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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 understands that the National Development and Reform Commission of the People’s Republic of China (“**NDRC**”) has published the Circular of National Development and Reform Commission on Issues relating to Improving Price Management of Low-priced Drugs (Fa Gai Jie Ge [2014] No.856) (the “**Circular**”) in connection with the low-priced drug list and related price management issues on its official website on 8 May 2014.

According to the Circular, the maximum retail prices fixed by the government for drugs with low average daily cost (low-priced drugs) currently subject to the range of government-guidance prices are abolished, and the specific purchase and sale prices are to be fixed by producers within the standard of average daily cost according to the production cost of drugs, market supply and demand and competition. In determining the standard of average daily cost of low-priced drugs, NDRC will take into account, among other things, the production cost of the drugs, market supply and demand and the affordability of the society. At the present stage, the standard of average daily cost of low-priced drugs is: not exceeding RMB3 in respect of western medicines and not exceeding RMB5 in respect of Chinese patent medicines. The Circular requires that, after the publication of the low-priced drug list by NDRC, the competent pricing departments at provincial, regional and municipal levels should publish the low-priced drug list within the pricing scope of its administrative level before 1 July 2014.

According to the Low-priced Drug List under the Pricing Scope of National Development and Reform Commission attached to the Circular, the Company and its subsidiaries (including the wholly-owned subsidiaries and joint ventures) have over 300 products listed on the low-priced drug catalog, of which (including the Fu Fang Dan Sen Tablet (“複方丹參片”), Ban Lan Gen Granules (“板藍根”), Xiao Ke Wan (“消渴丸”), Amoxicillin etc.) are products whose sales are over RMB100 million, and including 4 exclusive products such as Xiao Ke Wan (“消渴丸”), Zhang Yan Ming Tablet (“障眼明片”) etc.

It is expected that the publication of the Circular will have a positive impact on the operating results of the Company.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 8 May 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.