

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.



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 29th Meeting of the Third Session of the Board

The 29th meeting of the third session of the Board of Guangzhou Pharmaceutical Company Limited (“GPC” or the “Company”) was convened on 10 January 2007 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 despatched on 31 December 2006 by way of fax and email. 5 of the 6 eligible directors attended the meeting. Mr. Chen Zhinong, the executive director, did not attend the meeting due to business affairs and has appointed the director, Mr. Yang Rongming to attend and vote on his behalf. 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 Company Law and the Articles of Association of the Company.

After due consideration, the directors attending the meeting voted for the three resolutions, the results are as follows:

The three resolutions were approved with 5 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting. Mr. Yang Rongming, the director, refrained from voting on Resolutions No. 1 and 2 and Mr. Feng Zansheng refrained from voting on Resolution No. 3.

1. Resolution in relation to the transfer of the equity interest in Guangzhou Hanfang Contemporary Chinese Medicine Research & Development Co., Ltd. held by Guangzhou Pharmaceutical Holdings Limited, Anhui Huadong Chinese Medical Engineering Corporation Limited and five natural persons including Ms. Liu Ju Yan to the Company;
2. Resolution in relation to the merger of Guangzhou Hanfang Contemporary Chinese Medicine Research & Development Co., Ltd. with Guangzhou Huanye Pharmaceutical Co., Ltd..

3. Resolution in relation to the transfer of Sui Kang Mansion of Guangzhou Pharmaceuticals Corporation to the Company. To enhance the management on the properties of its subsidiaries and to increase the revenue from such properties, the Company will purchase Sui Kang Mansion from its subsidiary, Guangzhou Pharmaceutical Corporation. The transaction price of the property is equivalent to RMB41,116,178 as appraised (the valuation date is 31 December 2006, and the book value of such property is RMB38,482,738.95).

By Order of the Board

He Shuhua

Company Secretary

Guangzhou, the PRC, 10 January 2007

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Chen Zhinong 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.