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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)

2012 FIRST QUARTERLY REPORT

1. IMPORTANT NOTICE

- 1.1 The board of directors (the “Board”), the supervisory committee (the “Supervisory Committee”) of Guangzhou Pharmaceutical Company Limited (“GPC” or the “Company”) and its directors, supervisors and senior management collectively and individually accept full responsibility for the authenticity, accuracy and completeness of the information contained in this quarterly report and confirm that there are no false information, misleading statements or material omissions in this quarterly report.
- 1.2 All the directors of the Board attended the 14th meeting of the fifth session of the Board held on 26 April 2012.
- 1.3 The financial reports of the Company and its subsidiaries (collectively the “Group”), and the Company for the first quarter ended 31 March 2012 (the “Reporting Period”) were prepared in accordance with the China Accounting Standards for Business Enterprises and were unaudited.
- 1.4 Mr. Yang Rongming (the chairman of the Board), Mr. Wu Changhai (director and general manager), and Mr. Chen Binghua (the financial controller and senior manager of the Finance Department), warrant and confirm the authenticity and completeness of the financial reports contained in this quarterly report.
- 1.5 This 2012 first quarterly report is published in Hong Kong pursuant to Rule 13.09 (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- 1.6 This quarterly report is prepared in both English and Chinese. In the event that different interpretation occurs, the Chinese version shall prevail.

2. CORPORATE INFORMATION

2.1 Principal financial data and indicators

Items	As at 31 March 2012 <i>(Unaudited)</i>	As at 31 December 2011 <i>(Audited)</i>	Increase/(Decrease) as compared with 31 December 2011 <i>(%)</i>
Total assets (RMB'000)	5,280,605	4,851,266	8.85
Shareholders' equity attributable to the shareholders of the Company (RMB'000)	3,903,736	3,781,652	3.23
Net assets per share attributable to the shareholders of the Company (RMB)	4.81	4.66	3.23

Items	The Reporting Period (1 January – 31 March 2012) <i>(Unaudited)</i>	Increase/(Decrease) as compared with the corresponding period of 2011 <i>(%)</i>
Net cash flow from operating activities (RMB'000)	64,622	210.53
Net cash flow from operating activities per share (RMB)	0.080	210.53

Items	The Reporting Period (1 January – 31 March 2012) <i>(Unaudited)</i>	1 January – 31 March 2012 <i>(Unaudited)</i>	Increase/(Decrease) of the Reporting Period as compared with the corresponding period of 2011 <i>(%)</i>
Net profit attributable to the shareholders of the Company (RMB'000)	122,151	122,151	40.44
Basic earnings per share (RMB)	0.151	0.151	40.44
Basic earnings per share after deducting non-recurring items (RMB)	0.145	0.145	43.32
Diluted earnings per share (RMB)	0.151	0.151	40.44
Weighted average return on net assets (%)	3.18	3.18	An increase of 0.75 percentage point
Weighted average return on net assets after deducting non-operating items (%)	3.05	3.05	An increase of 0.76 percentage point

Notes: (1) The above financial data and indicators are computed based on the consolidated financial statements.

(2) Non-recurring items include:

Items (1 January – 31 March 2012)	Amount <i>(RMB'000)</i>	Explanation
Gain on disposal of non-current assets	107	
Government subsidies recognized as gain	4,207	This is the amount of government subsidies received by the Company's subsidiaries and currently transferred to non-operating income.
Loss on changes in fair value arising from trading financial assets and trading financial liabilities held (excluding the valid hedging business related to normal operating activities of the Company), as well as investment gains received from disposal of trading financial liabilities and financial assets available for sale	(144)	
Loss from entrusted loans	(189)	
Other non-operating income and expenses excluding the above items	1,416	
Income tax effect	(457)	
Effect on minority interest (after tax)	(145)	
Total	4,795	

2.2 Number of shareholders as at the end of the Reporting Period and the shareholdings of the top ten shareholders of the Company were as follows (with the Share Reform Plan completed):

As at 31 March 2012, there were 62,195 shareholders in total, among which, 62,155 shareholders holding the Renminbi-denominated ordinary shares (A shares) and 40 shareholders holding overseas listed foreign shares (H shares).

Name of shareholders	No. of shares held as at the end of the Reporting Period (share)	Nature of shares
Guangzhou Pharmaceutical Holdings Limited (“GPHL”)	390,833,391	Domestic shares
HKSCC Nominees Limited (<i>note</i>)	219,105,389	Foreign capital shares
PICC Property and Casualty Co., Ltd. – Traditional – General Insurance Products – 008C – Shanghai CT001	9,336,055	Domestic shares
Guangzhou Beicheng Rural Credit Cooperative	5,460,000	Domestic shares
China Life Insurance Company Limited – Dividend – Insurance Bonus	3,536,844	Domestic shares
PICC Property and Casualty Co., Ltd. – Own Funds	2,938,108	Domestic shares
Agricultural Bank of China Co., Ltd. – Invesco Great Wall of Energy Infrastructure Securities Investment Fund	1,414,219	Domestic shares
Tao Haiian	1,300,000	Domestic shares
Meng Xiangtong	1,110,000	Domestic shares
Li Yanlong	1,064,900	Domestic shares

Note: According to the information provided by HKSCC Nominees Limited, the H shares held by it were held on behalf of several clients.

3. MAJOR EVENTS

3.1 Significant changes in major accounting items and financial indicators of the Company's financial statements and reasons for change

√ Applicable □ Not applicable

Items	As at 31 March 2012 <i>(RMB'000)</i>	As at 31 December 2011 <i>(RMB'000)</i>	Fluctuation <i>(%)</i>	Reason of fluctuation
Accounts receivable	665,040	446,596	48.91	Increase in accounts receivable was in line with the increase in sales, which was due to the effective marketing strategies and the expansion of market share in the Reporting Period.
Prepayment	200,258	132,518	51.12	The increase was mainly due to the increased prepayments by the Company's trading subsidiaries for suppliers during the Reporting Period.
Other receivables	72,829	54,057	34.73	As at 31 March 2012, other receivables increased mainly due to the increased prepayments for advertising fees and the export tax reimbursement.
Other current assets	702	2,342	(70.04)	As at 31 March 2012, the Group's deductible input tax decreased.
Deferred income tax assets	52,214	38,542	35.47	Increase was mainly due to the increase in deductible temporary differences of employee benefits payable and accrued expense during the Reporting Period.
Notes payable	41,268	5,432	659.72	During the Reporting Period, the Company's trading subsidiaries inclined to settle with suppliers at endorsement of bank notes to circulate necessary funds, in order to control finance expenses.

Items	As at 31 March 2012 (RMB'000)	As at 31 December 2011 (RMB'000)	Fluctuation (%)	Reason of fluctuation
Advance payable	216,930	146,932	47.64	Increase was mainly due to the increased advances from customers for raw materials to the Company's trading subsidiaries during the Reporting Period.
Salary payable	91,254	64,167	42.21	As at 31 March 2012, increase in employee benefits payable was mainly due to the increased budget and the un-paid year-end salary.
Taxes payable	71,628	37,951	88.74	As at 31 March 2012, increase was mainly due to the increase in VAT and corporate income tax which had not been paid by the Group.

Items	1 January – 31 March 2012 (RMB'000)	1 January – 31 March 2011 (RMB'000)	Fluctuation (%)	Reason of fluctuation
Income from operations	1,826,521	1,377,123	32.63	Increase was mainly due to the effective marketing strategies and the expansion of market share during the Reporting Period.
Cost of sales	1,404,877	1,031,491	36.20	The cost of sales increased in line with the increased sales during the Reporting Period.
Finance expenses	744	361	105.89	The Group's interest expense increased as compared with the corresponding period of last year due to increase in bank borrowings during the Reporting Period.
Asset impairment loss	(1,130)	1,143	(198.93)	Decrease was mainly due to the decrease in bad debt provision, as a result of improvement in accounts receivable during the Reporting Period.

Items	1 January – 31 March 2012	1 January – 31 March 2011	Fluctuation	Reason of fluctuation
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(%)</i>	
Gain from changes in fair value	(144)	(785)	81.63	Decrease was due to the fall in the fair value of the listed shares in Harbin Pharmaceutical Group Co., Ltd. as compared with the corresponding period of last year during the Reporting Period.
Investment income	55,547	36,008	54.26	During the Reporting Period, the investment income of the Company recognized in equity method increased as a result of the growth in the net profit of the Company's joint ventures as compared with the corresponding period of last year.
Non-operating expenses	848	652	30.10	Increase was mainly due to the increase in the Group's charitable donations during the Reporting Period.
Net cash flow from operating activities	64,622	(58,467)	210.53	The improvement in net cash flow from operating activities was mainly due to the increase in revenue, improved money collection and reduced inventories during the Reporting Period
Net cash flow from investing activities	1,698	(21,505)	107.90	The Company's trading subsidiaries deposited the foreign currency deposit due for redemption in the Reporting Period.
Net cash flow from financing activities	5,049	15,054	(66.46)	The reduce was mainly due to the decrease in the Group's bank loans in the Reporting Period.

3.2 Explanation and analysis on major events and their impact and solutions

Applicable Not applicable

3.3 Performance of the undertakings by the Company, its shareholders and beneficial owner

Applicable Not applicable

3.4 Early warning and explanation for negative impact on profit for the next reporting period, or significant profit fluctuation in comparison to the corresponding period of 2011

Applicable Not applicable

3.5 The status of implementation of cash dividend policy during the Reporting Period

Pursuant to the resolutions on profit and dividend distribution passed at the 2011 Annual General Meeting held on 12 April 2012, the 2011 final dividend of RMB1.00 (including tax) for every 10 shares held was approved and will be paid, in cash, to all shareholders of the Company, based on the total share capital of 810,900,000 shares at the end of 2011.

3.6 Major Asset Reorganization

The Company had applied for a suspension of trading in the A shares on The Shanghai Stock Exchange (the “SSE”) and the H shares on The Stock Exchange of Hong Kong Limited (the “HKEx”) with effect from 7 November 2011, as GPL, the controlling shareholder of the Company, planned for a proposed major assets reorganization (the “Major Assets Reorganization”) involving the Company. During the period of suspension in the trading of its shares, the Company continued to fulfill its disclosure obligations in respect of the progress of the Major Assets Reorganization on a timely basis and made further announcements regarding the progress of the Major Assets Reorganization every five trading days.

The 13th meeting of the fifth session of the Board of the Company was held on 29 February 2012 and approved the transactions, including the absorption and merger of Guangzhou Baiyunshan Pharmaceutical Co., Ltd. by the Company through share swap of additional A shares, and the asset acquisition by the Company through issuance of A shares offering to GPL. The announcements in relation to the Major Assets Reorganization were published in Shanghai Securities News, the Securities Times and the website of the SSE (www.sse.com.cn) on 28 March 2012 and on the website of the HKEx (www.hkex.com.hk) on 27 March 2012. Trading in the A shares and H shares of the Company had resumed on 28 March 2012. Currently, the Company and the relevant parties involving in the Major Assets Reorganization are stepping up the Major Assets Reorganization. The Board will convene a meeting for considering the relevant resolutions of the Major Assets Reorganization and fulfill the disclosure obligations after completing the related work.

3.7 Other Matter

During the Reporting Period, Guangzhou Wang Lao Ji Great Health Industry Company Limited, a wholly-owned subsidiary of the Company, was established, the registered capital of which was RMB10 million. It is principally engaged in the trading of foodstuffs, cosmetics and pharmaceutical apparatus.

4 APPENDIX

Prepared in accordance with China Accounting Standards for Business Enterprises (unaudited)

Balance Sheet

As at 31 March 2012

Items	Consolidated		The Company	
	At the end of the Reporting Period (RMB)	At the beginning of the Reporting Period (RMB)	At the end of the Reporting Period (RMB)	At the beginning of the Reporting Period (RMB)
ASSETS				
Current assets:				
Cash	444,845,122.53	384,135,738.08	93,473,974.98	107,691,016.27
Trading financial assets	2,983,610.40	3,127,692.50	2,983,610.40	3,127,692.50
Notes receivable	511,184,289.52	430,388,075.25	32,000,764.00	–
Accounts receivable	665,039,976.36	446,596,366.96	3,306,347.93	3,306,347.93
Prepayment	200,257,820.82	132,518,184.98	–	–
Interest receivable	–	–	–	–
Dividend receivable	–	–	104,098,616.47	134,099,380.47
Other receivables	72,828,939.10	54,056,817.63	495,873,701.17	488,959,386.91
Inventories	795,325,050.98	859,005,842.50	192,454.54	290,740.04
Entrusted loans	–	–	228,000,000.00	228,000,000.00
Non-current assets due within 1 year	–	–	–	–
Other current assets	701,650.15	2,342,210.36	15,086.77	–
Total current assets	2,693,166,459.86	2,312,170,928.26	959,944,556.26	965,474,564.12
Non-currents assets:				
Available-for-sale financial assets	18,809,319.18	18,907,856.64	17,242,500.00	17,424,000.00
The held-to-maturity investments	–	–	–	–
Long-term receivables	–	–	–	–
Long-term equity investments	1,309,823,353.89	1,255,088,628.89	2,480,158,102.07	2,430,766,919.98
Investments properties	100,796,873.69	102,290,186.93	35,785,488.25	36,121,032.39
Fixed assets	979,282,281.23	1,000,021,241.01	14,294,188.16	14,189,764.08
Construction in progress	23,948,651.55	20,369,955.46	–	–
Construction supplies	–	–	–	–
Disposal of fixed assets	–	–	–	–
Intangible assets	94,270,780.56	95,138,045.81	–	–

Items	Consolidated		The Company	
	At the end of the Reporting Period (RMB)	At the beginning of the Reporting Period (RMB)	At the end of the Reporting Period (RMB)	At the beginning of the Reporting Period (RMB)
Development expenses	792,251.69	792,251.69	—	—
Goodwill	—	—	—	—
Long-term deferred expenses	7,501,011.68	7,944,670.09	—	—
Deferred income tax assets	52,214,482.06	38,542,083.57	3,313,444.61	3,204,177.31
Other non-current assets	—	—	—	—
Total non-current assets	2,587,439,005.53	2,539,094,920.09	2,550,793,723.09	2,501,705,893.76
Total assets	5,280,605,465.39	4,851,265,848.35	3,510,738,279.35	3,467,180,457.88
Liabilities and shareholders' equity:				
Current liabilities:				
Short-term borrowings	152,077,869.13	144,928,849.42	—	—
Trading financial liabilities	—	—	—	—
Notes payable	41,267,965.46	5,432,012.71	—	—
Accounts payable	453,341,865.31	350,249,598.28	485,622.26	361,917.10
Advances payable	216,929,591.47	146,931,794.49	31,189.69	31,189.69
Salary payable	91,253,778.69	64,167,157.18	954,445.18	1,783,493.18
Taxes payable	71,628,466.54	37,951,281.66	2,615,406.45	2,558,098.84
Interests payable	—	—	—	—
Dividend payable	136,327.12	136,440.45	(710.24)	(596.91)
Other payables	145,002,388.07	121,543,593.12	110,965,232.84	111,016,824.41
Non-current liabilities due within 1 year	—	—	—	—
Other current liabilities	—	—	—	—
Total current liabilities	1,171,638,251.79	871,340,727.31	115,051,186.18	115,750,926.31
Non-current liabilities:				
Long-term borrowings	—	—	—	—
Bonds payable	—	—	—	—
Long-term payable	4,423,405.56	4,423,405.56	—	—
Special payables	—	—	—	—
Estimated liabilities	—	—	—	—
Deferral income tax liabilities	3,717,293.12	3,802,712.90	3,084,909.31	3,135,142.17
Other non-current liabilities	77,742,245.17	76,526,985.01	—	—
Total non-current liabilities	85,882,943.85	84,753,103.47	3,084,909.31	3,135,142.17
Total liabilities	1,257,521,195.64	956,093,830.78	118,136,095.49	118,886,068.48

Items	Consolidated		The Company	
	At the end of the Reporting Period (RMB)	At the beginning of the Reporting Period (RMB)	At the end of the Reporting Period (RMB)	At the beginning of the Reporting Period (RMB)
Shareholders' equity:				
Share capital	810,900,000.00	810,900,000.00	810,900,000.00	810,900,000.00
Capital reserves	1,147,949,307.87	1,148,016,718.97	1,094,501,782.64	1,094,637,907.64
Less: Treasury shares	—	—	—	—
Surplus reserves	602,895,675.46	602,895,675.46	269,761,211.63	269,761,211.63
Retained profits	1,341,990,614.32	1,219,839,567.46	1,217,439,189.59	1,172,995,270.13
Exchange difference on foreign currency capital	—	—	—	—
Shareholders' equity attributable to the shareholders of the Company	3,903,735,597.65	3,781,651,961.89		
Minority interests	119,348,672.10	113,520,055.68		
Total shareholders' equity	4,023,084,269.75	3,895,172,017.57	3,392,602,183.86	3,348,294,389.40
Total liabilities and shareholders' equity	5,280,605,465.39	4,851,265,848.35	3,510,738,279.35	3,467,180,457.88

Income Statement

1 January — 31 March 2012

Items	Consolidated		The Company	
	The Reporting Period (RMB)	The corresponding period of the last year (RMB)	The Reporting Period (RMB)	The corresponding period of the last year (RMB)
1. Income from operations	1,826,521,103.67	1,377,122,798.56	11,834,613.99	13,427,968.16
Including: income from principal operations	1,803,359,736.61	1,356,985,423.62	717,178.63	4,587,090.35
2. Cost of operations	1,404,876,958.30	1,031,491,108.47	1,021,021.32	4,841,387.08
Including: cost of principal operations	1,401,473,327.07	1,027,485,093.64	685,477.18	4,505,842.94
Less: sales taxes and surcharges	14,202,974.78	11,394,599.35	848,191.29	724,383.11
Sales expenses	209,937,310.10	162,436,308.53	54,721.92	71,202.92
General and administrative expenses	119,572,636.63	106,221,422.96	6,798,680.30	7,494,012.82
Finance expenses	744,020.54	361,373.93	973,137.72	(315,293.38)
Asset impairment loss	(1,130,282.96)	1,142,542.96	—	(621,814.02)
Add: Gain from changes in fair value	(144,082.10)	(784,527.12)	(144,082.10)	(784,527.12)
Investment income	55,547,225.51	36,008,016.56	42,520,170.34	37,766,922.14
Including: Share of profits from associates and joint venture	55,726,714.45	35,939,203.99	39,391,182.09	35,680,181.90
3. Operating profit	133,720,629.69	99,298,931.80	44,514,949.68	38,216,484.65
Add: Non-operating income	6,578,505.57	5,311,399.63	1,299,905.83	1,029,121.00
Less: Non-operating expenses	848,185.84	651,949.59	510,353.35	866.73
Including: Loss from disposal of non-current assets	44,236.55	146,769.54	10,353.35	99.00
4. Total profit	139,450,949.42	103,958,381.84	45,304,502.16	39,244,738.92
Less: Income tax expense	11,472,928.47	13,237,324.76	860,582.70	1,431,260.21
5. Net profit	127,978,020.95	90,721,057.08	44,443,919.46	37,813,478.71
Net profit attributable to the shareholders of the Company	122,151,046.86	86,980,073.53		
Minority interest	5,826,974.09	3,740,983.55		
6. Earnings per share				
(1) Basic earnings per share	0.151	0.107		
(2) Diluted earnings per share	0.151	0.107		

Items	Consolidated		The Company	
	The Reporting Period (RMB)	The corresponding period of the last year (RMB)	The Reporting Period (RMB)	The corresponding period of the last year (RMB)
7. Other comprehensive income	(65,768.77)	(554,531.89)	(136,125.00)	(607,576.30)
8. Total comprehensive income	127,912,252.18	90,166,525.19	44,307,794.46	37,205,902.41
(1) Comprehensive income attributable to the shareholders of the Company	122,083,635.76	86,424,218.02		
(2) Comprehensive income attributable to the shareholders of minority interest	5,828,616.42	3,742,307.17		

Cash Flow Statement

1 January — 31 March 2012

Item	Consolidated		The Company	
	The Reporting Period (RMB)	The corresponding period of the last year (RMB)	The Reporting Period (RMB)	The corresponding period of the last year (RMB)
1. Cash flow from operating activities				
Cash received from sale of goods and rendering of services	1,867,085,236.16	1,396,783,841.48	837,155.56	19,864,956.91
Refund of tax and levies	6,710,009.23	4,806,464.97	—	—
Other cash received relating to operating activities	32,549,732.87	25,088,580.61	4,500,140.88	3,514,442.05
Sub-total of cash inflow from operating activities	1,906,344,978.26	1,426,678,887.06	5,337,296.44	23,379,398.96
Cash paid for goods and services	1,396,308,012.36	1,075,363,542.45	563,309.08	11,063,084.68
Cash paid to and on behalf of employees	212,791,606.95	184,860,445.77	3,239,163.43	3,434,942.06
Tax paid	110,301,775.62	118,082,543.29	1,711,790.63	5,285,062.04
Cash paid relating to other operating activities	122,321,107.15	106,838,883.12	3,921,758.45	10,112,496.40
Sub-total of cash outflow from operating activities	1,841,722,502.08	1,485,145,414.63	9,436,021.59	29,895,585.18
Net cash flow from operating activities	64,622,476.18	(58,466,527.57)	(4,098,725.15)	(6,516,186.22)
2. Cash flow from investing activities				
Cash received from investment	—	5,000,000.00	—	—
Cash received from sales of subsidiaries	—	—	—	—
Cash received from investment income	9,643.98	211,051.66	—	—
Cash paid for disposal of fixed assets, intangible assets and other long-term assets	261,580.00	7,090.00	680.00	100.00
Other cash received from investing activities	12,811,077.93	531,364.66	71,478,428.27	33,027,687.99

Item	Consolidated		The Company	
	The Reporting Period (RMB)	The corresponding period of the last year (RMB)	The Reporting Period (RMB)	The corresponding period of the last year (RMB)
Sub-total of cash inflow from investing activities	13,082,301.91	5,749,506.32	71,479,108.27	33,027,787.99
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	9,234,381.52	11,560,947.75	358,700.00	149,360.00
Cash paid for purchase of investments	—	—	—	—
Cash paid for purchasing subsidiaries	—	—	10,000,000.00	—
Other cash paid in relation to investing activities	2,150,000.00	15,693,259.84	70,000,000.00	56,002,874.46
Sub-total of cash outflow from investing activities	11,384,381.52	27,254,207.59	80,358,700.00	56,152,234.46
Net cash flow from investing activities	1,697,920.39	(21,504,701.27)	(8,879,591.73)	(23,124,446.47)
3. Cash flow from financing activities				
Proceeds from absorbing investments	—	—	—	—
Including: Cash received from minority shareholders from subsidiaries	—	—	—	—
Cash received from borrowings	64,650,000.00	25,690,385.38	—	—
Other proceeds relating to financing activities	—	—	—	—
Sub-total of cash inflow from financing activities	64,650,000.00	25,690,385.38	—	—
Repayment of borrowings	57,500,980.29	10,000,000.00	—	—
Cash paid for distribution of dividends, profits or interests	2,100,513.86	636,451.98	113.33	281,442.70
Including: Dividend and profit payable to minority shareholders from subsidiaries	—	—	—	—

Item	Consolidated		The Company	
	The Reporting Period (RMB)	The corresponding period of the last year (RMB)	The Reporting Period (RMB)	The corresponding period of the last year (RMB)
Other cash paid in relating to financing activities	–	–	1,238,611.08	–
Sub-total of cash outflow from financing activities	59,601,494.15	10,636,451.98	1,238,724.41	281,442.70
Net cash flow from financing activities	5,048,505.85	15,053,933.40	(1,238,724.41)	(281,442.70)
4. Effects of foreign exchange rate changes on cash and cash equivalents	1,462.32	–	–	–
5. Net increase in cash and cash equivalents	71,370,364.74	(64,917,295.44)	(14,217,041.29)	(29,922,075.39)
Add: Cash and cash equivalents at the beginning of the Reporting Period	355,748,504.33	694,759,174.34	107,691,016.27	213,007,698.60
6. Cash and cash equivalents at the end of the Reporting Period	427,118,869.07	629,841,878.90	93,473,974.98	183,085,623.21

The Board of
Guangzhou Pharmaceutical Company Limited

Guangzhou, the PRC, 26 April 2012

As at the date of this report, the Board comprises Mr. Yang Rongming, Mr. Li Chuyuan, Mr. Shi Shaobin 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.