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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)

FURTHER ANNOUNCEMENT REGARDING CERTAIN MEDIA REPORTS

Reference is made to the announcement of Guangzhou Pharmaceutical Company Limited (the “**Company**”) dated 28 March 2013 (the “**Announcement**”) in relation to Guangdong Bao Shan Tang Pharmaceutical Company Limited (“**Bao Shan Tang**”) supplying dry paste extracted by the non-medicinal part of flos Ionicerae to certain pharmaceutical companies to produce Vitamin C Yin Qiao Pian (維C銀翹片), including Guang Xi Ying Kang Pharmaceutical Company (“**Guang Xi Ying Kang**”), a subsidiary of the Company. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

In view of the recent relevant news reports, the Company paid serious attention to the incident and has forthwith set up a special working team to monitor and assist Guang Xi Ying Kang in dealing with the relevant matters, the progress of which is set out as follows:

- I. Guangxi Zhuang Autonomous Region Food and Drug Administration Bureau issued an announcement on the evening of 9 April 2013. According to the announcement, the joint investigation team set up by the Food and Drug Administration Bureau of Guangxi and Nanning City inspected the source of raw materials, manufacturing technique, raw materials and product inventory, sales flow, etc. of Vitamin C Yin Qiao Pian. Guang Xi Ying Kang has commissioned Bao Shan Tang to produce dry paste for manufacturing Vitamin C Yin Qiao Pian, but Guang Xi Ying Kang had not carried out quality control of nor given technical guidance in the whole production process on each batch of dry paste during its manufacturing, so Guang Xi Ying Kang is required to carry out rectification, and that the tablet GMP pharmaceutical product certificate that was voluntarily returned by Guang Xi Ying Kang to the bureau is withdrawn.

The inspection results of the Vitamin C Yin Qiao Pian inventory and the products on the market carried out by the food and drug inspection agencies showed that heavy metal contents including arsenic, mercury, lead, cadmium, copper and sulphur dioxide contained therein are lower than the stipulated limits published by the Chinese Pharmacopoeia Commission. The adverse drug reaction for Vitamin C Yin Qiao Pian produced by Guang Xi Ying Kang has been monitored and no serious adverse reaction report has been received.

- II. On 29 March 2013, Guang Xi Ying Kang delivered Vitamin C Yin Qiao Pian to Guangxi Center for Analysis and Test Research for testing of heavy metal contents including mercury, arsenic, lead, copper and cadmium. The result showed that the product was compliant with the standards of “heavy metal and hazardous elements” for medicinal materials such as hawthorn and licorice as stipulated in the 2010 Chinese Pharmacopeia, and reserved samples that were re-inspected was also compliant with the standards of the pharmacopeia.
- III. Guang Xi Ying Kang, with high accountability to the consumers, carried out recalling measure to recall 100% of its Vitamin C Yin Qiao Pian on 29 March 2013 to ensure public drug using safety, As at 8 April 2013, Guang Xi Ying Kang has recalled 13,232 pieces of Vitamin C Yin Qiao Pian with a recalling rate of approximately 98%.

The Company will continue to monitor the progress of the incident and fulfill the disclosure obligations on a timely basis.

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, 10 April 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.