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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)

RESOLUTIONS PASSED AT THE 11TH MEETING OF THE 3RD SESSION OF THE BOARD OF DIRECTORS

Guangzhou Pharmaceutical Company Limited (the "Company") and all members of the Board of Directors ("the Board") hereby confirm the truthfulness, accuracy and completeness of the contents of this announcement and jointly and severally accept full responsibility for any false representation, misleading statement or material omission herein contained.

The Company held the 11th meeting of the 3rd session of the Board of Directors on 27 April 2005 at the Conference Room, 2nd Floor, 45 Sha Mian North Street, Guangzhou City. Six out of the seven eligible directors of the Company attended the meeting, among whom Mr. Feng Zansheng, an executive director, attended the meeting by means of telecommunication. Mr. Yang Rongming was not able to attend this meeting because of official businesses. He has appointed Mr. Zhou Yuejin, the Vice Chairman, on behalf of him to exercise the voting right. The meeting was chaired by the Vice Chairman, Mr. Zhou Yuejin, with the supervisors, the senior management, domestic and overseas auditors and lawyers present at the meeting in accordance with the Company Law and the Articles of Association of the Company. After due discussions, the following matters were considered and unanimously approved by the directors at the meeting:

1. The directors' report of the Company for the year 2004;
2. The financial report of the Company for the year 2004;
3. Resolution regarding provision for impairment loss on inventories of Guangzhou Chinese Medicine Corporation ("Medicine Corporation"), the subsidiary of the Company;

It was consented that the inventory of merchandise of Medicine Corporation, the subsidiary of the Company, as at 31 December 2004, is charged for impairment provision of inventories of RMB24,388,727. The provision for impairment of inventories is charged into the profit and loss account of 2004.

4. The auditors' report for the year 2004;
5. The proposed profit distribution and dividend payment for the year 2004;
 - (1) the distribution of the profit after tax of the Company and its subsidiaries are as follows:
 - (i) among its subsidiaries, manufacturing business transfers 10% to the statutory surplus reserve fund, 10% to the statutory public welfare reserve, 10% to the discretionary surplus reserve; trading business transfers 10% to the statutory surplus reserve fund, 10% to the statutory public welfare reserve, 20% to the discretionary surplus reserve.
 - (ii) the Company transfers 10% to the statutory surplus reserve fund, 5% to the statutory public welfare reserve, and no transfer is made to the discretionary surplus reserve.
 - (2) the final dividend for 2004 is recommended to be RMB0.025 per share (inclusive of tax for A shares), the total amount of annual dividends to be distributed amounts to RMB20,272,500.
6. The projected profit distribution policy for the year 2005;

The Company proposes that there will be only one dividend distribution in 2005; the amount to be apportioned as dividend will not be lower than 30% of the net profit and this will be distributed in the form of cash; the Company does not plan to make any transfer from surplus reserve to capital in 2005.

7. The amount of total emoluments to be paid to the directors of the Company for the year 2005;
It is proposed that for 2005, the total amount of emoluments of services for the Company's directors will be RMB2,460,000.
8. The amount of total emoluments to be paid to the supervisors of the Company for the year 2005;
It is proposed that for 2005, the total amount of emoluments of services for the Company's supervisors will be RMB250,000.
9. The Company's amended agreement for connected transactions in respect of purchases and sales and the transactions contemplated thereunder (Please refer to the Company's announcement of ongoing connected transactions for details.).
10. The proposals regarding cancelling Guangzhou Guangyao Ying Bang Marketing Co., Ltd. ("Ying Bang Company") and establishing Ying Bang Branch of Guangzhou Pharmaceutical Company Limited ("New Company");

The New Company is a non-independent corporate branch directly under Guangzhou Pharmaceutical Company Limited. Establishment of the New Company is beneficial for the Company to strengthen its managerial function and enhance operating efficiency, so as to integrate its marketing resources for overall market expansion.

11. The proposals regarding the amendments of the Articles of Association of the Company;

- (1) Original Article 6 is amended as:

Article 6 The Articles of Associations are amended by way of special resolution passed at the 2004 Annual General Meeting and come into effect thereupon, with the original Articles of Associations terminated on the same day.

The Articles of Association shall be since its effective date taken as the instrument with binding effect in governing the Company's organisations and corporate behaviour, the rights and obligations between the Company and shareholders and among shareholders.

- (2) Original Article 11 is amended as:

Article 11 The Company's business scope covers operation and investment and development in state-owned assets and the financing, the development and manufacture of CPM, production of biological products, healthcare medicines and drinks (licensed), wholesale and retail trade (inclusive of CPM and exclusive of the State's specially operated and managed projects), sales of dangerous class B chemicals and medical apparatus (to the extent of the products authorized by dangerous chemicals operation license and medical apparatus operation enterprise license)

The Company shall engage in operations within the registered business scope.

- (3) Original Article 18 is amended as:

Article 18 According to an approval by the governmental bodies authorized by the State Council, the Company issued 513,000,000 shares to its promoters upon its establishment, representing 100% of the Company's then total ordinary shares in issue, which were held by Guangzhou Pharmaceutical Holdings Limited.

As approved by the securities competent authorities of the State Council, the Company issued 219,900,000 overseas listed foreign capital shares after its establishment.

As approved by the securities competent authorities of the State Council, the Company issued 78,000,000 additional RMB denominated ordinary shares. Following the completion of the new issue, the share capital of the Company is as follows:

Ordinary shares aggregate to 810,900,000 shares, of which 513,000,000 shares are held by the holders of state-owned shares, accounting for 63.263% of the total issued ordinary shares, of which 491,000,000 shares are held by Guangzhou Pharmaceutical Holdings Limited, the Company's promoter, accounting for 60.550% of the total issued ordinary shares.

219,900,000 shares accounting for 27.118% of the total issued ordinary shares are held by the holders of overseas listed foreign capital shares.

78,000,000 shares accounting for 9.619% of the total issued ordinary shares are held by public shareholders.

- (4) The following article is added after original Article 50 as Article 51:

Article 51 The controlling shareholder and the de facto controller of the Company have the duty to act in good faith towards the Company and public shareholders of the Company. The controlling shareholder should strictly exercise their rights as contributors in accordance with the laws. The controlling shareholder shall not take advantage of connected transactions, profit distribution, asset restructuring, external investment, capital appropriation or loan guarantee in violation of the interests of the Company and public shareholders, or take advantage of its controlling position in violation of the interests of the Company and public shareholders.

Original Article 51 shall be renumbered as Article 52.

- (5) Original Article 52 is amended as:

Article 53 The general meeting shall exercise the following powers:

- (i) to determine the operational guidelines and investment plan;
- (ii) to elect and remove directors and to fix the remunerations of the relevant directors;
- (iii) to elect and remove supervisors from shareholder representatives and to fix the remunerations of the relevant supervisors;
- (iv) to consider and approve the report of the Board of directors;
- (v) to consider and approve the report of the Supervisory Committee;
- (vi) to consider and approve annual budget plan and budget implementation plan of the Company;
- (vii) to consider and approve profit distribution plan and plans for recovery of losses;
- (viii) to resolve the increase or decrease in registered capital;
- (ix) to resolve the merger, division, dissolution and liquidation of the Company;
- (x) to resolve issue of bonds of the Company;
- (xi) to resolve appointment, removal or retirement of an accounting firm;
- (xii) to amend these articles of Association;
- (xiii) to consider and approve the proposal from the shareholders holding 5% or more of the Company's shares carrying voting rights;
- (xiv) to approve the Company to provide the qualified parties with external guarantee in the amount more than 10% of the net asset value published in the latest audited consolidated financial statements of the Company;
- (xv) to consider and approve the significant acquisition, disposal, and exchange of assets (subject to the rules governing the listing of securities on the relevant securities exchange);
- (xvi) to authorise or entrust the Board of Directors to handle the matters as authorized or entrusted;

When authorising or entrusting the Board of Directors to handle the matters authorised or entrusted by it, the General Meeting shall follow the principles of safeguarding the legal rights of the Company's shareholders, strictly complying with the laws and regulations and ensuring the Company is operated efficiently and decisions are made scientifically. The General Meeting may authorise and entrust the following matters to the Board of Directors:

1. Amendments to the wording of the Company's Articles of Association after the principle of amending the Company's Articles of Associations had been approved at the General Meeting;
2. Distribution of interim dividends;
3. Notices concerning issuance of new shares and convertible debentures;
4. Disposal, mortgage or guarantee of fixed assets under approved operational guidelines and investment plans;
5. Other issues which can be authorised and entrusted in accordance with laws, regulations and these Articles of Associations of the Company.

(xvii) to resolve for other matters in accordance with laws, administrative regulations and these articles of Association of the Company.

Original Article 53 to Article 58 is renumbered as Article 54 to Article 59 respectively.

(6) Original Article 59 is amended as:

Article 60 In meeting the criteria, the notice of a general meeting shall :

- (i) be made in writing;
- (ii) specify the place, date and time of the meeting;
- (iii) set out the matters to be considered at the meeting;
- (iv) provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to reorganise the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal shall be properly explained;
- (v) disclose the nature and degree of the material interest of any director, supervisor, general manager and other senior management member in the matters to be considered. In case that the impact of the matters to be considered on such director, supervisor, general manager and other senior management member as a shareholder is different from that on other holders of a class of shares, the difference shall be clarified;
- (vi) set out the full text of any special resolution proposed to be approved at the meeting;
- (vii) contain a written statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder;
- (viii) specify the time and place for lodging proxy forms for the relevant meeting.

In convening the general meeting and providing online voting for domestic shareholders, the Company shall specify the time of online voting, voting procedures and the matters to be considered in the notice of the meeting.

Original Articles 60 to 66 is renumbered as Articles 61 to 67.

(7) Articles 68 to 70 is added after the amended Article 67:

Article 68 The Company shall, on the basis of the validity and effect of the meetings, use all means and channels as far as practicable, including the use of modern information technology to provide a network voting platform, to increase the participation of public shareholders present at general meetings.

Article 69 To effectively safeguard the interests of public shareholders, the Company may, if conditions permit, provide a network voting system for domestic shareholders to vote at shareholders' general meetings. The Company shall provide a network voting platform for the shareholders to vote in relation with the matters set out in Article 79.

If a network platform is provided for domestic shareholders to vote at the shareholders' general meeting, all domestic shareholders whose names appeared in the register of the Company at the date of record of shareholders are entitled to vote via the network, provided that only one of the voting forms either by person, network or other required ways shall be selected for shares of the same class.

Network voting for domestic shareholders at a general meeting shall be implemented in accordance with relevant laws, regulations and provisions.

Article 70 The Board of Directors, independent directors and eligible shareholders are entitled to collect proxy from other shareholders at a general meeting. Such collection of proxy shall be at nil consideration, and sufficient information shall be disclosed to the principal shareholder.

Original Articles 67 to 74 is renumbered as Articles 71 to 78 respectively.

- (8) Articles 79 to 80 is added after the amended Article 78:

Article 79 Unless otherwise stipulated in this article, the implementation or proposal of the following matters are subject to and conditional upon approval at the general meeting with more than half of the voting rights held by public shareholders who participate in the poll:

- (i) any issue of new shares to the public, issue of convertible debentures, and share placement to existing shareholders (save for the shares to be fully subscribed in cash by the ultimate controlling shareholder pursuant its undertakings prior to the convening of the meeting);
- (ii) any material asset restructuring involving acquisition(s) at a total consideration exceeding 20% or more of the audited net book value of the assets acquired;
- (iii) any repayment of debts due to the Company from a shareholder by way of its equity interest;
- (iv) any proposed overseas listing of a subsidiary of material importance in the Company;
- (v) any matter with significant impact on interests of public shareholders in the course of the Company's operations.

The Company shall set out in its announcement of resolutions with respect to the abovementioned matters passed at the general meeting the number of public shareholders present at the meeting, total shares held by them and as a percentage in the Company's shares held by the public and the outcome of poll, and disclose the shareholdings and votes of the top 10 public shareholders participating in the poll.

For the purpose of considering the abovementioned matters at a general meeting, the Company shall provide shareholders with access to voting by virtue of network.

Article 80 For the purpose of considering the matters set out in Article 79, the Company shall, after publishing the notice of general meeting, re-publish the notice of general meeting within 3 days following the date of record of the shareholders.

- (9) Original Article 75 is amended as:

Article 81 The convening of a shareholders' extraordinary general meeting or a class meeting which is proposed by shareholders or the supervisory committee shall be in compliance with the following procedures:

- (i) Two or more shareholders jointly holding 10 per cent or more of the shares carrying voting rights at the meeting sought to be held or the supervisory committee shall sign one or more counterpart written requisition stating the subject of the meeting to request the board of directors to convene an extraordinary general meeting or a class meeting. The board of directors shall as soon as possible proceed to convene the extraordinary general meeting or a class meeting after receiving the requisition. The amount of shareholdings referred to above shall be calculated according to the shareholders' shareholdings at the date of the deposit of the requisition.
- (ii) If the board of directors fails to issue a notice of such a meeting within thirty (30) days from the date of the receipt of the requisition, the shareholders or the supervisory committee so requested may themselves convene such a meeting in procedures as similar as possible as those for the meeting to be convened by directors within four (4) months from the date of receipt of the requisition by the board of directors.

Any reasonable expenses incurred for a meeting convened by the shareholders or the supervisory committee by reason of the aforesaid failure of the board of directors in duly convening a meeting shall be borne to the Company, and shall be deducted from the payables due from the Company to the director(s) in default.

Original Articles 76 to 82 is renumbered as Articles 82 to 88 respectively.

- (10) Original Article 83 is amended as:

Article 89 Rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution at the general meeting and by holders of shares of that class at a class meeting conducted in accordance with Articles 91 to 95.

Original Articles 84 is renumbered as Articles 90.

(11) Original Article 85 is amended as:

Article 91 Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 90, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph is:

- (i) in the case of a repurchase of shares by pro rata offered to all shareholders or by public dealing on a stock exchange under Article 27, a “controlling shareholder” within the meaning of Article 50 herein;
- (ii) in the case of a repurchase of shares by an off-market agreement under Article 27, a shareholder to whom the proposed agreement relates;
- (iii) in the case of a restructuring of the Company, a shareholder within a class who bears less than proportionate liabilities imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

(12) Original Article 86 is amended as:

Article 92 Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class represented at the relevant meeting who, according to Article 91, are entitled to vote at class meetings.

Original Articles 87 to 99 is renumbered as Articles 93 to 105 respectively.

(13) Original Article 100 is amended as:

Article 106 The board of directors may consider and approve resolutions in written form instead of convening meetings. Draft of such resolutions shall be despatched to each director through email, mail, telegraph, fax or in person. Such resolution will be passed as a resolution of the board of directors only after it is signed and approved by two-third or more of the directors and deposited to the secretary to the board of directors by one of the aforesaid means.

For the purpose of resolutions required to be passed by voting at an extraordinary board meeting, if the resolution to be passed was sent to all the directors in writing (including email, telegraph and fax) and the number of directors who sign and approve such a resolution satisfies the quorum as required for such decision under Article 98 herein, such resolution is deemed effectively passed and no meeting of the board of directors is required.

Original Article 101 is renumbered as Article 107.

(14) Article 108 is added after the amended Article 107:

Article 108 Consideration rules and voting procedures of the meetings of the board of directors shall be in accordance with Rules of Procedures for the Board of Directors of the Company.

Original Articles 102 to 104 is renumbered as Articles 109 to 111 respectively.

(15) Original Article 105 is amended as:

Article 112 The Company shall appoint independent directors. The ratio of independent directors to the total number of directors in the board of directors shall be no less than one-third. Under no circumstances shall there be less than three independent executive directors (independent directors shall satisfy the requirements on an independent non-executive director under the Rules Governing of the Shanghai Securities Exchange and the Listing of Securities on the Stock Exchange of Hong Kong Limited respectively), one of whom should be a professional accountant with senior title or qualifications as a public certified accountant.

(16) Article 113 is added after the amended Article 112:

Article 113 Independent directors shall attend meetings of the board of directors on time, and shall keep informed of the production and operation of the Company and conduct active investigation to obtain the particulars and information required for resolutions. Independent directors shall submit an annual work report of all independent directors to the annual general meeting of the Company, stating their performance of duties.

Original Articles 106 to 107 is renumbered as Articles 114 to 115 respectively.

- (17) The original Article 108 is amend as:

Article 116 An independent director shall take obligations of good faith and due diligence for the Company and all shareholders. An independent director shall perform his duties in serious manner, safeguard the overall interests of the Company and, in particular, protect the legal rights of the minority shareholders under the relevant laws, regulations and these Articles of Association.

An independent director shall carry out his duties independently without being affected by the substantial shareholders, de facto controller or any entity or individual interested in the Company or its substantial shareholders or de facto controller, and shall ensure that he has sufficient time and energy to effectively carry out his duties.

In the event that independent directors fail to comply with the requirement of independence or other situations that the independent director fail to perform his duty in the capacity of an independent director, which result in the inadequate number of independent directors as stipulated by these articles of Associations, the Company shall make up the number of independent directors as required.

- (18) The original Article 109 is renumbered as Article 117, and paragraph (vi) of this article is amended to:

Article 117 (vi) An independent director may resign before expiration of his term. An independent director shall render his resignation report in writing to the Board of Directors explaining any details which are related to his resignation or are necessary in his opinion to be brought to attention of the shareholders and creditors of the Company. If the resignation of the independent director results in the percentage of independent directors in the board of directors or the members of the directors falls below the authorised minimum limit or the requirement of these Articles, the resignation shall become effective only upon the appointment of an alternate independent director. The Board of Directors shall convene a general meeting within two months to re-elect independent directors. In the case of that the Board of Directors fails to convene a due general meeting, independent directors are entitled not to perform their duties.

- (19) Original Article 110 is amend to:

Article 118 Powers and duties of independent directors

- (i) In order to exercise the functions of an independent director, save from the powers vested by the Company Law and other relevant laws, regulations and these Articles of Associations, the independent directors of the Company shall be vested with the following special powers and duties:
1. any material connected transaction (representing connected transactions entered into between the Company and any connected parties, the aggregate consideration for which is more than RMB3 million and more than 5% of the latest audited net asset value of the Company), shall first be approved by the independent directors, before being submitted to the Board of Directors for discussion. Before making a judgement, independent directors can appoint intermediaries to prepare an independent financial adviser's report as the basis for their judgement.
 2. propose to the Board of Directors for the appointment or dismissal of an accountants' firm;
 3. propose to the Board of Directors for convening an extraordinary general meeting;
 4. propose to convene the Board Meetings;
 5. appoint an external auditing firm or consultant independently;
 6. collect proxies from shareholders before proposing to the Board of Directors for convening an extraordinary general meeting or a board meeting or before convening a general meeting.
- (ii) An independent director shall obtain the consent of at least half of all independent directors when he exercises the above powers.
- (iii) Should the above proposal not be adopted or the above powers not be exercised normally, the Company shall disclose the above matters.
- (iv) With approval from all independent directors, independent directors may appoint an external auditing firm or consultant independently to provide auditing or consulting services in respect of particular events, and the relevant expenses occurred shall be borne by the Company.
- (v) Save from powers of directors and special powers vested by the Company, an independent director shall abide by all provisions herein in respect of duties of directors.

- (20) Original Article 111 is renumbered as Article 119 and paragraph 6 be added under paragraph (i) of this article:
Article 119 (i) 6. Nil cash distribution proposal recommended by the Board of Directors;
Accordingly, original Paragraphs 6 and 7 be renumbered as Paragraph 7 and 8 accordingly.
- (21) Original Article 112 is renumbered as Article 120 and paragraph (i) under this article be amended to:
Article 120 (i) The Company shall ensure that the independent directors have the same right to know as other directors, and provide the independent directors with relevant materials, information and its operation on a timely basis. On-site visits may also be provided when necessary. The Company shall at the statutory time inform the independent director in advance for matters to be resolved by the Board of Directors and provide them enough information. Should an independent director regard the information provided is not sufficient, he may request supplementary information. Whenever two or more independent directors are of opinion that the provided information is insufficient or the evidence is not explicit, they can jointly request the Board of Directors in writing to postpone the board meeting or postpone considering that matter, and the Board of Directors shall accept it accordingly. Information provided to independent directors by the Company shall be kept for at least 5 years by the Company and each independent director.
Original Articles 113 to 145 is renumbered as Articles 121 to 153 respectively.
- (22) Original Article 146 is renumbered as Article 154 and paragraph (3) be added:
Article 154 (iii) Considering and approving procedures for external guaranty
- (i) The Company shall obtain consent in signatures of over two-thirds members of the Board or approval from General Meeting in accordance with the laws, regulations in the PRC or the listing rules of its listing stock exchange when providing external guaranties. The powers of approval for the Board of Directors are stipulated in Rules of Procedures for the Board of Directors.
 - (ii) Adequate information in respect of credit standing of debtors shall be obtained and sufficient analysis with respect to benefits and risks about guaranties shall be conducted, with detailed disclosure in relevant announcements before the Board approves external guaranties (or submits it to general meeting for voting).
 - (iii) In case of a shareholder or director being interested in the guaranties to be resolved by general meetings or Board of Directors, the said shareholder or director shall abstain from voting.
- (23) Original Article 147 is amended to:
Article 155 In the case that the Company provides loans in violation of Article 154, the party receiving loans shall return the same immediately in any conditions and terms of loans.
- (24) Original Article 148 is amended to:
Article 156 In the case that the Company provides loans in violation of the first paragraph of Article 154, the Company shall not be put in force, unless:
- (i) that the loan is provided to directors, supervisors, general managers and other officers of the Company or its controlling company or their respective associates, and the person providing loans is not an informed person; or
 - (ii) that the collateral provided by the Company have been legally sold to bona fide purchaser by the party granting such loan.
- Original Articles 149 to 206 is renumbered as Articles 157 to 214 respectively.
- (25) Article 215 is added following the revised Article 214:
Article 215 The Rules of Procedures for General Meetings, The Rules of Procedures for the Board of Directors and the Rules of Procedures for Supervisory Committee shall be formulated in accordance with these articles. The aforesaid rules shall be made as appendices of these articles, come into effect upon approval from and amended by general meetings of the Company.

(26) Original Article 207 is amended as:

Article 216 In this Articles, the following expressions have the following meaning

“Articles of Association”, The existing articles of association of the Company in force

“Board of Directors”, The board of directors of the Company

“Supervisory Committee”, The supervisory committee of the Company

“The PRC”, the People’s Republic of China;

“Renminbi or RMB”, the lawful currency of PRC

“Chop”, common chop used and formal chop (if any) kept by the Company or either one of the two as the case may be.

“Business day” normal business hours for banks in the PRC (exclusive of Saturday)

Original Article 208 is renumbered as Article 217.

12. The proposed amendments to the Rules of Procedures for General Meetings of the Company (Please refer to the website of Shanghai Stock Exchange for details);
13. The proposed amendments to the Rules of Procedures for the Board of Directors of the Company (Please refer to the website of Shanghai Stock Exchange for details);
14. The proposal on 2005 first quarterly report of the Company;
15. The proposal for accepting of the application of Mr. He Shuhua’s resignation from his office of director;
16. The proposal for recommending Mr. Xie Bin as director candidate (see the attached biography);
17. The proposal for putting forth the convening of 2004 Annual General Meeting. (Further notice will be made upon the confirmation of the convening date of 2004 Annual General Meeting).

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules of the Stock Exchange of Hong Kong Limited.

Guangzhou Pharmaceutical Company Limited
The Board of Directors

Guangzhou, PRC, 27 April 2005

As at the date of this announcement, the Board comprises executive directors Mr. Yang Rongming, Mr. Zhou Yuejin, Mr. Feng Zansheng and Mr. He Shuhua (resigned on 27 April 2005), and independent non-executive directors Mr. Wu Zhang, Mr. Huang Xianrong and Mr. Zhang Heyong.

Mr. Xie Bin, aged 47, a master degree holder in science, is an economist. He has been the General Manager of the Company since November 2004. Since he began his career in August 1974, Mr. Xie had served as factory manager of Guangzhou Baiyunshan Chinese Medicine Factory, the factory manager of Guanzhou Baiyunshan Pharmaceutical Factory, the deputy general manager and the general manager of Guanzhou Baiyunshan Pharmaceutical Company Limited. Mr. Xie was also the vice Chairman of Guanzhou Wang Lao Ji Pharmaceutical Company Limited, the manager of Guanzhou Chinese Medicine Corporation and a director of Guanzhou Baiyunshan Pharmaceutical Company Limited. Mr. Xie has extensive experience in corporate management and marketing.

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