



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

The Directors note the increase in trading volume of the Company's shares today.

The Directors are not aware of any reasons for the increase in trading volume of the Company's shares. The Directors also confirm that they are not aware of any negotiations or agreements relating to intended acquisitions or realizations which are discloseable under Listing Rules 13.23, neither is the Board aware of any other matter discloseable under the general obligation imposed by Listing Rule 13.09 which is or may be of a price-sensitive nature, except that the Group and an independent third party are exploring and assessing possibility in respect of business cooperation which, if carried out, shall constitute a notifiable transaction of the Company. Up to the date hereof, no agreement in relation thereto has been reached by the Group and the third party.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The directors ("the Directors") of Guangzhou Pharmaceutical Company Limited ("the Company", together with its subsidiary as "the Group") note the increase in trading volume of the Company's shares today.

The Directors are not aware of any reasons for the increase in trading volume of the Company's shares. The Directors also confirm that they are not aware of any negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rules 13.23 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules"), neither is the board of Directors ("the Board") aware of any other matter discloseable under the general obligation imposed by Listing Rule 13.09 which is or may be of a price-sensitive nature, except that the Group and an independent third party are exploring and assessing possibility in respect of business cooperation which, if carried out, shall constitute a notifiable transaction of the Company. Up to the date hereof, no agreement in relation thereto has been reached by the Group and the third party.

Made by the order of the Board of the Company, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
Guangzhou Pharmaceutical Company Limited
He Shuhua
Company Secretary

Guangzhou, the PRC 15 January 2007

As at the date of this announcement, the Board comprises Mr. Yang Rongming (Chairman), Mr. Chen Zhinong and Mr. Feng Zansheng (being the executive Directors), Mr. Wu Zhang, Mr. Wong Hin Wing and Mr. Zhang Heyong (being the independent non-executive Directors).

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