

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 FIRST CLASS MEETING OF HOLDERS OF OVERSEAS LISTED FOREIGN CAPITAL SHARES IN 2012

IMPORTANT NOTICE

- There was no objection or amendment to the resolutions proposed at the first class meeting of holders of overseas listed foreign capital shares;
- There was no new motion proposed at the first class meeting of holders of overseas listed foreign capital shares.

I. CONVENING OF THE FIRST CLASS MEETING OF HOLDERS OF OVERSEAS LISTED FOREIGN CAPITAL SHARES (THE “H SHARE”) IN 2012 (THE “CLASS MEETING OF H SHAREHOLDERS”) AND ATTENDANCE THEREOF

The Class Meeting of H Shareholders of Guangzhou Pharmaceutical Company Limited (the “Company”) was held on the morning of 19 September 2012 (Wednesday), at the Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”). 20 H shareholders (in person or by proxy) attended the Class Meeting of H Shareholders, representing a total of 66,721,573 H shares of the Company or approximately 30.34% of the total number of issued H shares of the Company. As at 30 August 2012 (being the latest day by which the completed and signed reply slips from holders of H shares who intend to attend the Class Meeting of H Shareholders must be received by the Company), the Company had not received written replies from holders of H Shares who intend to attend the Class Meeting of H Shareholders and whose shareholdings together represent more than 50% of the total H shares having the right to vote at the Class Meeting of H Shareholders. The announcement in relation to the indicative notice of the Class Meeting of H Shareholders dated 31 August 2012 was published. According to the Article 120 of the Company’s Articles of Association (the “Articles”), the Class Meeting of H Shareholders can be convened after the publication of such announcement.

The Class Meeting of H Shareholders was convened by the board of directors (the “Board”) and was presided by Mr. Li Chuyuan, the vice chairman of the Board. Certain directors, supervisors and senior management of the Company, together with the attesting lawyers and scrutineer attended the Class Meeting of H Shareholders. The Class Meeting of H Shareholders was held in compliance with the relevant provisions of the Company Law of the PRC (the “Company Law”) and the Articles.

As at the date of the Class Meeting of H Shareholders, there were a total of 219,900,000 H shares of the Company in issue, representing approximate 27.12% of the total number of issued shares of the Company. Shareholders who have the right to attend the Class Meeting of H Shareholders may vote in favor of or against at the meeting for the resolutions as set out in the notice of the Class Meeting of H Shareholders dated 3 August 2012 (the “Notice”). No H shareholders entitled to attend the Class Meeting of H shareholders was required to 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 H shareholders entitled to attend the meeting was required to abstain from voting according to the Listing Rules.

II. CONSIDERATION OF THE RESOLUTIONS

In accordance with the agenda of the Class Meeting of H Shareholders, the following resolutions (details of which were set out in the Notice) were passed at the Class Meeting of H Shareholders by way of poll:

Passed by way of special resolutions:

1. The Resolution on the concurrent implementation of the Absorption and Merger of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. through Share Swap of additional A shares and the Asset Acquisition through Issuance of A Shares to Guangzhou Pharmaceutical Holdings Limited by Guangzhou Pharmaceutical Company Limited

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

2. The Resolution on the Proposal for the Absorption and Merger of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. by Guangzhou Pharmaceutical Company Limited through Share Swap of Additional A Shares

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

3. The Resolution on the Entering into and Implementation of the Absorption and Merger Agreement with Guangzhou Baiyunshan Pharmaceutical Co., Ltd

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4. The Resolution on the Proposal for Asset Acquisition through Issuance of A Shares to Guangzhou Pharmaceutical Holdings Limited on an item-by-item basis

4.1 Valuation date

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.2 Nature of shares

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.3 Method of issue

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.4 Target subscriber and subscription method

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.5 Value of the assets to be acquired

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.6 Number of shares to be issued

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.7 Issue price

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.8 Attribution of profit and loss from the assets to be acquired from the valuation date to the completion date

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.9 Lock-up period

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.10 Place of listing

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.11 Arrangement for accrued profit

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.12 Validity of resolutions on the asset acquisition through issuance of shares

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

4.13 Conditions precedent of the Asset Acquisition Agreement and its supplemental agreement

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

5. The Resolution on the Entering into and Implementation of the Assets Acquisition Agreement through Issuance of Shares and the Supplemental Agreement to the Agreement on Assets Acquisition through Issuance of Shares with Guangzhou Pharmaceutical Holdings Limited

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

6. The Resolution on Entering into and Implementation of the Agreement for the Compensation of the Difference between Actual Earning and Net Earning Forecast of the Assets Proposed to be Acquired with Guangzhou Pharmaceutical Holdings Limited

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

7. The Resolution on the Report on the Absorption and Merger of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. through Share Swap, Asset Acquisition through Issuance of Shares and Connected Transactions of Guangzhou Pharmaceutical Company Limited (draft) published by the Company

No. of Shares Represented (share)	No. of Shares Voted in Favor (share)	Percentage of Shares Voted in Favor (%)	No. of Shares Voted Against (share)	No. of Shares Abstained (share)
66,721,573	62,111,573	93.09	4,610,000	0

III. PROCEEDINGS WITNESSED BY LAWYERS AND AUDITORS

BDO China Shu Lun Pan Certified Public Accountants LLP served as the scrutineer at the Class Meeting of H Shareholders for the purposes of vote-taking.

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

IV. DOCUMENTS AVAILABLE FOR INSPECTION

1. The resolutions passed at the Class Meeting of H Shareholders signed by the shareholders who were present in person or by proxy; and
2. The legal opinion issued by the lawyers in relation to the Class Meeting of H Shareholders.

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 19 September 2012

As at the date of this announcement, the Board comprises Mr. Yang Rongming, Mr. Li Chuyuan, Ms Cheng Ning (appointed on 19 September 2012) 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.