral during the reporting period.

During the reporting period, GZPHL was planning to use part of the State-owned shares in the Company for the debt restructuring of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. ("GZ Baiyunshan") The total number of shares concerned is 122,630,000, representing approximately 15.12% of the Company's issued share capital. As the equity restructuring is near completion, the said shares will be pledged or disposed. The Company will make necessary disclosure of this matter in accordance with relevant rules and regulations in due course.

(e) During the reporting period, the Company and its subsidiaries have not redeemed any of the Company's shares. Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's shares.

(f) During the reporting period, there was no change in the ultimate holding company.

Pre-emptive rights

According to the laws of the PRC and the articles of association of the Company, there is no pre-emptive rights provision which would oblige the Company to issue new shares to existing shareholders on a pro-rata basis.