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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 with limited liability)

(Stock Code: 0874)

ANNOUNCEMENT

The directors of the Company (the “Directors”) have noted the recent increases in the price of the shares and increase in trading volume of the shares of Guangzhou Pharmaceutical Company Limited (the “Company”) and wish to state that the Directors are not aware of any reasons for such increase.

The Directors understand that the Company is in the process of negotiating terms of the continuing connected transactions (as defined in the Rules Governing the Listing of securities on the Stock Exchange) with Guangzhou Pharmaceutical Holdings Company Limited, a substantial shareholder holding approximately 60.55% interest in the Company. **As the transactions may or may not be proceed. The shareholders are advised to exercise caution when dealing the shares of the Company. Further announcement will be made once the transactions are materialised.**

Save as disclosed above, the Directors also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23, neither is the board of Directors (the “Board”) aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors collectively and individually accept responsibility for the accuracy of this statement.

By Order of the Board
Guangzhou Pharmaceutical Company Limited
He Shuhua
Company Secretary

Guangzhou, the People's Republic of China, 25 April 2005

As at the date of this announcement, the Board comprises Mr. Yang Yongming, Mr. Zhou Yuejin, Mr. He Shuhua and Mr. Feng Zansheng as executive directors, and Mr. Wu Zhang, Mr. Wong Hin Wing and Mr. Zhang Heyong as independent non-executive directors.

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