



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 RESOLUTIONS PASSED AT THE 23RD MEETING OF THE THIRD SESSION OF THE BOARD

Guangzhou Pharmaceutical Company Limited (the "Company") held the 23rd meeting of the third session of the Board of Directors (the "Board") on 15 June 2006 at the conference room of the Company at 2nd floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC, notice of which was dispatched on 6 June 2006 by way of fax and email. 7 out of the 7 eligible directors attended the meeting, among whom Mr. Zhang Heyong attended the meeting by means of telephone. The meeting was presided by the Chairman, Mr. Yang Rongming. The supervisors, senior management and lawyers of the Company attended the meeting, which was in compliance with the requirements of the Company Law and the Articles of Association of the Company.

After due consideration at the meeting, the following resolutions numbered 1 to 3 were unanimously passed with 7 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting. Three directors including Mr. Yang Rongming, Mr. Xie Bin and Mr. Chen Zhinong abstained from voting on resolution numbered 4, and resolution numbered 4 was passed with 4 affirmative votes, 0 dissenting votes and 0 vote abstaining from voting:

1. The approval of the resignation of Mr. Xie Bin as Director & General Manager of the Company;
2. The approval of the appointment of Mr. Shi Shaobin (whose profile attached) as the General Manager of the Company with immediate effect, and his term of office commences from the date of appointment till the election of the members of the next Board;
3. The nomination of Mr. Shi Shaobin as a candidate for appointment as Director; and
4. The resolution regarding the continuing connected transactions in respect of advertisement of the Company's subsidiaries.

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.

Attachment:

Profile of candidate as Director of the Company

Mr. Shi Shaobin, aged 38, postgraduate education, a Master of Business Administration and senior pharmaceutical engineer. After his graduation from the Faculty of Biology and Chemistry of the Zhongshan University in 1989, Mr. Shi served as section member of a research institute, staff of the sales department, head of the administrative department, assistant to the general manager and manager of the marketing department, and deputy general manager of Guangzhou Jingxiutang Pharmaceutical Factory (whose name was later changed to Guangzhou Jingxiutang Pharmaceutical Co., Ltd). In 2001, he received a diploma of Master of Business Administration. Mr. Shi served as chairman and general manager of Guangzhou Yangcheng Pharmaceutical Co., Ltd. from 2001 to 2004. Since 2005, he has been a director and chief executive of Guangzhou Wanglaoji Pharmaceutical Co., Ltd. Mr. Shi has extensive experience in production, marketing and operation management.

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