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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)

**CONNECTED TRANSACTIONS: PARTICIPATION IN THE EMPLOYEE
STOCK OWNERSHIP SCHEME (2015) AND THE ASSOCIATED
ACQUISITION OF AN INTEREST IN THE EMPLOYEE STOCK TRUST BY
CONNECTED PERSONS
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

At the Board meeting held on the date of this announcement, the Directors resolved, among other things, to propose resolutions for the approval of each Connected Participation and resolution for the approval of the Proposed Articles Amendments at the forthcoming annual general meeting of the Company.

CONNECTED PARTICIPATIONS

Pursuant to each Connected Participation, a Connected Participant will sign the Subscription Undertaking, enter into the transactions contemplated by the Subscription Undertaking and acquire the Trust Interest represented by his Proposed Subscription Amounts, such Proposed Subscription Amounts will be used by the Asset Manager for the subscription of new A Shares under the Employee Scheme Subscription.

Each Connected Participant is a Director, a supervisor of the Company, a chief executive of the Company, a Subsidiary Director, a Subsidiary Supervisor and/or a chief executive of a Subsidiary and, therefore, is a connected person of the Company under the Hong Kong Listing Rules. Accordingly, each Connected Participation will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is subject to the notification, announcement, shareholders' approval and reporting requirements under Chapter 14A of the Hong Kong Listing Rules.

PROPOSED ARTICLES AMENDMENTS

In contemplation of the Company's repurchase of 261,400 A Shares from GPLH as disclosed in the announcement of the Company dated 9 April 2014, the Board proposes to amend the Articles of Association to reflect the total number of Shares in issue, the number of Shares held by GPLH and the registered capital of the Company immediately upon the completion of the repurchase.

AGM AND CIRCULAR

A circular containing, among other things, further information on (i) the Connected Participations; (ii) the recommendation of the Independent Board Committee in relation to the Connected Participations; (iii) a letter from the Independent Financial Adviser containing their advice on the Connected Participations to the Independent Board Committee and the Independent Shareholders; and (iv) the Proposed Articles Amendments is expected to be despatched to the Shareholders on or before 19 May 2015. The annual general meeting of the Company will be held on Friday, 26 June 2015 at which resolutions on, among other things, the Connected Participations and Proposed Articles Amendments will be proposed for the consideration of the Independent Shareholders (in relation to the Connected Participations) and the Shareholders (in relation to the Proposed Articles Amendments and other matters).

The Company hereby announces that at the Board meeting held on the date of this announcement, the Directors resolved, among other things, to propose resolutions for the approval of each Connected Participation and resolution for the approval of the Proposed Articles Amendments at the AGM. Set out below are the details of the Connected Participations and the Proposed Articles Amendments.

1. THE CONNECTED PARTICIPATIONS

1.1 Background

- (a) In the February Circular, it was disclosed, among other things, details of the following:
 - (i) the Proposed Placing;
 - (ii) the Employee Scheme Subscription Agreement;
 - (iii) the Employee Stock Ownership Scheme (2015); and
 - (iv) the Asset Management Agreement.

- (b) It was further disclosed in the February Circular that:
- (i) 4,897 Target Participants had indicated their intention to participate in the Employee Stock Ownership Scheme (2015); and
 - (ii) the participation in the Employee Stock Ownership Scheme (2015) by the Directors, supervisors of the Company and the Subsidiary Directors and the Subsidiary Supervisors as well as their respective associates, all being connected persons of the Company under the Hong Kong Listing Rules, may constitute potential connected transactions of the Company under the Hong Kong Listing Rules.
- (c) At the Board meeting held on the date of this announcement, the Directors resolved, among other things, to propose to the Independent Shareholders to consider and, if thought fit, approve the resolutions on the Connected Participations at the AGM.

1.2 Information on the indication to participate in the Employee Stock Ownership Scheme (2015)

Set out below is the information on the indication to participate in the Employee Stock Ownership Scheme (2015):

	Number of the Intended Participants	Proposed Subscription Amounts (RMB)	Corresponding number of Total new A Shares calculated at the Subscription Price
Connected Participants	89	110,438,800	4,632,500
Non-connected Participants	4,808	394,706,960	16,556,500
Total	<u>4,897</u>	<u>505,145,760</u>	<u>21,189,000</u>

The participation in the Employee Stock Ownership Scheme (2015) and the amount of the Proposed Subscription Amounts are determined solely by the Intended Participants. Under the terms of the Employee Stock Ownership Scheme (2015), the Company cannot exercise any discretion to pick and choose the Target Participants and it has no discretion or right to reject any Target Participants to participate in the Employee Stock Ownership Scheme (2015) or otherwise vary the Proposed Subscription Amounts of the Target Participants.

For more information on the Employee Stock Ownership Scheme (2015), please refer to the section headed “Letter from the Board – (B) Matters relating to the Proposed Placing and the Employee Stock Ownership Scheme (2015) – III. Proposed implementation of the Employee Stock Ownership Scheme (2015) – 1. Details of the Employee Stock Ownership (2015)” of the February Circular.

1.3 Further information on the Connected Participations

The material information concerning the participation of the Connected Participants in the Employee Stock Ownership Scheme (2015), such as the name of each Connected Participant, his principal position(s) in the Group, his Proposed Subscription Amounts and the corresponding number of new A Shares calculated at the Subscription Price is set out in the Connected Participation Table.

The A Shares to be subscribed for under the Employee Scheme Subscription, being the same A Shares in relation to the Connected Participations, will be subscribed at the price of RMB23.84 per share as disclosed in the February Circular. Set out below is the information on the prices of A Shares for reference:

	Price per A Share (RMB)
Average closing price for the five consecutive trading days up to and including the date of this announcement	38.46
Average closing price for the 10 consecutive trading days up to and including the date of this announcement	37.13
Historical high for the past 52-week before the date of this announcement	38.99
Historical low for the past 52-week before the date of this announcement	22.47

1.4 The Subscription Undertaking

As at the date of this announcement, the Intended Participants have only given their Participation Indications, but are not legally bound to participate in the Employee Stock Ownership Scheme (2015) or to pay the Proposed Subscription Amounts. For the purposes of, among other things, confirming the participation of the Intended Participants in the Employee Stock Ownership Scheme (2015) and the payment of the Proposed Subscription Amounts, it is proposed that each Intended Participant shall sign the Subscription Undertaking, pursuant to which an Intended Participant will, among other things, confirm and undertake to the Asset Manager, the Company and other participants of the Employee Stock Ownership Scheme (2015) as follows:

- (a) confirms his participation in the Employee Stock Ownership Scheme (2015);

- (b) undertakes to comply with the Employee Stock Ownership Scheme (2015);
- (c) confirms his Proposed Subscription Amounts;
- (d) authorizes the Company to sign the Asset Management Agreement on his behalf;
- (e) agrees that the voting rights attached to the A Shares under the Employee Stock Ownership Scheme (2015) shall be given up and the Asset Manager shall not exercise such voting rights; and
- (f) undertakes to pay his Proposed Subscription Amounts to the Asset Manager (acting as trustee of the Employee Stock Trust) to make the Employee Scheme Subscription within five working days after the signing of the Subscription Undertaking.

As at the date of this announcement, it is expected that the Subscription Undertaking will be given on a date after the CSRC Condition has been satisfied but before the completion of the Employee Scheme Subscription.

For the reasons given in the section headed “1.11. Implications of the Connected Participations under the Hong Kong Listing Rules” in this announcement, each Connected Participation is a connected transaction of the Company and, therefore, is subject to the approval of the Independent Shareholders under the Hong Kong Listing Rules. In this connection, a resolution in respect of a Connected Participation will be proposed at the AGM for the Independent Shareholders to consider and, if thought fit, approve that Connected Participation subject to the Proposed Subscription Amounts in respect of that Connected Participation as set out in the Connected Participation Table.

1.5 Implications of the Independent Shareholders’ consideration of the Connected Participations

- (a) In relation to the Connected Participations and the Non-connected Participations
 - (i) None of the Connected Participations will be entered into unless the approval of the Independent Shareholders’ in respect of that Connected Participation is obtained. However, none of the Connected Participations will be conditional upon the approval of any of the other Connected Participations by the Independent Shareholders.
 - (ii) Under the Hong Kong Listing Rules, the Non-connected Participations do not require the approval of the Shareholders or the Independent Shareholders.

(iii) Even if the relevant Shareholders' approvals in respect of the Connected Participations have been obtained, whether (A) all or only some of the Connected Participations and (B) all or only some of the Non-connected Participations can proceed will depend on whether the condition(s) of the Employee Stock Ownership Scheme (2015) and the Employee Scheme Subscription Agreement are fulfilled as explained in more detail in the section headed "1.6. Condition(s) of the Employee Stock Ownership Scheme (2015) and the Employee Scheme Subscription Agreement".

(b) In relation to the Proposed Placing

Whether the Proposed Placing will be proceeded or not is not conditional on the Independent Shareholders' approval of all the Connected Participations or any of them. Accordingly, the Independent Shareholders' consideration of the Connected Participations does not have any material impact on the Proposed der-subscribed A Shares under the Employee Scheme Subscription in accordance with the GPLH Undertaking if there is no and/or any under-subscription by the Asset Manager.

1.6 Condition(s) of the Employee Stock Ownership Scheme (2015) and the Employee Scheme Subscription Agreement

(a) As disclosed in the February Circular, the Employee Stock Ownership Scheme (2015) was subject to, among other things, the passing of all relevant resolution(s) in respect of the Employee Stock Ownership Scheme (2015) by the Shareholders at the EGM. At the EGM, all relevant resolution(s) in respect of the Employee Stock Ownership Scheme (2015) were passed.

(b) The Employee Scheme Subscription Agreement is subject to the conditions set out in the section headed "Letter from the Board – (B) Matters relating to the Proposed Placing and the Employee Stock Ownership Scheme (2015) – I. Proposed issue and placing of new A shares – 3. Conditions precedent of the Proposed Placing" of the February Circular. As at the date of this announcement, save and except the CSRC Condition, all the conditions of the Employee Scheme Subscription Agreement have been fulfilled. The CSRC may or may not approve the Proposed Placing of which the Employee Scheme Subscription Agreement forms part or it may impose conditions on its approval which may, as a result, prohibit the participation in the Employee Stock Ownership Scheme (2015) by certain Intended Participants (whether Connected Participants or Non-connected Participants).

For more information on the Employee Scheme Subscription Agreement, please refer to the section headed "Letter from the Board – (B) Matters relating to the Proposed Placing and the Employee Stock Ownership Scheme (2015) – II. Proposed subscription of new A shares – 3. Proposed Employee Scheme Subscription" of the February Circular.

1.7 Information on the Group

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares and A Shares are listed on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively. The Group is principally engaged in (a) research and development, manufacture and sales of Chinese and western patent medicine, chemical active pharmaceutical ingredients (API), natural medicine, biological medicine and chemical API intermediates; (b) wholesale, retail, import and export of western and Chinese pharmaceutical products and medical apparatus; (c) research and development, production and sales of great health products; and (d) investment in the health industry such as in the sectors of medical treatment, health management, health nursing, health preservation, caring of the elderly etc..

1.8 Information on the Connected Participants

Each Connected Participant is a Director, a supervisor of the Company, a chief executive of the Company, a Subsidiary Director, a Subsidiary Supervisor and/or a chief executive of a Subsidiary as demonstrated by the Connected Participation Table and, therefore, is a connected person of the Company under the Hong Kong Listing Rules.

1.9 Information on the Asset Manager (acting as trustee of the Employee Stock Trust)

The Asset Manager is a joint stock limited company established in the PRC, owned as to 47% by Orient Securities Company Limited (東方證券股份有限公司), as to 26.5% by Wenhui-Xinmin United Press Group (文匯新民聯合報業集團) (which merged with Jiefang Daily Group* (解放軍日報報業集團) in 2013 after which the merged entity became known as Shanghai United Media Group* (上海報業集團)), and as to 26.5% by CES Finance Holding Co., Ltd. (東航金戎控股有限責任公司). It is principally engaged in the fund raising and trading, asset management and other businesses as permitted by the CSRC.

For more information on the Asset Management Agreement, please refer to the section headed “Letter from the Board – (B) Matters relating to the Proposed Placing and the Employee Stock Ownership Scheme (2015) – IV. Proposed asset management of the Employee Stock Ownership Scheme (2015) – 1. Major terms of the Asset Management Agreement” of the February Circular.

1.10 Reasons for the Connected Participations

As disclosed in the February Circular, the Employee Stock Ownership Scheme (2015) is a long-term incentive and restriction scheme to fully motivate the employee of the Group and to enhance their sense of responsibility, to promote the degree of recognition of the Company in the capital market, to maintain the stability of the workforce and the effectiveness of its implementation of strategies. The participation in the Employee Stock Ownership Scheme (2015) by the Connected Participants, all being members of the management or the supervisory organs of the Group, are consistent with the purposes of the Employee Stock Ownership Scheme (2015). The Directors (excluding the independent non-executive Directors) are of the view that the terms of the Connected Participations are fair and reasonable and in the interests of the Shareholders and the Group as a whole. Each of the executive Directors, namely Mr. Li Chuyuan, Mr. Chen Mao, Ms. Liu Juyan, Ms. Cheng Ning, Mr. Ni Yidong, Mr. Wu Changhai and Mr. Wang Wenchu are materially interested in their respective Connected Participations and, accordingly, has not been counted towards the quorum at the relevant Board meeting and has not participated in the voting on the relevant Directors' resolution. The opinion of the independent non-executive Directors with respect to the matters specified under Rule 14A.40 of the Hong Kong Listing Rules, including without limitation the fairness and reasonableness of the terms of the Connected Participations, will be set out in the Circular after the independent non-executive Directors have received the recommendations of the IFA.

1.11 Implications of the Connected Participations under the Hong Kong Listing Rules

Each Connected Participant is a Director, a supervisor of the Company, a chief executive of the Company, a Subsidiary Director, a Subsidiary Supervisor and/or a chief executive of a Subsidiary and, therefore, is a connected person of the Company under the Hong Kong Listing Rules. Accordingly, each Connected Participation will constitute a connected transaction of the Company under Chapter 14A of the Hong Kong Listing Rules and is subject to the notification, announcement, shareholders' approval and reporting requirements under Chapter 14A of the Hong Kong Listing Rules.

An Independent Board Committee has been formed to consider, and to advise the Independent Shareholders on the matters specified under Rule 14A.40 of the Hong Kong Listing Rules, including without limitation the fairness and reasonableness of the terms of each Connected Participation. The Independent Financial Adviser has been appointed to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the same, details of which are set out in the section headed "1.12. Appointment of the IFA" below.

A separate resolution will be proposed at the AGM for the Independent Shareholders to consider and, if thought fit, approve one Connected Participation subject to the Proposed Subscription Amounts in respect of that Connected Participation. A Connected Participant and his associates will be required to abstain from voting on the Shareholders' resolution for the approval of the Connected Participation in respect of him. In addition, GPLH will also be required to abstain from voting on all the Shareholders' resolutions for the approval of the Connected Participations since it has a material interest in each Connected Participation by virtue of the GPLH Undertaking. Save as disclosed and so far as the Company is aware as at the date of this announcement, no Shareholder will be required to abstain from voting in respect of any Connected Participations.

1.12 Appointment of the IFA

Vinco Capital has been appointed as the IFA to advise the Independent Board Committee and the Independent Shareholders on the Connected Participations and such appointment has been approved by the Independent Board Committee. The advice of the IFA to the Independent Board Committee and the Independent Shareholders will be included in the Circular.

Vinco Capital is a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities.

2. PROPOSED ARTICLES AMENDMENTS

As announced in the announcement of the Company dated 9 April 2014, the Company proposed to repurchase an aggregate of 261,400 A Shares from GPLH at the total nominal consideration of RMB1.00 (the "**Repurchase**") as contemplated by a profit compensation agreement dated 15 June 2012 entered into between the Company and GPLH and described in more detail in the circular of the Company dated 4 September 2012.

As at the date of this announcement, it is expected that the Repurchase will be completed on or before 25 June 2015, being the last day on which the Shareholders' resolution approving the Repurchase remains valid. Upon completion of the Repurchase, the total number of Shares in issue, the number of Shares held by GPLH and the registered capital of the Company will be reduced. The Board therefore proposes to amend the Articles of Association as summarized below:

(a) Article 21 will be amended by inserting the following at its end:

As a follow-up matter of the major asset reorganization, the Company repurchased 261,400 A shares from GPLH at the consideration of RMB1 and cancelled them thereafter. After the repurchase, the shareholding structure of the Company is as follows:

- (i) 583,966,636 shares (State shares), representing 45.23% of the total number of shares of the Company, are held by Guangzhou Pharmaceutical Holdings Limited, the promoter;
 - (ii) 219,900,000 shares (foreign shares), representing 17.03% of the total number of shares of the Company, are held by overseas investors; and
 - (iii) 487,212,614 shares (domestic shares), representing 37.74% of the total number of shares of the Company, are held by domestic investors.
- (b) Article 24 will be amended by deleting the existing registered capital of the Company (i.e. RMB1,291,340,650) and replace it with the registered capital of the Company (i.e. RMB1,291,079,250) immediately upon completion of the Repurchase.

The Proposed Articles Amendments are conditional upon the completion of the Repurchase and the passing of a resolution by the Shareholders at a general meeting of the Company. A resolution will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the Proposed Articles Amendments.

The Directors are of the view that the Proposed Articles Amendments are necessary to reflect the information on the actual number of Shares in issue, the number of Shares held by GPLH and the registered capital of the Company as contained in the Articles of Association and is therefore in the interests of the Company and the Shareholders as a whole.

3. AGM AND CIRCULAR

The AGM will be held for (i) the Independent Shareholders to consider and, if thought fit, approve each Connected Participation and (ii) the Shareholders to consider and, if thought fit, approve, among other things, the Proposed Articles Amendments. The notice convening the AGM and forms of proxy are expected to be despatched to the Shareholders on or before 12 May 2015. The Circular is expected to be despatched to the Shareholders on or before 19 May 2015.

4. DEFINITIONS

In this announcement (including the annex), unless the context otherwise requires, the following terms have the following meanings:

“AGM”	the annual general meeting of 2014 of the Company proposed to be held on Friday, 26 June 2015, including any adjournment thereof
“A Share(s)”	RMB-denominated domestic share(s) in the share capital of the Company, with a nominal value of RMB1.00 each and is(are) listed on the Shanghai Stock Exchange
“Articles of Association”	the articles of association of the Company
“Asset Manager”	China Universal Asset Management Company Limited* (滙添富基金管理股份有限公司), a joint stock limited company established in the PRC, which is entrusted by the Company as the management organization of the Employee Stock Ownership Scheme (2015)
“Asset Management Agreement”	the asset management agreement to be entered into among the Company (on behalf of the Intended Participants), the Asset Manager and the asset custodian in respect of the Employee Stock Trust
“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of Directors
“Circular”	the circular of the Company which will contain, among other things, further information on (i) the Connected Participations; (ii) the recommendation of the Independent Board Committee in relation to the Connected Participations; (iii) a letter from the Independent Financial Adviser containing their advice on the Connected Participations to the Independent Board Committee and the Independent Shareholders; and (iv) the Proposed Articles Amendments

“Company”	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited* (廣州白雲山醫藥集團股份有限公司), a joint stock company with limited liability established in the PRC, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
“Connected Participant”	the Intended Participant who is a connected person of the Company
“Connected Participation”	the participation in the Employee Stock Ownership Scheme (2015) by a Connected Participant and the transactions contemplated by such participation, including but not limited to the signing of the Subscription Undertaking, the transactions contemplated by the Subscription Undertaking and the associated acquisition of the Trust Interest
“Connected Participation Table”	the table depicted in the annex to this announcement containing certain information in respect of the Connected Participations
“connected person”	has the meaning ascribed to it under the Hong Kong Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“CSRC Condition”	the obtaining of the approval from the CSRC regarding the Proposed Placing
“Directors”	the directors of the Company
“EGM”	the first extraordinary general meeting of the Company in 2015 held on 13 March 2015
“Employee Scheme Subscription”	the subscription of a maximum of 21,189,000 new A Shares by the Asset Manager (as trustee of the Employee Stock Trust) pursuant to the Employee Scheme Subscription Agreement

“Employee Scheme Subscription Agreement”	the conditional subscription agreement dated 12 January 2015 entered into between the Company and the Asset Manager (as trustee of the Employee Stock Trust) in relation to the Employee Scheme Subscription
“Employee Stock Ownership Scheme (2015)”	the employee stock ownership scheme of the Company set up to allow the Target Participants to invest in the Shares
“Employee Stock Trust”	the asset management trust known as “China Universal – Private Placement Prosperous Age Exclusive Account No. 66 Asset Management Scheme* (添富 – 定增盛世專戶66號資產管理計劃)” set up by the Asset Manager for the Employee Stock Ownership Scheme (2015)
“February Circular”	the circular of the Company dated 26 February 2015 containing, among other things, information on the Proposed Placing and the Employee Stock Ownership Scheme (2015)
“GPHL”	Guangzhou Pharmaceutical Holdings Limited* (廣州醫藥集團有限公司), a state-owned enterprise established by, and under the administration of, the Guangzhou Municipal People’s Government State-owned Assets Supervision and Administration Commission in the PRC. It is the controlling shareholder of the Company which held approximately 45.24% of the issued Shares as at the date of this announcement
“GPHL Undertaking”	the undertaking given by GPHL to subscribe for all under-subscribed A Shares under the Employee Scheme Subscription if there is no and/or any under-subscription by the Asset Manager
“Group”	the Company and the Subsidiaries
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each and is (are) listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors formed to advise the Independent Shareholders on the Connected Participations
“Independent Shareholders”	Shareholders other than those who are required by the Hong Kong Listing Rules to abstain from voting on the resolutions for the approval of the Connected Participations at the AGM
“Intended Participant”	the Target Participant who has given the Participation Indication, including a Connected Participant
“Non-connected Participant”	the Intended Participant other than the Connected Participant
“Non-connected Participation”	the participation in the Employee Stock Ownership Scheme (2015) by a Non-connected Participant and the transactions contemplated by such participation, including but not limited to the signing of the Subscription Undertaking, the payment of the Proposed Subscription Amount to the Employee Stock Trust for the Asset Manager (acting as trustee of the Employee Stock Trust) to make the Employee Scheme Subscription and the associated acquisition of the Trust Interest
“Participation Indication”	the written indication of the intention to participate in the Employee Stock Ownership Scheme (2015) given by a Target Participant
“PRC”	the People’s Republic of China
“Proposed Articles Amendments”	the proposed amendments to the Articles of Association as described in the section headed “2. Proposed Articles Amendments” in this announcement

“Proposed Subscription Amounts”	in respect of each Intended Participant, means the amounts proposed to be paid by him as specified in the Participation Indication to the Employee Stock Trust for the Asset Manager (acting as trustee of the Employee Stock Trust) to make the Employee Scheme Subscription
“Proposed Placing”	the proposed non-public issue and placing of not more than 419,463,087 new A Shares as described in more detail in the February Circular
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	the holder(s) of Shares
“Subsidiary”	a subsidiary of the Company
“Subsidiary Director”	a director of a Subsidiary
“Subsidiary GM”	a general manager of a Subsidiary
“Subsidiary Supervisor”	a supervisor of a Subsidiary
“Subscription Price”	RMB23.84 per A Share (subject to the Price Adjustment as defined in the February Circular)
“Subscription Undertaking”	the proposed legally binding undertaking to be given by each Intended Participant in relation to, among other things, confirmation of his participation in the Employee Stock Ownership Scheme (2015), the anticipated principal terms of which are set out in the section headed “1.4. The Subscription Undertaking” in this announcement
“Target Participants”	the target participants of the Employee Stock Ownership Scheme (2015), being all the employees of the Group as at 1 January 2015, including Directors (excluding independent non-executive Directors), supervisors, senior management and other employees of the Company, the Subsidiaries, joint ventures and associated companies

“Trust Interest”	an interest of an Intended Participant in the Employee Stock Trust represented by the Proposed Subscription Amounts
“Vinco Capital”, “IFA” or “Independent Financial Adviser”	Grand Vinco Capital Limited (大唐域高融資有限公司), a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Connected Participations. Vinco Capital is a licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“%”	per cent

Note: where the context so requires or permits, the singular includes the plural and vice versa and a gender includes other genders.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 27 April 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. Chu Xiaoping and Mr. Jiang Wenqi as independent non-executive directors.

* *For identification purpose only*

Annex
Connected Participation Table

No.	Name of the Connected Participant	Principal position(s) in the Group	Proposed Subscription Amounts (RMB)	Corresponding number of new A Shares calculated at the Subscription Price	Percentage of the total number of Shares in issue as at the date of this announcement	Percentage of the total number of Shares in issue immediately upon the completion of the Proposed Placing
1	Li Chuyuan	Chairman of the Company and an executive Director	4,768,000.00	200,000	0.015%	0.012%
2	Chen Mao	Vice chairman of the Company and an executive Director	4,768,000.00	200,000	0.015%	0.012%
3	Liu Juyan	Executive Director	4,291,200.00	180,000	0.014%	0.011%
4	Chen Ning	Executive Director	4,291,200.00	180,000	0.014%	0.011%
5	Ni Yidong	Executive Director	4,529,600.00	190,000	0.015%	0.011%
6	Wu Changhai	Executive Director and vice general manager of the Company	4,291,200.00	180,000	0.014%	0.011%
7	Wang Wenchu	Executive Director and vice general manager of the Company	4,291,200.00	180,000	0.014%	0.011%
8	Xian Jiaxiong	Chairman of the supervisory committee of the Company	3,933,600.00	165,000	0.013%	0.010%
9	Wu Quan	Supervisor of the Company	715,200.00	30,000	0.002%	0.002%
10	Zhang Chunbo	Vice general manager of the Company and chairman of a Subsidiary	3,814,400.00	160,000	0.012%	0.009%
11	Su Biru	Subsidiary Director	238,400.00	10,000	0.001%	0.001%
12	Xue Min	Subsidiary Supervisor	1,192,000.00	50,000	0.004%	0.003%
13	Li Jingbo	Subsidiary Supervisor	238,400.00	10,000	0.001%	0.001%
14	Li Guangliang	Subsidiary Director	238,400.00	10,000	0.001%	0.001%
15	Xu Keyi	Subsidiary Director	3,099,200.00	130,000	0.010%	0.008%
16	Lin Huizhao	Chairman of the supervisory committee of a Subsidiary	119,200.00	5,000	0.000%	0.000%
17	Chen Kunnan	Chairman of a Subsidiary and Subsidiary GM	357,600.00	15,000	0.001%	0.001%
18	Huang Yuedong	Subsidiary Director	119,200.00	5,000	0.000%	0.000%
19	Zhang Xiaomei	Subsidiary Supervisor	35,760.00	1,500	0.000%	0.000%
20	Yan Zhibiao	Subsidiary Director and Subsidiary GM	238,400.00	10,000	0.001%	0.001%

No.	Name of the Connected Participant	Principal position(s) in the Group	Proposed Subscription Amounts (RMB)	Corresponding number of new A Shares calculated at the Subscription Price	Percentage of the total number of Shares in issue as at the date of this announcement	Percentage of the total number of Shares in issue immediately upon the completion of the Proposed Placing
21	Chen Zhixiong	Subsidiary Director	715,200.00	30,000	0.002%	0.002%
22	Peng Hongying	Subsidiary Director	119,200.00	5,000	0.000%	0.000%
23	Su Guangfeng	Subsidiary Director	8,344,000.00	350,000	0.027%	0.020%
24	Chen Weiping	Subsidiary Director	3,933,600.00	165,000	0.013%	0.010%
25	Wang Jingwen	Chairman of the supervisory committee of a Subsidiary	119,200.00	5,000	0.000%	0.000%
26	Shi Hongchao	Chairman of a Subsidiary	596,000.00	25,000	0.002%	0.001%
27	Liang Mingji	Subsidiary Director and Subsidiary GM	119,200.00	5,000	0.000%	0.000%
28	Ouyang Qiang	Subsidiary Director	1,192,000.00	50,000	0.004%	0.003%
29	Chen Jinwei	Chairman of the supervisory committee of a Subsidiary	357,600.00	15,000	0.001%	0.001%
30	Jie Min	Subsidiary Supervisor	23,840.00	1,000	0.000%	0.000%
31	Chen Yulian	Subsidiary Supervisor	23,840.00	1,000	0.000%	0.000%
32	Yang Dongsheng	Chairman of a Subsidiary and Subsidiary GM	596,000.00	25,000	0.002%	0.001%
33	Lu Qifu	Subsidiary Director	59,600.00	2,500	0.000%	0.000%
34	Cheng Honghui	Subsidiary Director	1,430,400.00	60,000	0.005%	0.004%
35	Liang Zhiping	Chairman of the supervisory committee of a Subsidiary	95,360.00	4,000	0.000%	0.000%
36	Xu Wenliu	Subsidiary Director and Subsidiary GM	476,800.00	20,000	0.002%	0.001%
37	Fang Guanghong	Vice chairman of a Subsidiary	4,768,000.00	200,000	0.015%	0.012%
38	Yao Jiangxiong	Chairman of a Subsidiary and Subsidiary GM	1,192,000.00	50,000	0.004%	0.003%
39	Xu Zhaodong	Subsidiary Director	59,600.00	2,500	0.000%	0.000%
40	Zhu Ling	Subsidiary Director	119,200.00	5,000	0.000%	0.000%
41	Cai Zhiwei	Chairman of the supervisory committee of a Subsidiary	476,800.00	20,000	0.002%	0.001%
42	Ouyang Haizhan	Subsidiary Supervisor	47,680.00	2,000	0.000%	0.000%
43	Liu Yanping	Subsidiary Supervisor	536,400.00	22,500	0.002%	0.001%
44	Zhou Lushan	Chairman of a Subsidiary	1,430,400.00	60,000	0.005%	0.004%
45	Kong Jian	Subsidiary Director and Subsidiary GM	1,192,000.00	50,000	0.004%	0.003%

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46	Zheng Jianxiong	Subsidiary Director	59,600.00	2,500	0.000%	0.000%
47	Bei Xuhui	Chairman of the supervisory committee of a Subsidiary	357,600.00	15,000	0.001%	0.001%
48	Zheng Haoshan	Subsidiary Supervisor	4,172,000.00	175,000	0.014%	0.010%
49	Shen Ying	Subsidiary Supervisor	23,840.00	1,000	0.000%	0.000%
50	Feng Yaowen	Chairman of a Subsidiary	178,800.00	7,500	0.001%	0.000%
51	Chen Songguang	Subsidiary Director and Subsidiary GM	1,192,000.00	50,000	0.004%	0.003%
52	Ou Guangde	Chairman of the supervisory committee of a Subsidiary	357,600.00	15,000	0.001%	0.001%
53	Liang Shaohui	Subsidiary Supervisor	23,840.00	1,000	0.000%	0.000%
54	Liu Fei	Subsidiary Supervisor	119,200.00	5,000	0.000%	0.000%
55	Yuan Cheng	Chairman of a Subsidiary and Subsidiary GM	894,000.00	37,500	0.003%	0.002%
56	Huang Xiang	Subsidiary Director	3,576,000.00	150,000	0.012%	0.009%
57	Zhang Yongtao	Subsidiary Director	119,200.00	5,000	0.000%	0.000%
58	Yan Huanxiong	Chairman of the supervisory committee of a Subsidiary	119,200.00	5,000	0.000%	0.000%
59	Yao Zhizhi	Subsidiary Supervisor	2,384,000.00	100,000	0.008%	0.006%
60	Lai Zhijian	Subsidiary Supervisor	596,000.00	25,000	0.002%	0.001%
61	Chen Jiannong	Chairman of a Subsidiary	2,384,000.00	100,000	0.008%	0.006%
62	Huang Ming	Subsidiary Director and Subsidiary GM	3,576,000.00	150,000	0.012%	0.009%
63	Zhang Mingsen	Subsidiary Director	1,192,000.00	50,000	0.004%	0.003%
64	Ying Jun	Subsidiary Director	476,800.00	20,000	0.002%	0.001%
65	Li Hong	Chairman of a Subsidiary	4,291,200.00	180,000	0.014%	0.011%
66	Huang Wenye	Subsidiary Director	23,840.00	1,000	0.000%	0.000%
67	Qiao Yong	Subsidiary Director	23,840.00	1,000	0.000%	0.000%
68	Chen Ping	Chairman of the supervisory committee of a Subsidiary	119,200.00	5,000	0.000%	0.000%
69	TanYingjin	Subsidiary Supervisor	23,840.00	1,000	0.000%	0.000%
70	Deng Weiyan	Subsidiary Supervisor	11,920.00	500	0.000%	0.000%
71	Zhang Weixiang	Subsidiary Director and Subsidiary GM	238,400.00	10,000	0.001%	0.001%
72	Fan Shadan	Subsidiary Director	596,000.00	25,000	0.002%	0.001%
73	Situ Lie	Subsidiary Director	119,200.00	5,000	0.000%	0.000%

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74	Lu Jianhua	Subsidiary Supervisor	23,840.00	1,000	0.000%	0.000%
75	Liu Guangsui	Chairman of the supervisory committee of a Subsidiary	119,200.00	5,000	0.000%	0.000%
76	Li Jianwei	Subsidiary Supervisor	11,920.00	500	0.000%	0.000%
77	Dai Bixin	Subsidiary Director	119,200.00	5,000	0.000%	0.000%
78	Xiao Rongming	Subsidiary Director and Subsidiary GM	357,600.00	15,000	0.001%	0.001%
79	Liu Yuhua	Subsidiary Director	23,840.00	1,000	0.000%	0.000%
80	Liu Hanming	Subsidiary Supervisor	238,400.00	10,000	0.001%	0.001%
81	Pang Jianhui	Subsidiary Supervisor	238,400.00	10,000	0.001%	0.001%
82	Pei Zejian	Subsidiary Director and Subsidiary GM	596,000.00	25,000	0.002%	0.001%
83	Huang Haiwen	Subsidiary Director	417,200.00	17,500	0.001%	0.001%
84	Chen Zhizhao	Chairman of a Subsidiary	1,430,400.00	60,000	0.005%	0.004%
85	Gong Qingxun	Subsidiary Director and Subsidiary GM	178,800.00	7,500	0.001%	0.000%
86	Zhao Min	Subsidiary Director	1,430,400.00	60,000	0.005%	0.004%
87	Yu Liangshuo	Subsidiary Director	119,200.00	5,000	0.000%	0.000%
88	Liu Xuebin	Subsidiary Director	119,200.00	5,000	0.000%	0.000%
89	Chen Jing	Subsidiary Director	4,172,000.00	175,000	0.014%	0.010%
		Total	110,438,800	4,632,500	0.359%	0.271%