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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
REGARDING CERTAIN MEDIA REPORTS**

Guangzhou Pharmaceutical Company Limited (“GPC” or the “Company”) has noted that there have been recent news reports in PRC alleging that Guangdong Bao Shan Tang Pharmaceutical Company Limited (“Bao Shan Tang”) supplying dry paste extracted by the branches and leaves of flos Ionicerae to certain pharmaceutical companies, including Guang Xi Ying Kang Pharmaceutical Company (“Guang Xi Ying Kang”), a subsidiary of the Company.

With regard to the recent news reports, the Company has set up a special working team rapidly to investigate the situation. Furthermore, the Company has asked Guang Xi Ying Kang, to be highly accountable to the customers, handle the event situation cautiously and actively cooperate with the investigation by the drug administration departments. Currently, Guang Xi Ying Kang has temporarily ceased the production and sales of batches of Vitamin C Yin Qiao Pian (維C銀翹片) which use raw materials supplied by Bao Shan Tang, and has delivered the relevant products to relevant authorities for inspection. In addition, Guang Xi Ying Kang has sent correspondence and personnel to request Bao Shao Tang to make an in-depth investigation on the relevant events and publish the results as soon as possible.

The Company will closely monitor the progress of the events and fulfill its disclosure obligations on a timely basis.

The registered capital of Guang Xi Ying Kang is RMB31.8845 million, and the Company currently holds 51% equity interests in Guang Xi Ying Kang. In 2012, the income from operations of Guang Xi Ying Kang is RMB49.33 million and the net profit is RMB1.9 million, representing 0.60% of the income from operations of the Company and 0.48% of the net profit attributable to the shareholders of the Company.

The Company wishes to inform the investors that the Company's designated media for publication of its information include 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 take due care to the investment risks.

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 28 March 2013

As at the date of this announcement, the board of the Company comprises Mr. Yang Rongming, Mr. Li Chuyuan, Ms. Cheng Ning 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.