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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 5th MEETING
OF THE FIFTH SESSION OF THE BOARD**

The 5th meeting of the fifth session of the board of directors (the “Board”) of Guangzhou Pharmaceutical Company Limited (the “Company”) was held on 15 December 2010 at the Company’s conference room, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”), notice of which was despatched on 10 December 2010 by way of fax and email. All of the nine 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, the rectification report of on-site inspection of Guangzhou Pharmaceutical Company Limited (the text of which has been published on the website of The Shanghai Stock Exchange) was passed with 9 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting.

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, 16 December 2010

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Li Chuyuan, Mr. Shi Shaobin and Mr. Wu Changhai as executive directors, and Mr. Liu Jinxiang, Mr. Li Shanmin, Mr. Zhang Yonghua, Mr. Wong Lung Tak Patrick and Mr. Qiu Hongzhong as non-executive independent directors.