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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 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, 24 December 2014 and 31 December 2014 respectively.

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 non-public issue of shares of the Company has been basically determined. The Company is in the course of promoting the work as planned;
2. the draft of the Company's employee shares ownership scheme has been basically determined. The scheme is proposed on the principle of voluntary participation. In addition, the Company has already confirmed with its employees with regard to their intentions to subscribe for shares pursuant to the employees shares ownership scheme and has convened a meeting of the employees at which the relevant proposal has been considered and approved.

The Company will accelerate the progress, further improve the details of the proposal on non-public issue of shares and propose to convene a meeting of the board of directors to consider the non-public issue of shares and relevant matters. 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 intends to apply to The Stock Exchange of Hong Kong Limited for an approval to resume trading in its H shares on 13 January 2015.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 9 January 2015

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.