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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 22nd MEETING OF THE FOURTH SESSION OF THE BOARD

The 22nd meeting of the fourth session of the Board (the “Board”) of Guangzhou Pharmaceutical Company Limited (the “Company”) was held on 9 June 2010 at the Company’s conference room at Room 203, 2nd Floor, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC, notice of which was despatched on 7 June 2010 by way of fax and email. All of the 6 eligible directors attended the meeting. Mr. Yang Rongming, the chairman of the Board, presided over the meeting. The supervisors and senior management of the Company attended the meeting. The meeting was in compliance with the requirements of the Company Law and the Articles of Association of the Company.

After due consideration by the Board, resolutions set out below were passed with 6 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting:

1. Resolution in relation to the amendments to Article 123 of the Articles of Association of the Company, details of which are set out as follow:

The existing Article 123 is to be amended as:

The Company set up a board of directors. The Board consists of nine directors, including one chairman and one vice-chairman.

2. The nomination of Mr. Li Chuyuan as the additional candidate for election as an executive director of the new session of the Board of the Company, and the nomination of Mr. Qiu Hongzhong as the additional candidate for election as an independent non-executive director of the new session of the Board of the Company (profiles attached in Attachment 1).

The Board received a written notice on 7 June 2010 from Guangzhou Pharmaceutical Holdings Limited, the controlling shareholder of the Company holding 48.20% equity interest in the Company, which proposed additional resolutions on the agenda of the 2009 annual general meeting of the Company in relation to the amendments to Article 123 of the Articles of Association of the Company, and the nomination of Mr. Li Chuyuan as the additional candidate for election as an executive director and the nomination of Mr. Qiu Hongzhong as the additional candidate for election as an independent non-executive director of the new session of the Board of the Company. The Company will issue a supplemental notice of the 2009 annual general meeting in relation to the additional resolutions on the agenda of the 2009 annual general meeting in accordance with relevant regulations. The above-mentioned two resolutions passed at this board meeting will be submitted to the 2009 Annual General Meeting for consideration.

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, 9 June 2010

As at the date of this announcement, the Board comprises Mr. Yang Rongming and Mr. Shi Shaobin as executive directors, and Mr. Wong Hin Wing, Mr. Liu Jinxiang, Mr. Li Shanmin and Mr. Zhang Yonghua as independent non-executive directors.

Attachment 1:

Profile of the candidate for election as executive director

Mr. Li Chuyuan, aged 44, holds a bachelor degree and master degree in Executive Business Administration, and is a senior economist. Mr. Li started his career since July 1988 and had been Deputy Director of operation department of Guangzhou Baiyunshan Pharmaceutical General Factory, Assistant to General Manager and Deputy General Manager of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. Mr. Li currently is the Deputy Chairman of the Science, Education, Sanitation and Sport Committee of Guangdong Political Consultative Conference, director and Deputy General Manager of Guangzhou Pharmaceutical Holdings Limited, director of Guangzhou Baiyunshan Pharmaceutical Co., Ltd, the Secretary of the Communist Party Committee and General Manager of Guangzhou Hutchison Whampoa Chinese Medicine Co., Ltd and General Manager of Polian Development Co., Ltd in Hong Kong. Mr. Li has extensive experience in the fields of corporate management and marketing.

Profile of the candidate for election as independent non-executive director

Mr. Qiu Hongzhong, aged 53, a master degree postgraduate and professor. He graduated in 1981 with a degree in clinical medicine and was a master degree postgraduate in 1988. He was a senior visiting scholar of anthropology in Sun Yat-sen University and completed courses of strategic management training class in Party School of the Central Committee of C.P.C.. Mr. Qiu had been the Head of the Medical Department in DongJiang Hospital of Eighth Engineering Bureau, Ministry of Water Conservancy, Deputy Director of Department of Society Science in Guangzhou University of Traditional Chinese Medicine, Deputy head of Huodao Town, Gaoyao County of Guangdong Province, a visiting scholar of anthropology in Sun Yat-sen University, Standing Vice President, President and the Secretary of the Communist Party Committee of School of Economic and Management in Guangzhou University of Traditional Chinese Medicine. Mr. Qiu is currently the President, Graduate Tutor, Professor and Chief Physician of School of Economic and Management in Guangzhou University of Traditional Chinese Medicine, and is also a member of the Medicine Teaching and Guidance Committee of Higher Education Institution under the Ministry of Education of China, Deputy Director of Psychology of TCM in Chinese Medical Association of Guangdong Province, Editor of the national core journal – *Journal of Medicine and Philosophy*, Standing Director of the Society of Chinese Medicine and Health Economics, an expert of Health Economics Institute of Guangdong Academy of Medical Sciences and Standing Vice-chairman of School of Management of Hospital of Traditional Chinese Medicine of Guangdong Provincial Association of Chinese Medicine. Mr. Qiu has extensive experience in economic management and pharmaceutical industry.

Attachment 2:

Declaration in respect of the nomination as an independent non-executive director of Guangzhou Pharmaceutical Company Limited

Guangzhou Pharmaceutical Holdings Limited publicly declared its nomination of Mr. Qiu Hongzhong as a candidate for election as an independent non-executive director of the 5th session of the Board of Guangzhou Pharmaceutical Company Limited (the “Company”). The nominated candidate has absolutely no previous relationship with the Company which may affect the independence of the nomination. The particulars are as follows:

This nomination is made in full knowledge of the nominated candidates’ profession, academic background, professional status, detailed working experience, and all other concurrent posts. The nominated candidate has already given written consent to the appointment as independent non-executive director of the 5th session of the Board of the Company (Declarations of the candidate as independent non-executive director are enclosed). The nominator is of the opinion that the nominated candidate:

1. is qualified to be a director of a listed company based on statutes, administrative laws and regulations and other stipulations;
2. complies with the conditions of appointment as director as stipulated in the Articles of Association of the Company;
3. has the independence required by the Guidance on Setting Up a System of independent director for Listed Companies issued by the China Securities Regulatory Commission;
 - (i) Neither the nominated candidate nor his immediate relatives, and other major social relationship are employed by the Company;
 - (ii) Neither the nominated candidate nor his immediate relatives are shareholders holding either directly or indirectly 1% or more of the issued shares of the Company, nor are they amongst the ten largest shareholders of the Company;
 - (iii) Neither the nominated candidate nor his immediate relatives hold office in shareholders holding 5% or more of the issued shares of the Company, nor did they hold office in one of the top five shareholders of such company;
 - (iv) During the past one year, the nominated candidate did not fall within any one of the categories listed above.

4. The nominated candidate and his immediate family members are not the directors (independent directors), supervisors and senior management of the controlling shareholder of the Company or its actual controller or their subsidiaries;
5. The nominated candidate is not or in the one year prior to his nomination providing financial, legal, and consultancy services to the Company or its subsidiaries;
6. The nominated candidate is not employed in the business units that are engaging business to a material extent with the Company and its controlling shareholder or their respective affiliates nor employed in controlling shareholders of those business units;
7. The nominated candidate is not a national civil servant, or the appointment of the independent director does not violate the “The People’s Republic of China Civil Servant Law”;
8. The nominated candidate is not in the management cadres (other leading cadres) or the appointment of independent director does not violate the requirement of “Notice on regulating the management cadres as independent directors, independent supervisors of listed companies, fund management company after resignation or retirement” (Zhong Ji Fa [2008] 22).

Including the Company, the number of listed companies (mainland A shares and B shares listed companies) in which the nominated candidate serves as independent director is not more than five, and has not served as director of the Company for more than six consecutive years.

The nominator has verified the relevant information of the candidates for independent directors pursuant to the article 1 of the “Notice on strengthening the records on the qualification of independent directors of listed companies” (Shang Zheng Shang Zi [2008] 120) of the Shanghai Stock Exchange.

The nominator pledges the veracity, completeness and correctness of the above declaration and that it does not contain any false or misleading statements. The Company fully understands the possible consequences of making a false declaration.

**Nominator: Guangzhou Pharmaceutical
Holdings Limited**

9 June 2010

Attachment 3:

Declaration of the Candidate for Election as Independent Non-executive Director of Guangzhou Pharmaceutical Company Limited

The declarant, Qiu Hongzhong, as candidate for election as an independent non-executive director of the 5th session of the Board of Directors of Guangzhou Pharmaceutical Company Limited (the “Company”), hereby publicly declares, that there does not exist any relationship between myself and the Company which may affect my independence during my tenure as independent non-executive director of the Company. Particulars of the declaration are as follows:

1. Neither myself nor my immediate relatives, nor other major social relationship are employed by the Company or its associated companies;
2. Neither myself nor my immediate relatives are shareholders holding either, directly or indirectly, 1% or more of the Company’s issued shares and is not the top ten shareholders of the company’s natural shareholders;
3. Neither myself nor my immediate relatives hold office in shareholder holding either, directly or indirectly, 5% or more of the Company’s issued shares, and is not holding office in the Company’s five largest shareholders;
4. Over the past year, I did not fall within any of the categories above three points that would affect my independence for election as an Independent non-executive Director of the Company;
5. Neither myself nor my immediate relatives are the directors (independent directors), supervisors and senior management of the controlling shareholder or actual controller and the subsidiaries of the Company;
6. I do not provide or in the one year prior to my nomination provide financial, legal, and consultancy services to the Company or its associated companies;
7. I am not employed in the business units that are engaging business to a material extent with the Company and its controlling shareholder or their respective affiliates nor employed in the controlling shareholders of those business units;
8. I am not a national civil servant, or the appointment of the independent non-executive director does not violate the “The People’s Republic of China Civil Servant Law”;

9. I am not in the management cadres (other leading cadres) or the appointment of independent directors does not violate the requirement of “Notice on regulating the management cadres as independent directors, independent supervisors of listed companies, fund management company after resignation or retirement” (Zhong Ji Fa [2008] 22).
10. I have not obtained any additional and undisclosed benefits from the Company and its major shareholders or interested agencies and personnel;
11. I comply with the conditions of appointment as director as stipulated in the Articles of Association of the Company;
12. There does not exist any circumstances that I cannot hold office as director of company(ies) pursuant to “The People’s Republic of China Company Law”;
13. I guarantee that the resume and other relevant personal information provided to the Company are true, accurate and complete.

In addition, I do not concurrently hold the post of independent non-executive director in more than five listed companies (mainland A shares and B shares listed companies) including the Company. I did not serve continuously in the Company over six years.

I am fully aware of the responsibilities attached to the post of independent non-executive director and pledge the veracity, completeness and correctness of the above declaration and that it does not contain any false or misleading statements. I am fully cognisant of the possible consequences of making a false declaration. The China Securities and Regulatory Commission may ascertain my independence and employment qualifications from this declaration. During my tenure as an independent non-executive director of the Company, I will comply with the requirements of the regulations, stipulations and notices promulgated by the China Securities and Regulatory Commission. I will ensure that I have enough time and energy to carry out my obligations, that my judgement will be independent and that I will not be affected by the Company’s major shareholders, the actual controller, or other units or individuals which have interests in the Company.

Declarant: Qiu Hongzhong

9 June 2010