

广州白云山医药集团股份有限公司

26 February 2015

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 26 February 2015 (the "Circular") of which this letter forms part. Capitalized terms defined in the Circular have the same meanings when used herein unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the fairness and reasonableness of (i) the Proposed Placing and the GPLH Subscription in accordance with the Hong Kong Listing Rules; and (ii) the Proposed Placing (including the Concert Group Subscription) and the Whitewash Waiver in accordance with the Hong Kong Takeovers Code and to recommend whether or not the Independent Shareholders should vote in favour of the related resolutions to be proposed at the EGM and the H Share Class Meeting to approve the Proposed Placing (including the Concert Group Subscription) and the Whitewash Waiver. Proton Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the "Letter from the Board" set out on pages 9 to 64 of the Circular and the "Letter from Proton Capital" set out on pages 67 to 90 of the Circular.

Having taken into account the principal factors and reasons considered by, and the opinion of, Proton Capital as set out in the "Letter from Proton Capital" in the Circular, we are of the view that (i) terms of the Proposed Placing, the GPLH Subscription and the Concert Party Subscription are on normal commercial terms; (ii) the Proposed Placing, the GPLH Subscription, the Concert Party Subscription and the Whitewash Waiver are in the interests of the Company and the Shareholders as a whole; and (iii) the Proposed Placing, the GPLH Subscription, the Concert Party Subscription and the Whitewash Waiver are fair and reasonable so far as the Independent Shareholders are concerned.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM and the H Share Class Meeting to approve the Proposed Placing (including the GPLH Subscription and the Concert Party Subscription) and the Whitewash Waiver.

Yours faithfully,
For and on behalf of
The Independent Board Committee of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

**Mr. Wong Lung
Tak Patrick**
*Independent
non-executive
Director*

**Mr. Qiu
Hongzhong**
*Independent
non-executive
Director*

**Mr. Fang
Shuting**
*Independent
non-executive
Director*

**Mr. Chu
Xiaoping**
*Independent
non-executive
Director*

