



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 RESIGNATION OF DIRECTOR

The Board hereby announces that it approved Mr. Xie Bin's resignation as Executive Director and General Manager of the Company on 15 June 2006 with effect from the same date.

Due to his work relocation, Mr. Xie Bin tendered his resignation as Executive Director and General Manager of Guangzhou Pharmaceutical Company Limited (the "Company") to the board of directors of the Company (the "Board"). The Board resolved to approve Mr. Xie Bin's resignation as Executive Director and General Manager of the Company at the 23rd meeting of the 3rd session of the Board held on 15 June 2006, and Mr. Xie Bin's resignation became effective on the same date.

Mr. Xie Bin confirms that there are no matters need to be brought to the attention of the shareholders of the Company in relation to his resignation. The Board and Mr. Xie Bin confirmed that they were not aware of any personal obligations that Mr. Xie has given to the Company and its subsidiaries (collectively the "Group") that may affect the operation of the Group as a result of the resignation of Mr. Xie Bin. The Board and Mr. Xie Bin also confirmed that there was no disagreement in all aspects between the Company and Mr. Xie Bin which would have caused the resignation of Mr. Xie Bin.

Mr. Xie Bin has been the General Manager of the Company since November 2004 and a Executive Director of the Company since 30 June 2005. Throughout his appointment, Mr. Xie Bin has always been diligent and committed to his work. Mr. Xie Bin has made great contributions for the development of the Group. The Board hereby extends its great appreciation for Mr. Xie Bin's efforts and contributions to the Group during his tenure of office.

By order of the Board
He Shuhua
Company Secretary

Guangzhou, the PRC, 15 June 2006

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Xie Bin (resigned on 15 June 2006), Mr. Chen Zhinong (appointed on 15 June 2006) 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.