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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 THE RESOLUTIONS PASSED AT THE 2006 ANNUAL GENERAL MEETING

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.

### IMPORTANT NOTICE:

- No veto or amendment to the resolutions was proposed at this annual general meeting;
- No new motion was proposed for voting at this annual general meeting.

## **I. CONVENING OF THE 2006 ANNUAL GENERAL MEETING (THE “AGM”) AND ATTENDANCE THEREOF**

The AGM was held by the Company on 15 June 2007 at 10:00 a.m. at the conference room 103 of the Company at 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”). 8 shareholders (in person or represented by proxies) attended the AGM, representing a total of 539,267,217 shares of the Company (among which 489,600,000 shares were domestic shares and 49,667,217 shares were H shares) or approximately 66.50% of the total number of issued shares of the Company. The AGM was convened by the Board and was presided by Mr. Shi Shaobin, the managing director of the Company. Some of the directors, supervisors and senior management of the Company, together with the attesting lawyers and auditors of the Company were present at this meeting. The AGM was held in compliance with the relevant provisions of the Company Law of the PRC (the “Company Law”) and the Company’s Articles of Association (the “Articles”).

As at the date of the AGM, there were a total of 810,900,000 shares of the Company in issue, of which 591,000,000 shares were domestic shares, and 219,900,000 were H shares. No holders of the shares entitled to attend the meeting were required to abstain from voting on any of the resolution at the AGM, or to attend the AGM and vote only against any of the resolutions at the AGM.

## **II. CONSIDERATION OF THE RESOLUTIONS**

In accordance with the agenda of the AGM, the following resolutions (details of which were set out in the Notice of the AGM) were considered and passed by way of ordinary resolutions at the AGM by means of poll:

1. Report of the Board of the Company for the year 2006;

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

2. Report of the Supervisory Committee of the Company for the year 2006;

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

3. Financial reports of the Company for the year 2006;

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

4. Auditors' reports of the Company for the year 2006

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

5. Proposal for profit distribution and dividend payment of the Company for the year 2006;

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

6. Projected profit distribution policy of the Company projected for the year 2007;

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

7. Total emoluments to be paid to the directors of the Company for the year 2007;

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

8. Total emoluments to be paid to the supervisors of the Company for the year 2007;

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

9. Re-appointment of Guangdong Yangcheng Certified Public Accountants Co., Ltd. and PricewaterhouseCoopers, whose appointments have expired, as the domestic and international auditors respectively, and the authorization of the Board to determine their respective remuneration;

<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
539,267,217	539,267,217	100%	0	0

10. Resolutions in respect of the elections of the members for the 4th session of the Board and the Supervisory Committee. The results of the elections were as follows:

(1) Directors:

	<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
Mr. Yang Rongming	539,267,217	490,877,217	91.03%	48,390,000	0

	<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
Mr. Shi Shaobin	539,267,217	539,267,217	100%	0	0

	<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
Mr. Feng Zansheng	539,267,217	490,877,217	91.03%	48,390,000	0

	<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
Mr. Wong Hin Wing	539,267,217	539,267,217	100%	0	0

	<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
Mr. Liu Jinxiang	539,267,217	539,267,217	100%	0	0

	<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
Mr. Li Shanmin	539,267,217	539,267,217	100%	0	0

	<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
Mr. Zhang Yonghua	539,267,217	539,267,217	100%	0	0

The above seven directors so appointed comprise the 4th session of the Board of the Company. Each of the above directors shall have a term of 3 years from the date of their respective appointment to the date when members of the new session of the Board are elected.

Mr. Chen Zhinong, Mr. Wu Zhang and Mr. Zhang Heyong, members of the 3rd session of the Board, ceased to be directors of the Company.

(2) Supervisors:

	<b>No. of Shares Represented</b>	<b>No. of Shares Voted in Favor</b>	<b>Percentage of Shares Voted in Favor</b>	<b>No. of Shares Voted Against</b>	<b>No. of Shares Abstained</b>
Ms. Yang Xiuwei	539,267,217	539,267,217	100%	0	0

	No. of Shares Represented	No. of Shares Voted in Favor	Percentage of Shares Voted in Favor	No. of Shares Voted Against	No. of Shares Abstained
Mr. Zhong Yugan	539,267,217	539,267,217	100%	0	0

The two supervisors so appointed and Mr. Wu Quan, the supervisor of the staff representative, who was elected at a meeting of the staff representatives of the Company, comprise the 4th session of the Supervisory Committee of the Company. Each of the above supervisors shall have a term of 3 years from the date of their respective appointment to the date when members of the new session of the Supervisory Committee are elected.

Mr. Chen Canying and Mr. Ouyang Qiang, supervisors of the 3rd session of the Supervisory Committee, ceased to be supervisors of the Company.

### **III. PROCEEDINGS WITNESSED BY LAWYERS AND AUDITORS**

Guangdong Yangcheng Certified Public Accountants Co., Ltd., the domestic auditors of the Company, acted as the scrutineer for the poll vote at the AGM.

The AGM was witnessed by Ms. Lu Hui and Ms. Zheng Yiling from Z & T Law Firm who issued its legal opinion that the procedures for convening and holding the AGM were in compliance with the requirements of the Company Law and the Articles, and the eligibility of the persons attending the AGM was lawful and valid. No new motion was proposed by the shareholders at the AGM. The voting procedures of the meeting were in compliance with the laws and regulations and the provisions of the Articles. The resolutions passed at the AGM were lawful and valid.

#### **IV. INFORMATION ON THE PAYMENT OF FINAL DIVIDEND FOR THE YEAR 2006**

In addition to the above resolutions, information on the payment of the final dividend for the year 2006 of the Company is set out below:

- (1) In accordance with Article 214 of the Articles of the Company, dividends on the H shares shall be paid in Hong Kong dollars to the holders of H shares of the Company. For the purpose of this dividend payment, based on the average exchange rate of HK\$100 against RMB 97.874 as published by the People's Bank of China in the week preceding the date of announcement of the payment of dividend, the final dividend per H share of the Company is HK\$0.0858 per share. The final dividend on H shares will be paid on or before 29 June 2007.
- (2) Announcement for matters relating to the payment of final dividend for the year 2006 for the holders of A shares of the Company will be announced separately.

#### **V. DOCUMENTS AVAILABLE FOR INSPECTION**

- (1) The resolutions passed at the AGM signed by the shareholders who were present in person or by proxies; and
- (2) The legal opinion issued by the lawyers in relation to the AGM.

By Order of the Board  
**He Shuhua**  
*Secretary of the Board*

Guangzhou, the PRC, 15 June 2007

*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.*



## Attachment:

The information in relation to the newly appointed directors and supervisors as required to be disclosed under Rule 13.74 and the note to the Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) is set out below:

### 1. Profiles of the directors and supervisors

Please refer to The Announcement of the Resolutions Passed at the 31st Meeting of the 3rd Session of the Board and The Announcement of the Resolutions Passed at the 13th Meeting of the Supervisory Committee of the Company, both of which were dated 27 April 2007, for profiles of the directors and supervisors so appointed.

### 2. Other information

According to the emoluments policy of the Group, the emoluments of the directors and supervisors of the Company are proposed by the Board to the AGM of the Company at which the Board will be authorized to determine the amount of the emoluments of the Company’s directors and supervisors and the method of payment. As elected, Mr. Yang Rongming, Mr. Shi Shaobin, Mr. Feng Zansheng, Ms. Yang Xiuwei and Mr. Wu Quan will be entitled to a basic salary determined in accordance with his/her management position and an incentive bonus which is computed with reference to the annual operating results of the Company (for details of the proposal for implementation, please refer to the Notice of the First Extraordinary General Meeting of the Company in 2002 which was published both in the PRC and Hong Kong on 28 March 2002).

As elected, Mr. Wong Hin Wing, Mr. Liu Jinxiang, Mr. Li Shanmin, Mr. Zhang Yonghua and Mr. Zhong Yugan will be entitled to emoluments determined by the Board in accordance with the authorization from the AGM.

Mr. Wong Hin Wing was the chief financial officer of Asia Commercial Holdings Limited (“ACH”) for seven years from 1989 to 1996 and an executive director of ACH from 1 October 1995 to 11 March 1996. ACH, which was incorporated in Bermuda and listed on the Stock Exchange, was principally engaged in the trading and retailing of watches as well as property investment. According to its annual reports, upon its capital reorganization in October 1996, the ACH Group had settled, by way of a compromise with a bank, bank loans amounting to HK\$726 million and 80% of its convertible notes amounting to HK\$242 million. As for the remaining 20% convertible notes amounting to HK\$61 million, interest was waived until February 2001 and the rate of which would be reduced from 1.75% p.a. to 0.875% p.a. for the period from February 2001 to February 2010.

Save as disclosed above, Mr. Yang Rongming, Mr. Shi Shaobin, Mr. Feng Zansheng, Mr. Wong Hin Wing, Mr. Liu Jinxiang, Mr. Li Shanmin, Mr. Zhang Yonghua, Ms. Yang Xiuwei, Mr. Wu Quan and Mr. Zhong Yugan do not have any relationship with any other directors, supervisors, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Yang Rongming, Mr. Wong Hin Wing, Mr. Liu Jinxiang, Mr. Li Shanmin, Mr. Zhang Yonghua, Ms. Yang Xiuwei, Mr. Wu Quan and Mr. Zhong Yugan do not have any interests in the shares or debentures of the Company or any of its associated corporations, which shall be notified to the Company and the Stock Exchange pursuant to Section 341 of the Hong Kong Securities and Futures Ordinance (the “SFO”) or the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”), nor any other interests which shall be recorded in the register as required to be kept by the Company in accordance with Section 352 of the SFO.

As at the date of this announcement, interests held by Mr. Shi Shaobin and Mr. Feng Zansheng in the shares or debentures of the Company or any of its associated corporations, which shall be notified to the Company and the Stock Exchange pursuant to Section 341 of the SFO or the Model Code or any other interests which shall be recorded in the register as required to be kept by the Company in accordance with Section 352 of the SFO are as follows:

<b>Name</b>	<b>Class of Interests</b>	<b>Company</b>	<b>Number of Shares</b>
Shi Shaobin	Personal	Guangzhou Jing Xiu Tang Pharmaceutical Company Limited	25,000
Feng Zansheng	Personal	Guangzhou Pharmaceuticals Corporation	700,000

Save as disclosed above, Mr. Shi Shaobin and Mr. Feng Zansheng do not have any interests in the shares or debentures of the Company or any of its associated corporations, which shall be notified to the Company and the Stock Exchange pursuant to Section 341 of the SFO or the Model Code, nor any other interests which shall be recorded in the register as required to be kept by the Company in accordance with Section 352 of the SFO.

Save as disclosed above, no other matters relating to the above directors and supervisors shall be brought to the attention of the shareholders of the Company, or any information shall be disclosed pursuant to the provisions of Rule 13.51 (2) of the Rules Governing Listing of Securities on the Stock Exchange.

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