

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



廣州藥業股份有限公司

Guangzhou Pharmaceutical Company Limited

(a joint stock company with limited liability established in the Peoples's Republic of China)

(H Share Stock Code: 0874)

**ANNOUNCEMENT OF RESOLUTIONS PASSED
AT THE NINTH MEETING
OF THE FOURTH SESSION OF THE BOARD**

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.

The following resolutions were passed by the ninth meeting of the fourth session of the Board of the Company on 8 August 2008 in the form of written resolution:

1. Self-examination Report of the Company on Appropriation of Capital by the Controlling Shareholder and its Related Parties (Please refer to the website of the Shanghai Stock Exchange for details);
2. Administrative Measures of the Company for Preventing Misappropriation of Capital by the Controlling Shareholder and its Related Parties (Please refer to the website of the Shanghai Stock Exchange for details);
3. Resolution in relation to the investment to set up the Huanan Xinyao Chuangzhi Company Limited.

It was resolved that the Company should invest RMB5,000,000 to set up the Huanan Xinyao Chuangzhi Company Limited, representing 5% of the equity interests thereof.

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, 8 August 2008

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Shi Shaobin, Mr. Feng Zansheng as Executive Directors and Mr. Liu Jinxiang, Mr. Wong Hin Wing, Mr. Li Shanmin and Mr. Zhang Yonghua as Independent Non-executive Directors.