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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 RESOLUTIONS PASSED
AT THE TENTH MEETING
OF THE FOURTH SESSION OF THE BOARD**

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.

The tenth meeting of the fourth session of the Board of the Company was held on 28 August 2008 at the Company’s conference room at Room 203, 2nd Floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC, notice of which was dispatched on 14 August 2008 by way of fax and email. All of the seven eligible directors attended the meeting, among whom, Mr. Feng Zansheng was unable to attend the meeting personally, and appointed Mr. Shi Shaobin attend the meeting and vote on his behalf; Mr. Wong Hin Wing attended the meeting by telephone. The meeting was presided over by Mr. Yang Rongming, the Chairman of the Board. The supervisors, senior management and lawyers of the Company were present at the meeting. The meeting was in compliance with the requirements of the Company Law and the Articles of Association of the Company.

After due consideration by the directors at the meeting, the following resolutions were passed with 7 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting:

1. The 2008 interim report of the Company (please refer to the website of the Shanghai Stock Exchange for details);
2. The unaudited financial report of the Company for the first half of 2008;

3. Resolution on the emoluments of the independent non-executive directors and the supervisors for the year 2008.
 - A. The annual emoluments of the independent non-executive directors for the year 2008: each of the independent non-executive directors of the Company, whether in Hong Kong or Mainland China, is entitled to an annual emoluments of RMB 50,000 (including tax); the annual emoluments of each of the independent non-executive directors who is an audit committee member is RMB 80,000 (including tax).
 - B. The emoluments of the supervisors for the year 2008: the annual emoluments of each of the external supervisors is RMB30,000 (including tax).
4. Working Rules of the Nomination and Remuneration Committee of the Board (please refer to the website of the Shanghai Stock Exchange for details);
5. Working Rules of the Strategic Development and Investment Committee of the Board (please refer to the website of the Shanghai Stock Exchange for details);
6. Working Rules of the Budget Committee of the Board (please refer to the website of the Shanghai Stock Exchange for details).

This announcement is made pursuant to Rule 13.09 (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 28 August 2008

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