

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



廣州藥業股份有限公司

Guangzhou Pharmaceutical Company Limited

(a joint stock company established in the People's Republic of China ("PRC") with limited liability)

ANNOUNCEMENT

The Board has noted an article about the possible impact of SARS on the pharmaceutical industry in the PRC that appeared in a Guangzhou newspaper named “二十一世紀經濟報導” (“Economic News of the 21st Century”) on 7 May 2003 and accordingly would like to make this announcement. This announcement is made in accordance with paragraph 2(2) of the Listing Agreement.

The board of directors (“Board”) of Guangzhou Pharmaceutical Company Limited (“Company”) has noted an article about the possible impact of Severe Acute Respiratory Syndrome (“SARS”) on the pharmaceutical industry in the PRC that appeared in a Guangzhou newspaper named “二十一世紀經濟報導” (“Economic News of the 21st Century”) on 7 May 2003.

The Company does not manufacture pharmaceutical products aimed at treating SARS and presently has no plan or intention to develop such products. Up to the date of this announcement, the outbreak of SARS has not caused any material impact on the operating results of the Company. The Board does not currently have a view as to how long the effects of the SARS outbreak will continue, and it is therefore not possible, at this stage, to quantify the potential impact (if any) on the Company's results for the remainder of the year. If the Company notices any material impact on its operating results caused by SARS in the future, it will make a further announcement to that effect. The Company has fully complied with the disclosure requirements for a listed company in the PRC and in Hong Kong. The Company has designated Shanghai Securities News as its official channel for public announcements in the PRC, and the Standard (in English) and the Hong Kong Economic Times (in Chinese) for the publication of this announcement in Hong Kong .

This announcement is made in accordance with paragraph 2(2) of the Listing Agreement.

By order of the Board
He Shuhua
Company Secretary

Guangzhou, the PRC, 12 May 2003

Please also refer to the published version of this announcement in The Standard / Hong Kong Economic Times.