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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 THE RESOLUTIONS PASSED AT THE 2011 ANNUAL GENERAL MEETING

IMPORTANT NOTICE

- There was no objection or amendment to the resolutions proposed at the annual general meeting;
- There was no new motion proposed at the annual general meeting.

I. CONVENING OF THE 2011 ANNUAL GENERAL MEETING (THE “AGM”) AND ATTENDANCE THEREOF

The AGM was held on 12 April 2012 (Thursday) at 10:00 a.m. at the conference room 103 of Guangzhou Pharmaceutical Company Limited (the “Company”), 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”). 7 shareholders (in person or by proxy) attended the AGM, representing a total of 436,479,021 shares of the Company (of which 390,965,491 shares were domestic shares and 45,513,530 shares were H shares) or approximately 53.83% of the total number of issued shares of the Company. The AGM was convened by the board of directors (the “Board”) and was presided by Mr. Li Chuyuan, the vice chairman of the Company. Part of directors, supervisors and senior management of the Company together with the attesting lawyers and auditors of the Company were present at the AGM. The AGM was held in compliance with the relevant provisions of the Company Law of the PRC (the “Company Law”) and the Company’s Articles of Association (the “Articles”).

As at the date of the AGM, there were a total of 810,900,000 shares of the Company in issue (of which 591,000,000 shares were domestic shares and 219,900,000 shares were H shares), which was the total number of shares entitling the holders to attend and vote at the AGM. No shares entitling the holders to attend and abstain from voting in favor as set out in Rule 13.40 to the Rules Governing the Listing of Securities on the The Stock Exchange of Hong Kong Limited (the “Listing Rules”). No shares of holders that are required under the Listing Rules to abstain from voting on any of the resolutions at the AGM.

II. CONSIDERATION OF THE RESOLUTIONS

In accordance with the agenda of the AGM, the following resolutions (details of which were set out in the notice of the AGM dated 16 February 2012) were passed at the AGM by way of poll:

- **Passed by way of ordinary resolution:**

1. *Report of the Board of the Company for the year 2011*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

2. *Report of the supervisory committee of the Company for the year 2011*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

3. *Financial reports of the Company for the year 2011*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

4. *Auditors' reports of the Company for the year 2011*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

5. *Proposal for profit distribution and dividend payment of the Company for the year 2011*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

6. *Financial budget report of the Company for the year 2012*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

7. *Total service emoluments to be paid to the directors of the Company for the year 2012*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

8. *Total service emoluments to be paid to the supervisors of the Company for the year 2012*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

9. *Provision of guarantees by the Company to secure bank loans for its subsidiaries*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

10. *Provision of guarantees by Guangzhou Bai Di Bio-technology Co., Ltd., a subsidiary of the Company, to secure bank loans for Guangzhou Nuo Cheng Bio-technology Co., Ltd.*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

11. *Re-appointment of PricewaterhouseCoopers Zhong Tian CPAs Limited Company as auditor of the Company for the year 2012, and the proposal to the shareholders' meeting to authorize the Board to determine its remuneration*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

12. *Re-appointment of PricewaterhouseCoopers Zhong Tian CPAs Limited Company as auditor for the internal control of the Company for the year 2012, and the proposal to the shareholders' meeting to authorize the Board to determine its remuneration*

No. of Shares Represented <i>(share)</i>	No. of Shares Voted in Favor <i>(share)</i>	Percentage of Shares Voted in Favor <i>(%)</i>	No. of Shares Voted Against <i>(share)</i>	No. of Shares Abstained <i>(share)</i>
436,479,021	436,479,021	100	0	0

III. PROCEEDINGS WITNESSED BY LAWYERS AND AUDITOR

PricewaterhouseCoopers Zhong Tian CPAs Limited Company, the Company's auditor, was appointed as the scrutineer at the AGM for the purpose of vote taking. The poll results were scrutinized by PricewaterhouseCoopers Zhong Tian CPAs Limited Company, whose work was limited to certain procedures requested by the Company to ensure the poll results summary prepared by the Company is consistent with the poll forms collected and provided by the Company to PricewaterhouseCoopers Zhong Tian CPAs Limited Company. The work performed by PricewaterhouseCoopers Zhong Tian CPAs Limited Company in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements nor did it include provision of any assurance or advice on matters of legal interpretation or entitlement to vote.

The AGM was witnessed by Ms. Zhang Hui and Mr. Zhao Yarong, lawyers from Z&T Law Firm, which issued its legal opinion that the procedures for convening and holding of the AGM complied with the provisions of the Company Law and the Articles, and the eligibility of the persons attending the AGM was lawful and valid. No new motion was proposed by the shareholders at the AGM. The voting procedures for the meeting complied with the laws and regulations and the provisions of the Articles. The resolutions passed at the AGM were lawful and valid.

IV. EXPLANATION OF THE PAYMENT OF FINAL DIVIDEND FOR THE YEAR 2011

Apart from the above resolutions, the Company made the following explanation of the payment of the final dividend for the year 2011:

1. The register of members of the Company will be closed from 26 April 2012 (Thursday) to 2 May 2012 (Wednesday) (both days inclusive) during which no transfer of H shares will be effected. The holders of H shares whose names appeared on the register of members of the Company at the close of business on 2 May 2012 (Wednesday) will be entitled to the final dividend for the year 2011. The holders of H shares who would like to entitle to the final dividend for the year 2011, all share transfer documents together with the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, namely Hong Kong Registrars Limited, for share transfer registration not later than 4:30 p.m. on 25 April 2012 (Wednesday).
2. According to Enterprise Income Tax of the People's Republic of China and Implementation Rules of Enterprise Income Tax Law of the People's Republic of China (collectively, "Tax Laws"), from 1 January 2008 onwards, any PRC domestic enterprise shall withhold and pay enterprise income tax upon distribution of dividends to non-resident enterprise shareholders and the payer shall be treated as the obligatory withholder. Accordingly, the Company shall be obligated to withhold and pay a 10% enterprise income when distributing final dividends to non-resident enterprise shareholders whose names appear in the register of holders of H shares in 2 May 2012 (Wednesday). But the Company has no obligation to withhold and pay such enterprise income tax when distributing final dividends to the resident enterprise shareholders whose names appeared on the register of holders of H shares on 2 May 2012 (Wednesday). A resident enterprise (with the same meaning as defined in the Tax Laws) which is incorporated in the PRC or is incorporated under the law of a foreign country (or region) with its de facto management organization located within the PRC shall submit to the Hong Kong Registrars Limited not later than 4:30 p.m. on 25 April 2012 (Wednesday) a legal opinion (stamped with the chop of the law firm) issued by a qualified PRC practicing lawyer ascertaining its resident enterprise status. Otherwise, the Company shall not be held responsible for any disputes in relation to withholding and payment of enterprise income tax arising from failure to submit the legal opinion within the prescribed period.

3. According to the provisions of the Tax Laws, the dividend (bonus) received by the overseas resident individual shareholders in respects of their interests in the stocks issued by domestic non-foreign invested enterprises in Hong Kong is subject to the payment of individual income tax in the PRC, which shall be withheld by the withholding agents according to the relevant laws. However, the overseas resident individual shareholders of the stocks issued by domestic non-foreign invested enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements inked between the countries where they are residents and China or the tax arrangements between mainland China and Hong Kong (Macau). When final dividend is to be distributed to the holders of H shares whose names appeared on the register of holders of H shares of the Company as at 2 May 2012 (Wednesday), the Company will withhold 10% of the dividend to be distributed to the individual H-share holders as individual income tax in the PRC unless otherwise specified by the relevant tax regulations and tax agreements, in which case the Company will withhold individual income tax of such dividend at the tax rates and according to the relevant procedures as specified by such relevant tax regulations and tax agreement.
4. The holders of H shares whose names appeared on the register of members of the Company at the close of business on 2 May 2012 (Wednesday) will be entitled to the final dividend for the year 2011. According to Article 213 of the Articles, dividends payable to the Company's holders of H shares shall be paid in Hong Kong dollars. For the purpose of payment of the dividend, the applicable exchange rate is HK\$100 to RMB81.1796, being the average of the exchange rate between Hong Kong dollar and Renminbi as announced by the People's Bank of China for the week proceeding the date of announcement of the dividend. Accordingly, the amount of the final dividend payable per H share is HK\$0.1232 (including tax). The final dividend for H share will be paid on or before 11 June 2012.
5. Should the H-share holders of the Company have any doubt in relation to the aforesaid arrangements, they are recommended to consult their tax advisors for relevant tax impact in mainland China, Hong Kong and other countries (regions) on the possession and disposal of the H shares of the Company.
6. A separate announcement in relation to the 2011 final dividend for holders of A shares of the Company will be made in due course.

V. DOCUMENTS AVAILABLE FOR INSPECTION

1. The resolutions passed at the AGM signed by the shareholders who were present in person or by proxy; and

2. The legal opinion issued by the lawyer in relation to the AGM.

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 12 April 2012

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.