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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)

UPDATE ON SUSPENSION OF TRADING

This announcement is made by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “Company”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As the Company is in the course of planning a non-public issue of shares and implementation of an employees shares ownership scheme, trading in the H shares of the Company has been suspended on The Stock Exchange of Hong Kong Limited since 1:00 p.m. on 3 December 2014 in order to avoid fluctuations in the prices of the shares of the Company and to protect the interest of investors. The Company has subsequently issued announcements providing updates on suspension of trading on 10 December 2014 and 17 December 2014 respectively.

As at the date of this announcement, the 7th meeting of the sixth session of the board of directors of the Company passed the “Resolution on Postponement in Resumption of Trading”. All the directors are of the view that postponement in resumption of trading allows completion of the preliminary works in respect of the non-public issue of shares in a more detailed and meticulous manner and agreed the postponement in resumption of trading of the shares of the Company. The Company expects that trading in the H shares of the Company will be resumed no later than 13 January 2015.

Since the suspension of trading in the shares of the Company, the Company and other related parties have been proactively conducting various works in relation to the non-public issue of shares. As at the date of this announcement, the Company has already engaged intermediaries to commence the works and has already finished the initial proposals in relation to the non-public issue of shares and employees shares ownership scheme. The relevant initial audit and valuation with respect to the 100% equity interest of Guangzhou Pharmaceutical Research Institute Company Limited* (廣州醫葯研究總院有限公司) proposed to be acquired by applying part of the proceeds from the proposed non-public issue of shares have been completed. The relevant employees placement proposal has also been approved at the general meeting of the employees of Guangzhou Pharmaceutical Research Institute Company Limited.

As the next step, the Company will accelerate the progress in order to complete the audit and valuation of the assets proposed to be acquired, to improve the employees shares ownership scheme and to consult employees' view in relation thereof as soon as possible. The Company will also continue to communicate with the municipal government of Guangzhou, the State-owned Assets Supervision and Administration Commission of the People's Government of Guangzhou and the State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong in relation to the issue of shares in order to ensure that smooth progress can be made.

Trading in the H shares of the Company will remain suspended. During the suspension of trading, the Company and the related parties will push forward all the relevant works and the Company will perform its obligations on disclosure taking into account the progress. The Company will issue an announcement to provide an update at the interval of every five trading days. Once the relevant works are completed, the Company will convene a meeting of the board of directors and will make an announcement and resume trading in its H shares as soon as possible.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 24 December 2014

As at the date of this announcement, the Board 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*