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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 18TH MEETING OF THE FIFTH SESSION OF THE BOARD**

The 18th meeting of the fifth session of the board of directors (the “Board”) of Guangzhou Pharmaceutical Company Limited (the “Company”) was held on 24 August 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 10 August 2012 by way of fax and email. All of the eight eligible directors attended the meeting, among whom, Mr. Li Shanmin and Mr. Wong Lung Tak Patrick, independent non-executive directors, attended the meeting by means of telephone communication; Mr. Zhang Yonghua, an independent non-executive director, was unable to attend the meeting and appointed Mr. Liu Jinxiang, an independent non-executive director, to attend the meeting and vote on his behalf. Mr. Yang Rongming, the chairman of the Board, presided over the meeting. The supervisors, senior management, auditors and lawyers of the Company also attended the meeting. The meeting was convened and held in compliance with the requirements of the Company Law of the PRC and the Articles of Association of the Company.

After due consideration by the Board, resolutions numbered 1, 2 and 3 set out below were passed with 8 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting. Resolution numbered 4 set out below was passed with 6 affirmative votes, 0 dissenting vote and 0 vote abstaining from voting. The executive directors, Mr. Yang Rongming and Mr. Li Chuyuan, being also the directors of Guangzhou Pharmaceutical Holding Limited (the controlling shareholder of the Company) abstained from voting on resolution numbered 4:

1. The 2012 interim report of the Company;
2. The financial reports of the Company for the first half of 2012;
3. The auditor’s reports of the Company for the first half of 2012;
4. Resolution on the approval of audit reports and profit forecast reports prepared in accordance with the relevant requirements of the PRC in relation to the major assets reorganization.

The full text of the above reports (Chinese version only) have been published on the websites of The Shanghai Stock Exchange (www.sse.com.cn) and The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) of this announcement.

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, 24 August 2012

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Li Chuyuan 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.