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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 7th MEETING OF THE FIFTH SESSION OF THE BOARD**

The 7th meeting of the fifth session of the Board of directors (the “Board”) of Guangzhou Pharmaceutical Company Limited (the “Company”) was held on 28 April 2011 at the Company’s conference room 203, 2nd Floor, 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 13 April 2011 by way of fax and email. All of the nine eligible directors attended the meeting, among whom, Mr. Li Shanmin, an independent non-executive director, attended the meeting by means of telephone. The meeting was chaired by Mr. Yang Rongming, the chairman. The supervisors, senior management and the lawyers of the Company also attended the meeting. The meeting was convened and held 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 9 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting.

1. The first quarterly report of the Company for the year 2011;
2. Appointment of PricewaterhousesCoppers Zhong Tian CPAs Limited Company as auditors of the Company for the year 2011, and the proposal to the shareholders’ meeting to authorize the Board to determine its remuneration;
3. Appointment of PricewaterhousesCoppers Zhong Tian CPAs Limited Company as auditors for the internal control of the Company for the year 2011, and the proposal to the shareholders’ meeting to authorize the Board to determine its remuneration;
4. Resolution in relation to amendments to the Articles of Association of the Company, details are as follows:

The existing Article 11 to be amended as follows:

The business scope of the Company should be consistent with those set out in the business license. The Company shall engage in operations within the business scope registered with the Administration for Industry and Commerce.

The business scope of the Company covers: the operation, investment, development and financing of state-owned assets; development and manufacturing of Chinese Patent Medicine (“CPM”) (licensed); manufacturing of biological products, healthcare medicines and drinks (licensed); wholesale and retail trade (including CPM and except for items exclusively sold and controlled by other countries); general cargo (licensed) and cargo transportation agency.

(The following operation are carried out by branches): wholesale of Chinese medicines (through purchase), Chinese traditional prepared herbal medicine slice, CPM, chemical crude drug and its preparation, antibiotics crude drugs and its preparation, biochemical medicines, biological products (except vaccine) (drugs licensed); sales of category III of injection apparatus, medical X-ray equipment, extracorporeal circulation and blood processing equipment, equipment and apparatus for operation theatres, accidents and emergency rooms and clinics, medical macromolecule materials and products; category II of general treatment apparatus, medical optical instruments and apparatus and endoscopic equipment, physiotherapy and rehabilitation equipment, medical X-ray auxiliary devices and components, medical suture materials adhesives, bandages (medical apparatus licensed); wholesale of category I of medical apparatus; provision of technological services for new technology, products and materials in the medicine sector; product information enquiry; import and export of goods and technology (excluding projects prohibited by relevant laws and regulations. Projects restricted by laws and regulations are not allowed without license franchise); operation of imported material processing and three categories of processing and one category of compensation business; field leasing and storage (except dangerous chemicals).

The existing Article 203 to be amended as follows:

The financial statements of the Company should be prepared in accordance with the PRC Accounting Standards and regulations.

The existing Article 204 to be amended as follows:

The announcement and disclosure of the interim results or financial data of the Company should be prepared in accordance with the PRC Accounting Standards and regulations.

5. Application for banking facilities by the Company of no more than RMB 300 million, with a period of 1 year. In addition, in order to simplify the approval procedures of bank loans, the chairman of the Board is authorized to execute bank loans on behalf of the Board with a loan amount falls below 3% of the audited net assets of the Company for the previous reporting period, within the limit of banking facilities approved by the Board, and sign relevant documents relating to such bank loans.

Resolutions numbered 2 to 4 will be submitted to the 2010 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, 28 April 2011

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 independent non-executive directors.