

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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”).

Guangzhou Wang Lao Ji Pharmaceutical Company Limited (“Wang Lao Ji”) is a joint venture of the Company. The total share capital of Wang Lao Ji is 204,756,878 shares, among which, the Company holds 98,378,439 shares, representing 48.0465% of the total share capital; Golden Force Pharmacy Limited holds 98,378,439 shares, representing 48.065% of the total share capital; other natural persons shareholders hold 8,000,000 shares, representing 3.9070% of the total share capital. The term of the joint venture of Wang Lao Ji is 10 years until 25 January 2015. The Company has issued an announcement in relation to the extraordinary general meeting convened by Wang Lao Ji for the purpose considering and approving the resolutions in relation to the proposal of the advanced distribution of dividends to natural persons shareholders and the entry into of a new 10-year joint venture contract of Wang Lao Ji. For details, please refer to the announcement of the Company in Chinese dated 26 June 2014 issued by way of overseas regulatory announcement.

I. SUMMARY OF THE RUMOURS

Recently, there were a large numbers of media reports regarding Wang Lao Ji and the Company, including (among others) “Hong Kong Golden Force Pharmacy (香港同興葯業) convened a press conference in Beijing in which it was alleged that the court has officially commenced to attending the litigation in relation to the dissolution of Wang Lao Ji, and accused Baiyunshan, a shareholder of the joint venture, of manipulating the finance affairs to cause loss to Wang Lao Ji”, “Golden Force Pharmacy accused Baiyunshan of changing the auditing firm”, “the Green-box Wang Lao Ji herbal tea, being part of the intangible assets of the joint venture, must be among the part to be disposed of”.

II. CLARIFICATION

- (1) **Report regarding “the court has officially commenced to attending the litigation in relation to the dissolution of Wang Lao Ji”**

The Company has issued a written inquiry to Wang Lao Ji, and Wang Lao Ji has replied in writing and confirmed that it has not received any legal document issued by the court.

- (2) **Report about “Baiyunshan, a shareholder of the joint venture, manipulating the finance affairs to cause loss to Wang Lao Ji and change of the auditing firm”**

Wang Lao Ji, as an independent legal entity, has established a sound corporate governance system according to requirements of laws and regulations. As one of the joint venture partners of Wang Lao Ji, the Company exercises shareholder’s rights and performs shareholder’s obligations in accordance with the requirements under the Company Law and the Articles of Association of Wang Lao Ji. The specific operation of Wang Lao Ji and the relevant implementation procedure are undertaken by its management according to its scope of decision-making powers.

- (3) **Report about “Green-box Wang Lao Ji herbal tea, being part of the intangible assets of the joint venture, must be among the part to be disposed of”**

The trademark uses by Wang Lao Ji for the production of green-box “Wang Lao Ji” herbal tea is the trademark which the controlling shareholder of the Company, Guangzhou Pharmaceutical Holdings Limited (“GPHL”), has authorized Wang Lao Ji to use. The ownership of the trademark belongs to GPHL.

III. OTHER RELEVANT EXPLANATIONS OF THE COMPANY

- (1) As a listed company, any rumors, slander by other parties and untrue reports made by media may adversely affect the share prices of the Company, and may materially prejudice the interest of the shareholders of the Company. The Company reserves the right to take legal actions against relevant parties.
- (2) Upon the establishment of the joint venture, it was agreed in the joint venture contract entered into by the joint venture parties that the duration of Wang Lao Ji can be extended unless all the joint venture parties unanimously agree to terminate the joint venture. The Company will endeavour to the works to ensure the continuing operation of Wang Lao Ji in accordance with relevant laws and regulations.

- (3) Wang Lao Ji is a joint venture of the Company and whose principal product is Green-box “Wang Lao Ji” herbal tea. The Company’s recognized proceeds from investing in Wang Lao Ji represented approximately 2.62% of the total profit of the Company for 2013. The investment in Wang Lao Ji will not have a significant impact on the Company’s performance.

The Company will closely monitor the progress of the event and will perform its disclosure obligations on a timely basis in accordance with relevant rules and regulations.

The Company wishes to inform the investors that the Company’s designated media for publication of its information include Shanghai Securities News (上海證券報), Securities Times (證券時報), China Securities Journal (中國證券報), Securities Daily (證券日報), the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and the website of The Stock Exchange of Hong Kong Limited (<http://www.hkex.com.hk>). Investors are advised to take due care in investment and be aware of the relevant risks.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 8 July 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.