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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
SUPPLEMENTAL AGREEMENTS IN RELATION TO CERTAIN
SUBSCRIPTION AGREEMENTS
AND
ENTRY INTO THE ASSET MANAGEMENT AGREEMENT**

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

1. INTRODUCTION

Reference is made to the circular of the Company dated 26 February 2015 (the “**Circular**”) in relation to, among other things, the Proposed Placing. Unless otherwise specified, capitalised terms used in the Circular have the same meanings when used herein.

Reference is also made to the announcement of the Company dated 4 May 2015 pursuant to which it was announced, among other things, that the CSRC accepted the Company’s Application for Administrative Permission in relation to the non-public issue of shares by listed company for further consideration.

The Company has received the comments given by the CSRC in respect of the Proposed Placing. After taking into account these comments, the Directors are of the view that it would be the most appropriate to amend two of the Subscription Agreements, being (i) the Concert Party Subscription Agreement between the Company and GZ Chengfa and (ii) the Fund Subscription Agreement. Accordingly, the Company and the relevant parties entered into two supplemental agreements both dated 9 July 2015, details of which are summarised below.

The Company also announces that the Asset Management Agreement was entered into on 6 July 2015.

2. SUPPLEMENTAL AGREEMENTS

2.1 Supplemental agreement in relation to the Concert Party Subscription Agreement between the Company and GZ Chengfa

On 9 July 2015, the Company and GZ Chengfa entered into a supplemental agreement in relation to the Concert Party Subscription Agreement between the Company and GZ Chengfa. Pursuant to the above supplemental agreement:

- (a) GZ Chengfa undertakes that all the funds for its participation in the Proposed Placing will be ready after the CSRC's approval of the Proposed Placing is granted but before the proposal in relation to the issue of shares is filed with the CSRC ("**Fund Readiness Undertaking**"); and
- (b) GZ Chengfa shall procure that during the lock-up period under the Proposed Placing, its partners shall not dispose of their proportion of assets in the partnership or withdraw from the partnership ("**Partnership Undertaking**").

2.2 Supplemental Agreement in relation to the Fund Subscription Agreement

On 9 July 2015, the Company, Shanghai Yunfeng and Shanghai Yunfeng New Venture Equity Interest Investment Centre (Limited Partnership)* (上海雲峰新創股權投資中心(有限合夥)) ("**Yunfeng LLP**") entered into a supplemental agreement in relation to the Fund Subscription Agreement. Pursuant to the above supplemental agreement:

- (a) the Company and Shanghai Yunfeng confirm that Yunfeng LLP is the investing vehicle referred to under the Fund Subscription Agreement. Yunfeng LLP shall enjoy all the rights, and assume all the obligations, of Shanghai Yunfeng under the Fund Subscription Agreement; and
- (b) Yunfeng LLP shall give the Fund Readiness Undertaking and the Partnership Undertaking.

Yunfeng LLP is the "Fund" set up by Shanghai Yunfeng to hold the A Shares to be subscribed for pursuant to the Fund Subscription Agreement as disclosed in the Circular. It is a limited partnership established under the laws of the PRC. To the best knowledge of the Directors having made all the reasonable enquiries, Yunfeng LLP and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons.

Save as summarised and disclosed in this announcement, the terms of (i) the Concert Party Subscription Agreement between the Company and GZ Chengfa and (ii) the Fund Subscription Agreement remain in full force and effect. The Directors are of the view that the changes to these two Subscription Agreements under the relevant supplemental agreements are immaterial. Based on the comments given by the CSRC, the Directors are of the view that it is not necessary to amend

the other three Subscription Agreements, namely the GPLH Subscription Agreement, the Employee Scheme Subscription Agreement and the Concert Party Subscription Agreement between the Company and GZ SOA Development.

3. ASSET MANAGEMENT AGREEMENT

On 6 July 2015, (i) the Company (on behalf of the Group's employees) as the principal; (ii) the Asset Manager as the asset manager; and (iii) China CITIC Bank Corporation Limited as asset custodian entered into the Asset Management Agreement. To the best knowledge of the Directors having made all the reasonable enquiries, China CITIC Bank Corporation Limited and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons.

The final Asset Management Agreement is on substantially the same material terms as summarised in the Circular. Certain new terms have been added to the Asset Management Agreement after the relevant parties have taken into account the comments given by the CSRC. A summary of certain terms newly added is set out below:

- (a) the principal (on behalf of the Group's employees) shall give the Fund Readiness Undertaking; and
- (b) during the lock-up period under the Proposed Placing, the principal (on behalf of the Group's employees) and the ultimate subscribers shall not transfer its/their interests in the China Universal Asset-Private Placement Prosperous Age Exclusive Account No. 66 Asset Management Scheme (i.e. the asset management scheme under the Employee Stock Trust) except where the Employee Stock Ownership Scheme (2015) provides otherwise.

The Directors are of the view that the additional terms as summarised above are immaterial.

As disclosed in the Circular, the approval given by the CSRC is one of the conditions to the Proposed Placing and this condition is the only condition which remains unfulfilled as at the date of this announcement. The Company will issue further announcement(s) to provide information on the progress of the Proposed Placing as and when appropriate.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 9 July 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