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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

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.

Reference is made to the announcements dated 26 November 2001, 29 May 2002, 15 November 2005 and 16 May 2006 respectively. Guangzhou Pharmaceutical Holdings Limited (“GPHL”), the controlling shareholder of the Company, utilized certain shares of the Company held by it for the reorganization of liabilities owing by Guangzhou Baiyunshan Pharmaceutical Company Limited in 2001, including 65,110,000 shares (“Relevant Shares”) pledged to institutions including Guangzhou Beicheng Rural Credit Cooperative (“Beicheng Rural Credit Cooperative”) and Guangzhou Baiyun Rural Credit Cooperative (“Baiyun Rural Credit Cooperative”). The Relevant Shares got frozen on 11 April 2005 and were auctioned on 6 December 2005, 23 December 2005 and 9 January 2006 respectively (but all such auctions failed). The Relevant Shares continued to be frozen with effect from 15 May 2006.

The Company was informed today that the 48,390,000 shares subject to selling restrictions (representing approximately 5.97% of the Company’s total issued share capital) out of the Relevant Shares, which were pledged by GPHL to Beicheng Rural Credit Cooperative and Baiyun Rural Credit Cooperative, had been ruled to be transferred to Beicheng Rural Credit Cooperative and Baiyun Rural Credit Cooperative by Guangzhou Intermediate People’s Court of Guangdong Province. The share transfer was completed on 23 March 2007. With effect from 23 March 2007, the interests held by GPHL in the Company are reduced from approximately 56.84% to approximately 50.87% while Beicheng Rural Credit Cooperative and Baiyun Rural Credit Cooperative hold in aggregate approximately 5.97% interests in the Company.

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 and published in Hong Kong.

By order of the Board  
**He Shuhua**  
*Company Secretary*

Guangzhou, the PRC, 29 March 2007

*As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Chen Zhinong and Mr. Feng Zansheng as executive directors, and Mr. Wu Zhang, Mr. Wong Hin Wing and Mr. Zhang Heyong as independent non-executive directors.*

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