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廣州白雲山醫葯集團股份有限公司

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
PROPOSED AMENDMENTS TO UNDERTAKING GIVEN BY
CONTROLLING SHAREHOLDER**

This is a voluntary announcement made by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “Company”).

The Company hereby announces that it recently received the “Letter in relation to Amending the Undertaking of Injecting the Series of Trademarks of Wang Lao Ji” from Guangzhou Pharmaceutical Holdings Limited (“GPHL”), the controlling shareholder of the Company. Relevant information of which is set out below:

1. Relevant contents of the original undertaking

When the Company prepared and considered the major assets reorganization proposal in March 2012, the arbitration result in relation to the “Wang Lao Ji” trademarks has not yet been given. As GPHL had undertaken in the trademark license agreement between it and Hung To (Holdings) Company Limited* (鴻道(集團)有限公司) that “it was warranted that the “Wang Lao Ji” trademarks will not be transferred to any third party (including the subsidiaries of the licensor) during the licence period; and in case of any transfer, the licensee shall have pre-emptive right on the same terms”, there was an impediment in transferring the “Wang Lao Ji” trademarks and the Company had not included the “Wang Lao Ji” trademarks in the assets acquisition by issuing shares. To ensure the completeness of the assets of the listed company, GPHL issued the “Letter of Undertaking related to the Injection of the “Wang Lao Ji” trademarks” in February 2012 and a further supplemental undertaking in June 2012 respectively (collectively, the “Original Undertaking”) undertaking that, after all of the legal disputes regarding the Wang Lao Ji trademarks have been resolved and within two years commencing from the day on which the Wang Lao Ji trademarks are permitted to be transferred, GPHL shall, pursuant to the requirements of the laws and regulations which are valid at the material time and, after complying the relevant procedures regarding applications for approvals, transfer the series of Wang Lao Ji trademarks to Guangzhou Pharmaceutical Company Limited (“GPC”, the predecessor of the Company). GPC may

acquire the Wang Lao Ji trademarks by cash or by issuing shares. The transfer price shall be based on the appraised value as certified in the valuation report issued by the appraisal organisation possessing the professional qualifications to carry out business in securities industry and approved by the State-owned assets authority and determined in accordance with laws.

In February 2014, pursuant to the relevant requirements under the “Regulatory Guidelines for Listed Companies No. 4 — the Giving and Performance of Undertakings by the De Facto Controllers, Shareholders, Related Parties and Offerors of Listed Companies and Listed Companies” (Statements of the China Securities Regulatory Commission [2013] No.55) and the relevant requirements of China Securities Regulatory Commission, Guangdong Securities Regulatory Bureau, and taking into account the developments of the legal disputes relating to the trademark license agreement, the Company clarified the timeline for the performance of the Original Undertaking (details of which were set out in the announcement in Chinese dated 14 February 2014 published by the Company by way of overseas regulatory announcement).

2. Proposed amendments to the undertaking by GPHL

It is stated in the letter of GPHL that:

“After decision of the trademark arbitration case has been given, the company and its competitor each initiated legal proceedings to courts against each other parties in relation to the unauthorized use of the specific packaging and decoration of the well-known products (“Case of Disputes relating to the Red-can Decoration”). The court case is still in the course of trial.

As the judgment of the Case of Disputes relating to the Red-can Decoration will have material impact on the trademark rights and sale of the red-canned “Wang Lao Ji” herbal tea in market which will, in turn, affect the valuation of the “Wang Lao Ji” trademarks, the company proposed to amend the undertaking by amending the performance period in the Original Undertaking to “within two years from the effective date of the judgment of the Case of Disputes relating to Red-can Decoration” for the purposes of minimizing uncertainties, and adequately protecting the legitimate interests of the Company and all kinds of shareholders.”

3. Procedures to be undertaken by the Company

According to relevant PRC requirements, the Company will convene a board meeting to consider the said proposed amendments to undertakings and, if such proposed amendments are approved by the board, will submit to the general meeting of shareholders for consideration. The relevant resolution will be a special resolution for the general meeting. At the relevant general meeting, the relevant resolution will be voted on through a combination of on-site voting and online voting (applicable in the case of A shares) and the controlling

shareholder will be required to abstain from voting. The resolution will be required to be passed by over two-thirds of the voting rights held by the shareholders who attend the on-site meeting and having the rights to vote on-site or online. The Company will also comply all the applicable provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 18 December 2014

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. Fang Shuting and Mr. Chu Xiaoping as independent non-executive directors.

* *For identification purpose only*