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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 FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES IN 2012

IMPORTANT NOTICE

- There was no objection or amendment to the resolutions proposed at the first class meeting of holders of domestic shares in 2012;
- There was no new motion proposed at the first class meeting of holders of domestic shares in 2012.

I. CONVENING OF THE FIRST CLASS MEETING OF HOLDERS OF DOMESTIC SHARES IN 2012 (THE “CLASS MEETING OF A SHAREHOLDERS”) AND ATTENDANCE THEREOF

1. The Class Meeting of A 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”), and the Company also provided the network voting (during 09:30-11:30 and 13:00-15:00, applicable to A shares) (Shareholders who participated in network voting at the first extraordinary general meeting in 2012 shall be regarded as making the same vote on the same resolution at the Class Meeting of A Shareholders. The Class Meeting of A Shareholders did not provide network voting separately).
2. The number of shareholders and proxies thereof who attended the Class Meeting of A Shareholders, the total number of voting shares held by them and the percentage of the voting shares out of the total number of voting shares of the Company are as follows:

The number of shareholders and proxies thereof who attended the meeting on-site and by way of network voting	873
Including: the number of shareholders who participated in network voting	855
The total number of voting shares (shares)	50,955,691
Including: the total shares of domestic shareholders of A shares(shares)	1,760,421
Including: the total number of shares held by the shareholders who participated in network voting (shares)	49,235,242
Percentage of the total number of issued shares of the Company (%)	6.29
Including: Percentage of the total number of holders of A shares held by domestic shareholders (%)	8.63
Including: Percentage of the total number of shares held by the shareholders who participated in network voting out of the total number of A shares (%)	8.33

The Class Meeting of A Shareholders was convened by the board of directors of the Company (the “Board”) and was presided by Mr. Li Chuyuan, vice chairman of the Board. Certain directors, supervisors and senior management of the Company, together with the attesting lawyers and scrutineer were present at the Class Meeting of A Shareholders. The Class Meeting of A Shareholders 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 Class Meeting of A Shareholders, there were a total of 591,000,000 domestic shares of the Company in issue, representing approximately 72.88% of the total number of issued shares of the Company. Shareholders who have the right to attend the Class Meeting of A Shareholders may vote in favor of or against at the meeting for the resolutions as related in the notice of the Class Meeting of A Shareholders dated 3 August 2012 (the “Notice”).

II. CONSIDERATION OF THE RESOLUTIONS

In accordance with the agenda of the Class Meeting of A Shareholders, the following resolutions (details of which were set out in the Notice) were passed at the Class Meeting of A 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)
50,995,691	49,568,563	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,995,691	49,568,563	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,995,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,995,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,995,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,995,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,995,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,995,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	46,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,566,863	97.20	790,009	638,819

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

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)
50,955,691	49,567,963	97.20	788,909	638,219

As the resolution involves connected transactions, Guangzhou Pharmaceutical Holdings Limited as connected shareholder had abstained from voting. The number of shares of the abstaining shareholders amounted to 390,833,391 shares.

III. PROCEEDINGS WITNESSED BY LAWYERS AND AUDITORS

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

The Class Meeting of A 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 A Shareholders complied with the provisions of the Company Law and the Articles, and the eligibility of the persons attending the Class Meeting of A Shareholders was lawful and valid. No new motion was proposed by the shareholders at the Class Meeting of A Shareholders. The voting procedures for the Class Meeting of A Shareholders complied with the laws and regulations and the provisions of the Articles. The resolutions passed at the Class Meeting of A Shareholders were lawful and valid.

IV. DOCUMENTS AVAILABLE FOR INSPECTION

1. The resolutions passed at the Class Meeting of A 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 A 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 at 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.