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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 SIXTEENTH MEETING
OF THE FOURTH SESSION OF THE BOARD**

The sixteenth meeting of the fourth session of the board of directors (the “Board”) of Guangzhou Pharmaceutical Company Limited (the “Company”) was held on 28 August 2009 at the Company’s conference room at Room 203, 2nd Floor, 45 Sha Mian North Street, Guangzhou, Guangdong Province, the People’s Republic of China (the “PRC”), notice of which was dispatched on 13 August 2009 by way of fax and email. All of the seven eligible directors attended the meeting, among whom, Mr. Li Shanmin, an independent non-executive director, was unable to attend the meeting in person and appointed Mr. Zhang Yonghua, an independent non-executive director, to attend the meeting and vote on his behalf, Mr. Wong Hin Wing and Mr. Liu Jinxiang, independent non-executive directors, attended the meeting by telephone. The meeting was presided over by Mr. Yang Rongming, the Chairman of the Board. The supervisors, senior management, lawyers and auditors 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 2009 interim report of the Company (please refer to the website of The Shanghai Stock Exchange for details);
2. The financial reports of the Company for the first half of 2009;
3. Resolutions on the emoluments of the independent non-executive directors and the external supervisors for the year 2009:
 - 1) The annual emoluments of the independent non-executive directors for the year 2009: each of the independent non-executive directors of the Company, whether in Hong Kong or the PRC, is entitled to an annual emoluments of RMB50,000 (including tax); the annual emoluments of each of the independent non-executive directors who is also member of the audit committee is RMB80,000 (including tax).
 - 2) The emoluments of the external supervisors for the year 2009: the annual emoluments of each of the external supervisors is RMB30,000 (including tax).

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 2009

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Shi Shaobin, 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.