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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 IN RELATION TO THE MAJOR ASSETS REORGANIZATION

References are made to the circular of Guangzhou Pharmaceutical Company Limited (the “**Company**”) dated 4 September 2012 in relation to the Major Assets Reorganization (the “**Circular**”) and the various announcements of the Company in relation to the Major Assets Reorganization since 27 March 2012. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

On 21 December 2012, the Company received the “Approval of the Asset Acquisition through Issuance of Shares to Guangzhou Pharmaceutical Holdings Limited and the Absorption and Merger of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. by Guangzhou Pharmaceutical Company Limited” (the “**Approval**”) (Zhengjianxuke[2012] No.1695) (證監許可[2012]1695號) from the CSRC. Pursuant to the Approval, the Company was approved to issue 34,839,645 Shares to GPLH for the acquisition of the related assets and 445,601,005 Shares to absorb and merge BYS. The Approval is valid for 12 months from its date of issue.

The Company will deal with the relevant procedure of the asset acquisition through issuance of Shares and the absorption and merger as soon as possible in accordance with the requirements of the Approval and the authorization obtained in the GPC General Meetings, and will comply with its disclosure obligations according to the relevant regulations on a timely basis. Investors are advised to pay attention to the announcement(s) of the Company for further development of the Major Assets Reorganization.

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 21 December 2012

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.