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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**

### **ON THE LISTING OF TRADABLE SHARES WITH SELLING RESTRICTIONS**

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.

Reference is made to the announcements (the “Announcements”) of Guangzhou Pharmaceutical Company Limited (“GPC” or the “Company”) dated 3 March 2006, 14 March 2006, 23 March 2006, 6 April 2006, 12 April 2006, 18 April 2006, 18 April 2007 and 17 April 2008. Terms used in this announcement shall have the same meanings as defined in the Announcements unless otherwise defined herein.

Details of the implementation of the Amended Share Reform Plan are available for inspection on the website of the Shanghai Stock Exchange (the “SSE”) at <http://www.sse.com.cn>.

#### **IMPORTANT NOTICE**

- The number of tradable shares with selling restrictions to be listed and traded is 387,513,509 shares.
- The listing and trading day of tradable shares with selling restrictions will be 24 April 2009.

#### **I. Information related to the Share Reform Plan**

1. The share reform plan of the Company (the “Share Reform Plan”) was considered and approved at the relevant meeting of shareholders of A shares in the Company held on 12 April 2006. The registration day of shareholding was 20 April 2006. The trading of shares in the Company was first resumed on 24 April 2006 after the implementation of the Share Reform Plan.
2. No increase in consideration was arranged in the Company’s Share Reform Plan.

## **II. Undertakings in relation to Tradable Shares with Selling Restrictions to be Listed and Traded pursuant to the Share Reform Plan**

1. Guangzhou Pharmaceutical Holdings Limited (“GPHL”), the controlling shareholder of the Company, undertakes that:

- (1) Shares with selling restrictions held by GPHL shall not be listed, traded on the SSE and transferred within 12 months from the implementation of the Share Reform Plan. Upon expiry of that 12-month period, shares with selling restrictions quoted, traded and disposed of by GPHL on the SSE in the following 12 months and 24 months shall not exceed 5% and 10% of the total number of issued shares of GPC respectively.
- (2) Upon the implementation of the Share Reform Plan, in the event that shares quoted, traded and disposed by GPHL on the SSE represent 1% or more of the total number of issued shares of the Company, an announcement shall be made within two business days from the date on which such disposal occurs.
- (3) With a view to enhancing the enterprise value of GPC as a listed company, upon the completion of the Share Reform Plan, GPHL will facilitate GPC to establish an incentive option scheme for the Company’s management provided that permission by relevant laws and regulations and approval of regulatory authorities have been sought. The Company’s performance will be a condition of the exercise of subscription rights.

2. China Great Wall Asset Management Corporation, the Company’s shareholder, undertakes that:

Shares with selling restrictions held by China Great Wall Asset Management Corporation shall not be listed, traded or transferred within 12 months from the implementation of the Share Reform Plan.

## **III. Change of Share Capital Structure and Shareholdings of Shareholders of the Company Holding Shares with Selling Restrictions since the Implementation of the Share Reform Plan**

1. As at 31 December 2008, the share capital of the Company comprises 810,900,000 shares in total, of which 387,513,509 shares are with selling restrictions and 423,386,491 shares are without selling restrictions.

2. Changes of shareholding for each holder of tradable shares with selling restrictions since the implementation of the Share Reform Plan were as follows:

Name of shareholder	Before change			After change	
	Number of shares with selling restrictions held (share)	Percentage of the total share capital of the Company (%)	Change of number of shares held (share)	Number of shares with selling restrictions held (share)	Percentage of the total share capital of the Company (%)
GPHL (note 1) China Great Wall Asset Management Corporation (note 2)	468,603,509	57.79	-126,402,000	342,201,509	42.20
Guangzhou Beicheng Rural Credit Cooperative (note 3)	20,996,491	2.59	-20,996,491	0	0
Guangzhou Xinjiao Rural Credit Cooperative (note 3)	46,670,000	5.76	-9,835,800	36,834,200	4.54
Guangzhou Xinfeng Rural Credit Cooperative (note 3)	4,220,000	0.52	-4,220,000	0	0
Guangzhou Baiyun Rural Credit Cooperative (note 3)	3,480,000	0.43	-3,480,000	0	0
Guangzhou Huangshi Rural Credit Cooperative (note 4)	1,720,000	0.21	-362,200	1,357,800	0.17
	9,020,000	1.11	-1,900,000	7,120,000	0.88

Note 1: On 9 February 2007, the 4,220,000 shares of the Company held by GPHL were transferred to Guangzhou Xinjiao Rural Credit Cooperative by order of court ruling.

On 9 February 2007, the 3,480,000 shares of the Company held by GPHL were transferred to Guangzhou Xinfeng Rural Credit Cooperative by order of court ruling.

On 23 March 2007, the 46,670,000 shares of the Company held by GPHL were transferred to Guangzhou Beicheng Rural Credit Cooperative by order of court ruling.

On 23 March 2007, the 1,720,000 shares of the Company held by GPHL were transferred to Guangzhou Baiyun Rural Credit Cooperative by order of court ruling.

On 24 April 2007, the 40,545,000 shares with selling restrictions of the Company held by GPHL were allowed to trade on the market.

On 21 May 2007, the 9,020,000 shares of the Company held by GPHL were transferred to Guangzhou Huangshi Rural Credit Cooperative by order of court ruling.

On 15 April 2008, GPHL received an aggregate of 2,964,737 shares of advanced share reform consideration repaid by institutions including Guangzhou Beicheng Rural Credit Cooperative, Guangzhou Xinjiao Rural Credit Cooperative, Guangzhou Xinfeng Rural Credit Cooperative, Guangzhou Baiyun Rural Credit Cooperative and Guangzhou Huangshi Rural Credit Cooperative.

On 24 April 2008, the 23,711,737 shares with selling restrictions of the Company held by GPHL were allowed to trade on the market.

Note 2: The 20,996,491 shares with selling restrictions of the Company held by China Great Wall Asset Management Corporation were allowed for market trading on 24 April 2007.

Note 3: On 15 April 2008, institutions including Guangzhou Beicheng Rural Credit Cooperative, Guangzhou Xinjiao Rural Credit Cooperative, Guangzhou Xinfeng Rural Credit Cooperative and Guangzhou Baiyun Rural Credit Cooperative repaid the advanced share reform consideration to GPHL, being 2,128,000 shares, 190,000 shares, 158,737 shares and 78,000 shares respectively.

On 24 April 2008, 7,707,800 shares and 284,200 shares with selling restrictions of the Company held by Guangzhou Beicheng Rural Credit Cooperative and Guangzhou Baiyun Rural Credit Cooperative were allowed to trade on the market.

Note 4: On 15 April 2008, Guangzhou Huangshi Rural Credit Cooperative repaid 410,000 shares of advanced share reform consideration to GPHL.

On 24 April 2008, the 1,490,000 shares with selling restrictions of the Company held by Guangzhou Huangshi Rural Credit Cooperative were allowed to trade on the market.

#### **IV. There is no misappropriation of capital by the substantial shareholders of the Company.**

#### **V. Sponsor's Opinion after Examination**

Guotai Junan Securities Company Limited, being the sponsor of the Share Reform, is of the opinion that:

Holders of tradable shares with selling restrictions of the Company have strictly adhered to their undertakings made during the Share Reform, and the listing of tradable shares with selling restrictions proposed by the Board is in compliance with relevant requirements.

#### **VI. Information in relation to Tradable Shares with Selling Restrictions**

1. The number of tradable shares with selling restrictions to be listed and traded is 387,513,509 shares.
2. The listing and trading day of tradable shares with selling restrictions will be 24 April 2009.

3. The breakdown of tradable shares with selling restrictions is as follows:

No.	Name of Shareholder	Number of Tradable Shares with Selling Restrictions Held (Share)	Percentage of Tradable Shares with Selling Restrictions in Total Capital of the Company (%)	Number of Shares be Listed (Share)	Balance of Tradable Shares with Selling Restrictions (Share)
1	GPHL	342,201,509	42.20	-342,201,509	0
2	Guangzhou Beicheng Rural Credit Cooperative	36,834,200	4.54	-36,834,200	0
3	Guangzhou Huangshi Rural Credit Cooperative	7,120,000	0.88	-7,120,000	0
4	Guangzhou Baiyun Rural Credit Cooperative	1,357,800	0.17	-1,357,800	0
	Total	<u>387,513,509</u>	<u>47.79</u>	<u>-387,513,509</u>	<u>0</u>

4. The listing of tradable shares with selling restrictions is consistent with that stated in the Share Reform Prospectus.
5. It is the third time for the Company to arrange the listing of tradable shares with selling restrictions.

## VII. Change of Share Capital Structure

		<b>Prior to the Listing (share)</b>	<b>Changes (share)</b>	<b>After the Listing (share)</b>
Tradable Shares with Selling Restrictions	Shares held by state-owned legal entities	342,201,509	-342,201,509	0
	Other domestic shares	45,312,000	-45,312,000	0
	Total number of tradable shares with selling restrictions	387,513,509	-387,513,509	0
Tradable Shares without Selling Restrictions	A Share	203,486,491	+387,513,509	591,000,000
	H Share	219,900,000	0	219,900,000
	Total number of tradable shares without selling restrictions	423,386,491	+387,513,509	810,900,000
		<u>810,900,000</u>	<u>—</u>	<u>810,900,000</u>
Total number of Shares		<u>810,900,000</u>	<u>—</u>	<u>810,900,000</u>

## VIII. Documents Available for Inspection

1. Application form for the listing of and trading in tradable shares with selling restrictions submitted by the Board;
2. Evidence of enquiries into the number of registered securities held by investors;
3. Sponsor's opinion after examination; and
4. Other documents.

The Board of  
**Guangzhou Pharmaceutical Company Limited**

Guangzhou, the PRC, 17 April 2009

*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.*