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廣州白雲山医药集团股份有限公司

**GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.**

*(a joint stock company with limited liability established in the People's Republic of China)*

(H Share Stock Code: 0874)

## **VOLUNTARY ANNOUNCEMENT COMPENSATION IN RELATION TO RESUMPTION OF PROPERTIES**

This is a voluntary announcement made by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “**Company**”) for the purposes of providing an update on the recent affairs of the Company and its subsidiaries (the “**Group**”).

### **RESUMPTION OF PROPERTIES FOR THE PURPOSE OF THE CONSTRUCTION OF THE GUANGZHOU ART MUSEUM**

The Company hereby announces that pursuant to the agreements (the “**Compensation Agreements**”) with the Office of the Expropriation of Properties on the State-owned Land of the Haizhu District of Guangzhou City\* (廣州市海珠區國有土地上房屋徵收辦公室) (the “**Expropriation Office**”), (i) Guangzhou Qi Xing Pharmaceutical Factory Company Limited\* (廣州奇星藥廠有限公司) (“**Qi Xing**”), a wholly-owned subsidiary of the Company and (ii) Guangzhou Baiyunshan Qi Xing Pharmaceutical Company Limited (廣州白雲山奇星藥業有限公司) (“**Baiyunshan Qi Xing**”), an indirect wholly-owned subsidiary of the Company, are entitled to compensation for resumption of houses, electricity supply room, godown and other properties (the “**Relevant Properties**”) at which Qi Xing and Baiyunshan Qi Xing (collectively, “**Qi Xing Companies**”) previously carried out its production and operation and cessation of production and business. The Relevant Properties were resumed for the purpose of the construction of the Guangzhou Art Museum. As at the date of this announcement, approximately RMB98,626,000 as compensation had been received in 2014 and approximately RMB101,450,000 as compensation had been received in 2015. The final amount of the compensation is subject to the approval of the Bureau of Finance of Guangzhou (廣州財政局). Accordingly, additional compensation may be received by the Qi Xing Companies or the Qi Xing Companies may be required to repay the compensation received.

## **RESUMPTION OF PROPERTIES FOR THE PURPOSE OF THE CONSTRUCTION OF THE GUANGZHOU SCIENCE MUSEUM**

The Company hereby announces that as at the date of this announcement, the Qi Xing Companies have already received RMB30,000,000 from the Expropriation Office as advanced payment for compensation for the employees in relation to the construction of the Guangzhou Science Museum. It is proposed that the Qi Xing Companies and the Expropriation Office would enter in a compensation framework agreement in relation to the compensation for the resumption of the houses, production facilities and other properties of the Qi Xing Companies (the “**Additional Relevant Properties**”) for the construction of the Guangzhou Science Museum. According to the proposed compensation framework agreement, a sum of RMB500 million will be paid by the Expropriation Office to the Qi Xing Companies in advance within five business days after the signing of the proposed compensation framework agreement for use in the removal in the preliminary stage. The final amount of the compensation is subject to the approval of the Bureau of Finance of Guangzhou (廣州財政局).

### **OTHER INFORMATION**

The principal asset of Qi Xing is the shares of Baiyunshan Qi Xing. The principal business of Baiyunshan Qi Xing is production, research and development of Chinese and western pharmaceutical products. The net amount included in the profit and loss of the Company for year 2014 from the resumption compensation received by the Qi Xing Companies was RMB34,061,700, representing 2.32% of the total profit of the Company for year 2014. For the period since the beginning of year 2015 up to the date of this announcement, the net amount included in the profit and loss from the resumption compensation received by the Qi Xing Companies was RMB31,146,600. The final accounting treatment for 2015 is subject to the advice of the auditors. As at the date of this announcement, it is expected that the resumption of the Relevant Properties and the additional Relevant Properties will not have any material adverse impact on the financial results of the Group for the financial year ending 31 December 2015.

The Board of  
**Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited**

Guangzhou, the PRC, 30 December 2015

*As at the date of this announcement, the board of directors comprises Mr. Li Chuyuan, Mr. Chen Mao, Ms. Liu Juyan, Ms. Cheng Ning, Mr. Ni Yidong, Mr. Wu Changhai and Mr. Wang Wenchu as executive directors, and Mr. Wong Lung Tak Patrick, Mr. Qiu Hongzhong, Mr. Chu Xiaoping and Mr. Jiang Wenqi as independent non-executive directors.*

\* *For identification purpose only*