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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 23rd MEETING OF THE FIFTH SESSION OF  
THE BOARD**

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The 23rd meeting of the fifth session of the board of directors (the “**Board**”) of Guangzhou Pharmaceutical Company Limited (the “**Company**”) was held on 16 July 2013 by means of communication voting, notice of which was despatched on 12 July 2013 by way of fax and email. All of the nine eligible directors attended the meeting. The meeting was convened and held in compliance with the requirements of the Company Law and the Articles of Association of the Company.

All of the following resolutions were passed with 9 affirmative votes, no dissenting and abstaining vote.

1. Resolution on “WLJ Ya’an production base” project;

In order to meet the market demand through expanding the production capacity, Guangzhou Wang Lao Ji Great Health Company Limited (“**WLJ Great Health**”), the wholly-owned subsidiary of the Company, proposed to establish WLJ herbal tea production base in Ya’an, Sichuan to offer more jobs opportunities.

The total gross floor area of the production base is approximately 350 mu, with a gross floor area of 44,200 sq.m. in the first phase. There will be two production lines with annual production capacity of 20,000,000 cases of WLJ herbal tea upon completion of the construction. The estimated total investment will be approximately RMB298 million.

Meanwhile, in order to carry out the project, WLJ Great Health proposed to set up a wholly-owned subsidiary, WLJ Great Health (Ya’an) Company Limited as the investing and constructing entity of the project, with the registered capital amounted to RMB50 million.

Notice of risks: There might be possible risks relating to policy, capital, construction and environmental protection encountered during the construction and operation of the project, which are within acceptable level and are not expected to have significant impact on the project.

2. Resolution on setting up Guangzhou Guang Yao Xing Zhou Pharmaceutical Company Limited;

In order to centralize the traditional Chinese medicines extraction and separation business of the subsidiaries of the Company, strengthen the supervision of traditional Chinese medicines pretreatment extraction process, enhance the standard of production process, achieve scale production, enhance productivity and market competitiveness, the Company proposed to set up a joint venture, Guangzhou Guang Yao Xing Zhou Pharmaceutical Company Limited, with Guangzhou Xing Zhou Pharmaceutical Company Limited (“Xing Zhou Pharmaceutical Company Limited”). The registered capital of Guangzhou Guang Yao Xing Zhou Pharmaceutical Company Limited is RMB86.48 million, of which the Company will contribute RMB64.86 million in cash, representing 75% equity interest of Guangzhou Guang Yao Xing Zhou Pharmaceutical Company Limited and Xing Zhou Pharmaceutical Company Limited will contribute RMB4.366 million in cash and inject equipments with an appraised value of RMB17.254 million, representing 25% equity interest of Guangzhou Guang Yao Xing Zhou Pharmaceutical Company Limited.

3. Guidelines on disclosure of inside information of the Company.

The Board of  
**Guangzhou Pharmaceutical Company Limited**

Guangzhou, the PRC, 16 July 2013

*As at the date of this announcement, the Board 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.*