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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

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

The Company received the Letter of Inquiry regarding Media Reports on Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited issued by the Shanghai Stock Exchange as of today, requiring the Company to clarify the information on, inter alia, the strategic co-operation agreement entered into by the Company and Alibaba Health Information Technology Limited (“Alibaba Health”) and the proposed spin-off of the Wanglaoji “Great Health” sector of the Company. After enquiries, the Company would like to clarify on the relevant matters as follows:

The Company published an announcement dated 12 January 2015 relating to the non-public issue of A-shares and the implementation of the employee stock ownership scheme. In relation to the matters contained in the said announcement, the Company held the “From 10 billion financing to 100 billion market value-the Press Conference of the Non-Public Issue of Guangzhou Baiyunshan Pharmaceutical Shares and the Signing Ceremony of the Strategic Co-operation Agreement with Alibaba Health” (the “Press Conference”) at 3:30 p.m. on 13 January 2015. At the Press Conference, the management team of the Company explained the proposal of the non-public issue of A-shares, the signing ceremony of the strategic co-operation agreement with Alibaba Health was held and the management team of the Company answered relevant questions raised by the media.

1. IN RELATION TO THE STRATEGIC CO-OPERATION AGREEMENT WITH ALIBABA HEALTH

At the Press Conference, the Company and Alibaba Health entered into a strategic co-operation framework agreement, which provides that the parties intend to cooperate in the following key areas:

- (1) Pharmaceutical e-commerce: the Company will leverage on its wide range of pharmaceutical products, large retail network and mature pharmacy outsourcing technology, as well as Alibaba Health’s platform and technical resources to jointly explore and develop an “O2O” business model for the sale of medicine;

- (2) Great Health products: the Company will integrate its existing products with Alibaba Health's platform and jointly develop specific products based on Alibaba Health's data on Great Health products;
- (3) Medical and healthcare services: the Company will combine its medical resources with Alibaba Health's medical technology and platform to jointly develop "hospitals for the future", explore and develop new businesses and explore operational models that provide wider community circulation of hospital prescriptions.

2. IN RELATION TO THE PROPOSED SPIN-OFF OF WANGLAOJI GREAT HEALTH FOR THE PURPOSE OF LISTING

Pursuant to the Proposal of the Non-Public Issue of A-Shares of the Company contained in the overseas regulatory announcement dated 12 January 2015 published on The Stock Exchange of Hong Kong Limited, the Company intends to invest an additional RMB4 billion in its wholly-owned subsidiary Guangzhou Wanglaoji Great Health Industry Company Limited (廣州王老吉大健康產業有限公司) for "establishing the brand and channels, optimizing production layout, integrating quality resources and enhancing the independence, completeness and consolidated profitability of the assets under the Great Health sector". The Company does not currently have any plans on the proposed spin-off of the Wanglaoji Great Health sector for the purpose of listing.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 15 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.