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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 14TH MEETING OF THE FIFTH SESSION OF THE BOARD**

The 14th meeting of the fifth session of the board of directors (the “Board”) of Guangzhou Pharmaceutical Company Limited (the “Company”) was held on 26 April 2012 at the Company’s conference room, 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 dispatched on 11 April 2012 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 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. 2012 First Quarterly Report of the Company;
2. Resolution regarding the approval of the entrusted loan business between the Company and its subsidiaries.

To take full advantage of internal funds and reduce the interest costs, the Board agreed to conduct the entrusted loan business between the Company and its subsidiaries, among which the maximum amount of a single commissioned loan is RMB 50 million, commissioned loan balance limits is RMB 0.6 billion, valid from 1 July 2012 to 30 June 2014. In addition, in order to simplify the approval procedures and shorten the approval process, the chairman of the Board is authorized to sign the relevant commissioned loan documents.

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, 26 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.