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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 RESOLUTIONS PASSED AT THE 2007 ANNUAL GENERAL MEETING

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.

IMPORTANT NOTICE:

- There was no objection or amendment to the resolutions proposed at the 2007 annual general meeting;
- There was no new motion proposed at the 2007 annual general meeting.

I. CONVENING OF THE 2007 ANNUAL GENERAL MEETING (THE “AGM”) AND ATTENDANCE THEREOF

The AGM was held by the Company on 29 May 2008 at 10:00 a.m. at the conference room of the Company, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People's Republic of China (the “PRC”). 21 shareholders (in person or by proxy) attended the AGM, representing a total of 538,630,622 shares of the Company (of which 475,651,345 shares were domestic shares and 62,979,277 shares were H shares) or approximately 66.42% of the total number of issued shares of the Company. The AGM was convened by the Board and was presided by Mr. Yang Rongming, Chairman of the Company. Some of the directors, supervisors and senior management of the Company, together with the attesting lawyers and auditors of the Company, were present at the AGM. The AGM 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 AGM, there were a total of 810,900,000 shares of the Company in issue (of which 591,000,000 shares were domestic shares and 219,900,000 were H shares), entitling the holders thereof to attend and vote for or against the ordinary resolutions numbered 1 to 11 and the special resolutions numbered 1 and 2 set out in the notice of the AGM published on 14 April 2008. Pursuant to the relevant provisions, the controlling shareholder of the Company, Guangzhou Pharmaceutical Holdings Limited (“GPHL”), holding 390,333,391 issued shares of the Company or approximately 48.14% of the total issued shares of the Company and its associates abstained from voting on the ordinary resolution numbered 10, in relation to the Purchase and Sale Connected Transactions Agreement entered into between the Company and GPHL on 28 March 2008 and the transactions contemplated thereunder. Accordingly, only shareholders of the Company other than GPHL and its associates (“Independent Shareholders”), holding a total of 420,566,609 shares of the Company or approximately 51.86% of the total issued shares of the Company, were entitled to vote on the ordinary resolution numbered 10 at the AGM. No holders of the shares of the Company entitled to attend and vote at the AGM were regained to vote only against any of the resolutions at the AGM.

II. CONSIDERATION OF THE RESOLUTIONS

In accordance with the agenda of the AGM, the following resolutions (details of which were set out in the notice of the AGM) were passed at the AGM by way of poll:

1. Passed by way of ordinary resolutions:

Resolutions	Total number of votes cast	For		Against		Abstained	
		Percentage of total number of votes cast Shares (%)	Percentage of total number of votes cast Shares (%)	Percentage of total number of votes cast Shares (%)	Percentage of total number of votes cast Shares (%)		
(1) Report of the Board of the Company for the year 2007;	538,630,622	536,207,117	99.55	0	0	2,423,505	0.45
(2) Report of the Supervisory Committee for the year 2007;	538,630,622	536,207,117	99.55	0	0	2,423,505	0.45
(3) Financial reports of the Company for the year 2007;	538,630,622	536,207,117	99.55	0	0	2,423,505	0.45
(4) Auditors’ reports for the year 2007;	538,630,622	536,207,117	99.55	0	0	2,423,505	0.45
(5) Proposal for profit distribution and dividend payment for the year 2007;	538,630,622	538,428,622	99.96	0	0	202,000	0.04

(6)	Total emoluments to be paid to the directors of the Company for the year 2008;	538,630,622	538,428,622	99.96	0	0	202,000	0.04
(7)	Total emoluments to be paid to the supervisors of the Company for the year 2008;	538,630,622	538,428,622	99.96	0	0	202,000	0.04
(8)	Re-appointment of Shu Lun Pan Yangcheng Certified Public Accountants Co., Ltd. (formerly known as “GuangdongYangcheng Certified Public Accountants Co., Ltd.”) and PricewaterhouseCoopers, whose appointments have expired, as the domestic and international auditors respectively, and the proposal to the shareholders’ meeting to authorize the Board to determine their respective remunerations;	538,630,622	538,428,622	99.96	0	0	202,000	0.04
(9)	Resolution in relation to the restructuring and creation of a number of special committees to the Board;	538,630,622	538,428,622	99.96	0	0	202,000	0.04
(10)	Resolution in relation to the Purchase and Sale Connected Transactions Agreement entered into between the Company and GPLH and the transactions contemplated thereunder;	148,297,231	148,095,231	99.86	0	0	202,000	0.14
(11)	Resolution in relation to the amount of guarantees on bank loan to be provided by the Company to certain of its subsidiaries in 2008;	538,630,622	516,265,643	95.85	22,212,979	4.12	152,000	0.03

2. Passed by way of special resolutions:

Resolutions	Total number of votes cast	For		Against		Abstained	
		Percentage of total number of votes Shares cast (%)	Percentage of total number of votes Shares cast (%)	Percentage of total number of votes Shares cast (%)	Percentage of total number of votes Shares cast (%)		
(1) Resolution in relation to amendment to the Articles;	538,630,622	538,630,622	100	0	0	0	0
(2) Resolution in relation to amendment to the provisions under the Rules of Procedures for the Meeting of the Board of the Company;	538,630,622	538,630,622	100	0	0	0	0

III. PROCEEDINGS WITNESSED BY LAWYERS AND AUDITORS

Shu Lun Pan Yangcheng Certified Public Accountants Co., Ltd., the Company's domestic auditors, acted as the scrutineer for the voting at the AGM.

The AGM was witnessed by Ms. Zhang Zhenya and Mr. Wu Chunshuang, lawyers from Z & T Law Firm, which issued its legal opinion that the procedures for convening and holding of the AGM complied with the provisions of the Company Law and the Articles, and the eligibility of the persons attending the AGM was lawful and valid. No new motion was proposed by the shareholders at the AGM. The voting procedures for the meeting complied with the laws and regulations and the provisions of the Articles. The resolutions passed at the AGM were lawful and valid.

IV. EXPLANATION OF THE PAYMENT OF FINAL DIVIDEND FOR THE YEAR 2007

Apart from the above resolutions, the Company made the following explanation of the payment of the final dividend for the year 2007:

1. The holders of H shares whose names appeared on the register of members of the Company at close of business on Monday, 28 April 2008 were entitled to the final dividend for the year 2007. According to Article 214 of the Articles, dividends payable to the Company's shareholders of H shares shall be paid in Hong Kong dollars. For the purpose of payment of the dividend, the appreciable exchange rate is HK\$100 to RMB88.988, being the average the exchange rate between Hong Kong dollar and Renminbi as announced by the People's Bank of China for the week before the date of announcement of the dividend. Accordingly, the amount of the final dividend payable per H share is HK\$0.1393. The final dividend per H share will be paid on or before 13 June 2008.
2. A separate announcement in relation to the final dividend for shareholders of A shares of the Company will be made in due course.

V. DOCUMENTS AVAILABLE FOR INSPECTION

1. The resolutions passed at the AGM signed by the shareholders who were present in person or by proxy; and
2. The legal opinion issued by the lawyers in relation to the AGM.

By order of the Board

He Shuhua

Secretary to the Board

Guangzhou, the PRC, 29 May 2008

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Shi Shaobin and Mr. Feng Zansheng as Executive Directors, and Mr. Wong Hin Wing, Mr. Liu Jinxiang, Mr. Li Shanmin and Mr. Zhang Yonghua as Independent Non-executive Directors.