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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)

(H Share Stock Code: 0874)

ANNOUNCEMENT OF THE RESOLUTION PASSED AT THE FIRST CLASS MEETING OF THE HOLDERS OF THE OVERSEAS LISTED FOREIGN CAPITAL SHARES IN 2007

Guangzhou Pharmaceutical Company Limited (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.

1. CONVENING OF THE CLASS MEETING OF THE HOLDERS OF THE OVERSEAS LISTED FOREIGN SHARES (THE “CLASS MEETING OF H SHARES”) AND ATTENDANCE THEREOF

The Class Meeting of H Shares was held by the Company on 2 April 2007 at 11: 00 a.m. at the 103 conference room of the Company, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”). 4 holders of H shares (in person or represented by proxies) attended the Class Meeting of H Shares, representing a total of 69,304,051 H shares of the Company or approximately 8.55% of the total number of H shares of the Company in issue. Up to 13 March 2007 (the date by which the completed and signed reply slips from holders of H shares who intended to attend the Class Meeting of H Shares must be received by the Company), the Company had not received written replies from holders of H shares who intended to attend the Class Meeting of H Shares and whose shareholdings together represented more than 50% of the total H shares having the right to vote at the Class Meeting of H Shares. The Company published a Second Notice Convening the Class Meeting of the Holders of H Shares on Shanghai Securities in the PRC and on Economic Times and The Standard in Hong Kong on 16 March 2007. According to Article 120 of the Articles of Association of the Company (the “Articles”), after the publication of a second notice of the details of the Class Meeting of H Shares, the Company can proceed to hold the meeting as originally scheduled.

The Class Meeting of H Shares was convened by the Board and was presided by Mr. Yang Rongming, the Chairman of the Company. Some of the directors, supervisors and senior management of the Company, together with the attesting lawyer and auditors of the Company were present at the Class Meeting of H Shares. The Class Meeting of H Shares was held in compliance with the relevant provisions of the Company Law of the PRC (the “Company Law”) and the Articles.

As at the date of the Class Meeting of H Shares, there were a total of 219,900,000 H shares of the Company in issue (representing approximately 27.12% of the total issued shares of the Company), entitling the holders thereof to attend and vote for or against the resolution set out in the notice of the Class Meeting of H Shares (the “Notice”) published on 14 February 2007. No holders of H shares of the Company were entitled to attend and vote only against the resolution at the Class Meeting of H Shares.

2. CONSIDERATION OF THE RESOLUTION

In accordance with the agenda of the Class Meeting of H Shares, the following resolution (details of which were set out in the Notice) was passed at the Class Meeting of H Shares by means of poll:

“**THAT** the Capital Transfer Contract of Guangzhou Pharmaceutical Corporation entered into by Guangzhou Jing Xiu Tang (Pharmaceutical) Co., Ltd., Guangzhou Pan Gao Shou Pharmaceutical Co., Ltd., both of which are subsidiaries of the Company, and 33 natural persons and Alliance BMP Limited (“Alliance BMP”) on 27 January 2007, the Capital Increase Contract and JV Contract entered into by the Company and Alliance BMP on the same day and the relevant transactions contemplated thereunder be approved, ratified and confirmed. The details of the above transactions are set in the Circular to Shareholders of the Company despatched on 14 February 2007. The directors of the Company be and are hereby authorized to sign, seal, execute, perfect and deliver for and on behalf of the Company all such documents and deeds and to do all other acts and things as they may in their absolute discretion consider necessary or desirable for the purpose of carrying out the relevant transactions and in the interests of the Company.”

The voting results are: 69,304,051 shares voted in favour, representing 100% of the total number of H shares of those attendees carrying the rights to vote at the Class Meeting of H Shares; 0 share voted against, representing 0% of the total number of H shares of those attendees carrying the rights to vote at the Class Meeting of H Shares, and 0 share abstained, representing 0% of the total number of H shares of those attendees carrying the rights to vote at the Class Meeting of H Shares.

3. PROCEEDINGS WITNESSED BY LAWYER AND AUDITORS

Guangdong Yangcheng Certified Public Accountants Co., Ltd., the Company's domestic auditors, acted as the scrutineer for the voting at the Class Meeting of H Shares.

The Class Meeting of H Shares was witnessed by Lv Hui, a lawyer of Z&T Law Firm which issued its legal opinion that the procedures for convening and holding of the Class Meeting of H Shares complied with the requirements of the Company Law and the Articles, and the eligibility of the persons attending the Class Meeting of H Shares was lawful and valid. No new motions were proposed by the holders of H shares at the Class Meeting of H Shares. The voting procedures of the meeting complied with the laws and regulations and the provisions of the Articles. The resolution passed at the Class Meeting of H Shares was lawful and valid.

4. DOCUMENTS AVAILABLE FOR INSPECTION

- (1) The resolution passed at the Class Meeting of H Shares signed by holders of H shares who were present in person or by proxies; and
- (2) The legal opinion issued by the lawyer in relation to the Class Meeting of H Shares.

Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 2 April 2007

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Shi Shaobin (appointed on 2 April 2007), 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.