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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)

(Stock Code: 0874)

Announcement in relation to the Amended Share Reform Plan

Reference is made to the Company's announcement in relation to the Share Reform Plan dated 14 March 2006.

The Board hereby, on behalf of GPLH and Great Wall Corporation, the Holders of Non-circulating Shares of the Company, announces the Amended Share Reform Plan.

This announcement is made pursuant to rule 13.09(2) of the Listing Rules.

This announcement is made with reference to the announcement in relation to the Share Reform Plan of Guangzhou Pharmaceutical Company Limited (the "Company") dated 14 March 2006 (the "Announcement") and is made pursuant to rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Unless otherwise specified, terms and expressions used in this announcement shall have the same meaning as those specified in the Announcement.

The Board hereby, on behalf of GPLH and Great Wall Corporation (collectively referred to as the "Holders of Non-circulating Shares"), announces the following amendments to the Share Reform Plan (as contained in the Announcement):

1. AMENDMENTS TO THE SHARE REFORM PLAN

- (1) After negotiations with the holders of A Shares of the Company, the Holders of Non-circulating Shares propose to amend the Share Reform Plan (the "Amended Share Reform Plan"). They will offer 3 Non-circulating Shares instead of 2.6 Non-circulating Shares to the holders of A Shares whose names appear on the register of members kept by Shanghai Branch of China Securities Depository and Clearing Corporation Limited as at the close of business on the Record Date for every ten A Shares held by such holders of A Shares.
- (2) The shareholding structure of the Company immediately after implementation of the Amended Share Reform Plan is set out below:

	immediately before the implementation of the Amended Share Reform Plan			immediately after the implementation of the Amended Share Reform Plan	
	Number of shares	% of issued share capital		Number of shares	% of issued share capital
1. Non-circulating Shares	513,000,000	63.26%	1. Shares in circulation that are subject to selling restrictions	489,600,000	60.38%
- GPLH	491,000,000	60.55%	- GPLH	468,603,509	57.79%
- Great Wall Corporation	22,000,000	2.71%	- Great Wall Corporation	20,996,491	2.59%
2. Listed shares	297,900,000	36.74%	2. Listed shares	321,300,000	39.62%
- A Shares	78,000,000	9.62%	- A Shares	101,400,000	12.50%
- H shares	219,900,000	27.12%	- H shares	219,900,000	27.12%
3. Total	<u>810,900,000</u>	<u>100.00%</u>	3. Total	<u>810,900,000</u>	<u>100.00%</u>

2. OPINIONS OF THE SPONSOR, INDEPENDENT NON-EXECUTIVE DIRECTORS OF THE COMPANY AND THE PRC LEGAL ADVISER

Guotai Junan Securities Co., Limited, the sponsor of the Share Reform Plan, and the independent non-executive directors of the Company (in accordance with the requirements of the relevant laws and regulations of the PRC) consider that the Amended Share Reform Plan is in compliance with prevailing laws, regulations and rules of the PRC, and the legal rights of the holders of A Shares of the Company are protected. Z&T Law Firm, the legal adviser to the Company in relation to the Share Reform Plan, confirms the legality of the Amended Share Reform Plan according to prevailing laws of the PRC.

Save as disclosed above, other information contained in the Announcement remains unchanged.

3. RESUMPTION AND SUSPENSION OF TRADING IN A SHARES

Trading in the A Shares on the SSE will be resumed on 27 March 2006. The Company will apply for a further suspension of trading in the A Shares on the SSE with effect from the trading day immediately following the Record Date of the Relevant A Shareholders' Meeting. Resumption of trading in the A Shares is expected to be on the first trading day immediately after implementation of the Amended Share Reform Plan.

The details of the Amended Share Reform Plan and all the relevant documents regarding the Share Reform Plan required to be disclosed according to the requirements of the rules of the SSE are available at the website of the SSE at <http://www.sse.com.cn>.

By order of the Board
Yang Rongming
Chairman

Guangzhou, the PRC, 23 March 2006

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.