



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 11th Meeting of the Third Session of the Supervisory Committee

The 11th meeting of the third session of the Supervisory Committee of Guangzhou Pharmaceutical Company Limited (“GPC” or the “Company”) was convened on 10 January 2007 at the conference room of the Company at 2nd floor, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC, notice of which was despatched on 31 December 2006 by way of fax and email. All three the eligible supervisors attended the meeting. The meeting was presided by Mr. Chen Canying, the Chairman of Supervisory Committee, which was in compliance with the Company Law and the Articles of Association of the Company.

After due consideration at the meeting, the following matters were approved with 3 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting:

1. Resolution in relation to the transfer of the equity of Guangzhou Hanfang Contemporary Chinese Medicine Research & Development Co., Ltd. held by Guangzhou Pharmaceutical Holdings Limited, Anhui Huadong Chinese Medical Engineering Corporation Limited and five natural persons including Ms. Liu Ju Yan to the Company;
2. Resolution in relation to the merger of Guangzhou Hanfang Contemporary Chinese Medicine Research & Development Co., Ltd. with Guangzhou Huanye Pharmaceutical Co., Ltd.;
3. Resolution in relation to the transfer of Sui Kang Mansion of Guangzhou Pharmaceutical Corporation to the Company.

**The Supervisory Committee of
Guangzhou Pharmaceutical Company Limited**

Guangzhou, the PRC, 10 January 2007

Please also refer to the published version of this announcement in The Standard / Hong Kong Economic Times.