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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 DOMESTIC 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 DOMESTIC SHARES (THE “CLASS MEETING OF DOMESTIC SHARES”) AND ATTENDANCE THEREOF

The Class Meeting of Domestic Shares was held by the Company on 2 April 2007 at 11: 30 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”). 3 holders of domestic shares (in person or represented by proxies) attended the Class Meeting of Domestic Shares, representing a total of 481,903,000 domestic shares of the Company (of which 481,900,000 shares were state-owned shares and 3,000 shares were A shares) or approximately 81.54% of the total number of issued domestic shares of the Company. The Class Meeting of Domestic 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 Domestic Shares. The Class Meeting of Domestic Shares was held in compliance with the relevant provisions of the Company Law of the PRC (the “Company Law”) and the Company’s Articles of Association (the “Articles”).

As at the date of the Class Meeting of Domestic Shares, there were a total of 591,000,000 domestic shares of the Company in issue (representing approximately 72.88% 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 Domestic Shares (the “Notice”) published on 14 February 2007. No holders of domestic shares of the Company were entitled to attend and vote only against the resolution at the Class Meeting of Domestic Shares.

2. CONSIDERATION OF THE RESOLUTION

In accordance with the agenda of the Class Meeting of Domestic Shares, the following resolution (details of which were set out in the Notice) was passed at the Class Meeting of Domestic 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 out 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: 481,903,000 shares voted in favour (of which 481,900,000 shares were state-owned shares and 3,000 shares were A shares), representing 100% of the total number of domestic shares of those attendees carrying the rights to vote at the Class Meeting of Domestic Shares; 0 share voted against, representing 0% of the total number of domestic shares of those attendees carrying the rights to vote at the Class Meeting of Domestic Shares, and 0 share abstained, representing 0% of the total number of domestic shares of those attendees carrying the rights to vote at the Class Meeting of Domestic 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 of Domestic Shares.

The Class Meeting of Domestic Shares was witnessed by Lv Hui, Z & T Law Firm which issued its legal opinion that the procedures for convening and holding of the Class Meeting of Domestic Shares complied with the requirements of the Company Law and the Articles, and the eligibility of the persons attending the Class Meeting of Domestic Shares was lawful and valid. No new motions were proposed by the holders of domestic shares at the Class Meeting of Domestic 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 Domestic Shares was lawful and valid.

4. DOCUMENTS AVAILABLE FOR INSPECTION

- (1) The resolution passed at the Class Meeting of Domestic Shares signed by holders of domestic 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 Domestic 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.