



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)

ANNOUNCEMENT OF THE RESOLUTIONS PASSED AT THE FIRST EXTRAORDINARY GENERAL MEETING OF 2005

Guangzhou Pharmaceutical Company Limited (the "Company") and all members of the board of directors of the Company (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.

1. INFORMATION REGARDING THE CONVENING AND ATTENDANCE OF THE FIRST EXTRAORDINARY GENERAL MEETING OF 2005 (THE "EGM")

The EGM of the Company was held on 16 September 2005 at 10:00 a.m. at the Conference Room of the Company at No.45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People's Republic of China (the "PRC"). 7 shareholders (including those represented by proxies) attended the EGM, representing a total of 509,228,702 shares or approximately 62.80% of the total number of issued shares of the Company (of which 491,000,000 shares were State-owned shares, representing approximately 60.55% of the total number of issued shares of the Company; 14,812,000 shares were H shares, representing approximately 1.83% of the total number of issued shares of the Company; 3,416,702 shares were A shares, representing approximately 0.42% of the total number of issued shares of the Company). The EGM was convened by the Board. Mr. Zhou Yuejin, the vice-chairman, presided at the EGM. Some of the directors, supervisors and senior management of the Company and the witnessing lawyer and auditors attended the EGM. The EGM was held in compliance with the Company Law of the PRC and the provisions of the Company's Articles of Association (the "Articles of Association") with respect to the convening and attendance of general meetings.

As at the date of the EGM, there were a total of 810,900,000 shares of the Company in issue, entitling the holders thereof to attend and vote for or against the resolutions set out in the notice of the EGM (the "Notice") dated 1 August 2005. No holders of shares in the Company were required to abstain from voting on the said resolutions and no holders of shares in the Company were entitled to attend and vote only against any of the said resolutions at the EGM.

2. RESOLUTIONS PASSED AT THE EGM

After discussion and consideration, the following resolutions, details of which were set out in the Notice, were passed at the EGM by means of poll:

(1) By way of ordinary resolutions:

1. the re-appointment of Guangdong Yangcheng Certified Public Accountants Co. Ltd. and PricewaterhouseCoopers, whose appointments have expired, as the domestic and Hong Kong auditors respectively, and the authorisation of the Board to determine their respective remunerations;

507,732,702 shares voted in favour, representing 99.71% of the total number of shares carrying the right to vote; 1,496,000 shares voted against, representing 0.29%; and 0 shares abstained, representing 0%.

2. the proposal in relation to the establishment of Ying Bang Branch Company of Guangzhou Pharmaceutical Company Limited (廣州藥業股份有限公司盈邦分公司);

507,704,702 shares voted in favour, representing 99.70% of the total number of shares carrying the right to vote; 1,524,000 shares voted against, representing 0.30%; and 0 shares abstained, representing 0%.

3. the proposal in relation to the establishment of Ying Bang Pharmacy of Guangzhou Pharmaceutical Company Limited (廣州藥業股份有限公司盈邦大藥房);

507,704,702 shares voted in favour, representing 99.70% of the total number of shares carrying the right to vote; 1,524,000 shares voted against, representing 0.30%; and 0 shares abstained, representing 0%.

(2) **By way of a special resolution:**

The proposal in relation to the amendments of the Articles of Association.

509,228,702 shares voted in favour, representing 100% of the total number of shares carrying the right to vote; 0 shares voted against, representing 0%; and 0 shares abstained, representing 0%.

3. INFORMATION REGARDING LAWYERS AND AUDITORS AS WITNESSES

Guangzhou Yangcheng Certified Public Accountants Co., Ltd, the Company's domestic auditor, acted as the scrutineer for the voting at the EGM.

The EGM was witnessed by Zhang Zhenya, a lawyer of Z & T Law Firm, who issued a legal opinion (the "Legal Opinion") that the assembly and the procedures for convening the EGM complied with the Company Law of the PRC and the provisions of the Company's Articles of Association, and the eligibility of the persons attending the EGM was lawful and valid. No new motions were proposed by shareholders at the EGM. The voting procedures of the EGM complied with the laws and regulations and the provisions of the Company's Articles of Association. The resolutions passed at the EGM were lawful and valid.

4. DOCUMENTS FOR INSPECTION

- (1) Resolutions of the EGM signed by the attending shareholders and shareholders' proxies;
- (2) The Legal Opinion on the EGM issued by the lawyer.

By order of the Board
He Shuhua
Company Secretary

Guangzhou, PRC, 16 September 2005

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Zhou Yuejin, Mr. Xie Bin 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.