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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)

UNUSUAL FLUCTUATIONS IN TRADING OF A SHARES

1. UNUSUAL FLUCTUATIONS IN THE TRADING OF A SHARES

The accumulated deviation in the closing price of the A shares of Guangzhou Pharmaceutical Company Limited (the “Company”) for the three consecutive trading days on 9 May 2012, 10 May 2012 and 11 May 2012, having reached 20%, unusual fluctuations in the trading of shares of the Company is regarded as having occurred under the listing rules of the Shanghai Stock Exchange.

2. DETAILS OF RELEVANT INFORMATION CONCERNED AS VERIFIED BY THE COMPANY

After investigating its own affairs and making enquiry in writing with its controlling shareholder, namely, Guangzhou Pharmaceutical Holdings Limited (“GPHL”), the Company learned that on 11 May 2012, GPHL received the arbitration ruling ([2012] China Mao Zhong Jing Cai Zi No. 0240, the “Arbitration Ruling”) dated 9 May 2012 from the China International Economic and Trade Arbitration Commission.

In the Arbitration Ruling, the China International Economic and Trade Arbitration Commission ruled, in the disputes between GPHL (as the claimant, the “Claimant”) and Hung To (Holdings) Company (as the respondent, the “Respondent”) regarding the WangLaoJi trademarks licensing agreement as follows:

- (i) The WangLaoJi Trademarks Licensing Supplemental Agreement (《「王老吉」商標許可補充協議》) and The Supplemental Agreement in relation to the WangLaoJi Trademarks Licensing Agreements (《關於「王老吉」商標使用許可合同的補充協議》) entered into by the Claimant and the Respondent are invalid;
- (ii) The Respondent shall cease to use the WangLaoJi trademarks; and

- (iii) The expenses of the arbitration proceedings shall be borne by the Claimant and the Respondent in equal shares.

The above rulings are final and conclusive and shall be effective from the date of the rulings.

3. STATEMENT ON WHETHER THERE IS ANY SIGNIFICANT DISCLOSEABLE INFORMATION

The board of the directors of the Company (the “Board”) confirms that, other than the Arbitration Ruling, it is not in possession of information which the Company is required to disclose under the listing rules of the Shanghai Stock Exchange, nor is the Board aware of any information which may have any significant impact on the Company’s share price and is therefore discloseable under the listing rules of the Shanghai Stock Exchange.

4. NECESSARY RISK WARNING BY THE COMPANY

The Company’s designated media for publication of its information includes Shanghai Securities News, Securities Times, the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>). Investors are advised to pay attention to investment risks.

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, 11 May 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.