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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 TWELFTH 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 twelfth meeting of the fourth session of the Board of the Company was held on 30 October 2008 at the Company’s conference room at Room 203, 45 Sha Mian North Street, Guangzhou City, Guangdong Province, the PRC, notice of which was dispatched on 15 October 2008 by way of fax and email. All of the seven eligible directors attended the meeting. The meeting was presided over by Mr. Yang Rongming, the Chairman of the Board. The supervisors, senior management and lawyers of the Company attended the meeting as non-voting members, which was in compliance with the requirements of the Company Law and the Articles of Association of the Company.

After due consideration by the directors attending the meeting, the following resolutions were passed with 7 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting:

1. The 2008 third quarterly report of the Company (please refer to the website of the Shanghai Stock Exchange for details);
2. Adjustment of relevant items and their amounts as previously disclosed in the balance sheet for early 2008 in accordance with the “Interpretation No. 2 to the Accounting Standards for Business Enterprises”.

In accordance with the “Interpretation No. 2 to the Accounting Standards for Business Enterprises” issued by the Ministry of Finance in August 2008 in respect of the requirements for the adoption of the equity method of accounting for an investee entity jointly controlled with other investing parties, the Group adopted the equity method for the adjustments in relation to its joint ventures. The following adjustments were made to the previously disclosed items within the balance sheet and their amounts as at the beginning of 2008, which was prepared in accordance with PRC Accounting Standards:

The adjustments were mainly made to the items accounted for based on the equity method for joint ventures and have insignificant effect on the financial position of the Group as at the beginning of 2008. The adjusted total assets amounted to RMB 6,165,195,338.86, representing a decrease of RMB41,748,759.92, or only 0.67%, over the disclosed total assets as at the beginning of 2008. The adjusted shareholder's equity amounted to RMB3,060,001,819.85, representing a decrease of RMB346,628.84, or only 0.01%, over the disclosed shareholder's equity as at the beginning of 2008. The adjusted gearing ratio amounted to 46.57%, representing a decrease of 0.36 percentage points, as compared with the disclosed gearing ratio as at the beginning of 2008.

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, 30 October 2008

*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.*