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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 the implementation of an employee share 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, 17 December 2014 and 24 December 2014 respectively. In the announcement of the Company dated 24 December 2014, it was announced that the 7th meeting of the sixth session of the board of directors of the Company passed the “Resolution on Postponement in Resumption of Trading”, agreed with the postponement in resumption of trading of the shares of the Company and expected that trading in the H shares of the Company would be resumed no later than 13 January 2015.

As at the date of this announcement, the Company and relevant intermediaries are pushing forward various works with full effort. The progress of relevant matters is as follows:

1. the proposal on the non-public issue of shares of the Company has been basically determined. The Company is in the course of considering the proposal on the use of the proceeds from the issue of shares on acquisition and other investments in details;
2. the draft of the Company’s employee share ownership scheme has been basically determined. The scheme is proposed on the principle of voluntary participation. In addition, the Company is consulting, and confirming with, its employees with regard to their intentions to subscribe for shares pursuant to the employee share ownership scheme.

The Company will accelerate the progress, further improve the details of the proposal on the non-public issue of shares, confirming the ultimate subscription portions of the potential participants of the employee shares ownership scheme, convene a general meeting of the employees of the Company to consider and approve the draft of the employee share ownership scheme. 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 non-public 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, 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, 31 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.