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廣州白雲山医药集团股份有限公司

**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)

**ANNOUNCEMENT  
ON  
SUPPLEMENTAL AGREEMENT  
IN RELATION TO THE GPLH SUBSCRIPTION AGREEMENT  
AND  
AMENDMENT TO THE PROPOSAL OF  
THE REVISED PROPOSED PLACING**

References are made to (i) the announcements dated 12 January 2015, 4 May 2015, 9 July 2015 and 28 October 2015; (ii) the circular dated 26 February 2015 (the “**Circular**”); and (iii) the poll results announcement dated 17 March 2015 made by the Company in relation to, among other things, the Proposed Placing. The announcement dated 28 October 2015 of the Company is referred to as the “**Announcement**” in this announcement. Unless otherwise specified, capitalized terms used in the Circular and the Announcement have the same meanings when used herein.

As disclosed in the Announcement, the Proposed Placing was currently still under review by the CSRC and pending for its final approval. In the midst of the recent unfavourable market sentiment in the PRC capital market and also taking into account the actual circumstances of the Company, the Board considered that it is conducive to the smooth progress of the Revised Proposed Placing by ascertaining the maximum number of new A Shares to be subscribed by GPLH (the “**GPLH Subscription Shares**”), being the controlling shareholder of the Company. Therefore, at the Board meeting held on 26 November 2015, the Board resolved to (i) amend the GPLH Subscription Agreement by entering into the supplemental subscription agreement with GPLH (the “**GPLH Supplemental Agreement**”); and (ii) further revise the proposal of the Revised Proposed Placing following the GPLH Supplemental Agreement, details of which are summarized below.

## **1. GPHL SUPPLEMENTAL AGREEMENT**

On 26 November 2015, the Board resolved to ascertain the maximum number of GPHL Subscription Shares to be not more than 148,338,467 new A Shares (as disclosed in the Announcement and subject to adjustment where there occurs any ex-dividend or ex-rights event such as distribution of dividend, bonus issue or capitalization of capital reserves to the Company between the Price Determination Date and the date on which the new A Shares will be issued). Accordingly, the Company and GPHL entered into the GPHL Supplemental Agreement on 26 November 2015 pursuant to which, GPHL has withdrawn the GPHL Undertaking whereby GPHL no longer undertakes to subscribe for all the under-subscribed A Shares under the Employee Scheme Subscription if there is no and/or under subscription pursuant to the Employee Scheme Subscription Agreement.

Save as summarized and disclosed in this announcement, the terms of the GPHL Subscription Agreement remain unchanged and in full force and effect. The Directors are of the view that the change made under the GPHL Supplemental Agreement is immaterial.

## **2. AMENDMENT TO THE PROPOSAL OF THE REVISED PROPOSED PLACING**

In order to reflect the amendment made to the GPHL Supplemental Agreement, the Company has further revised the proposal of the Revised Proposed Placing by removing the relevant terms of the GPHL Undertaking therein.

Save for the above amendment, there are no other changes to the proposal in relation to the Revised Proposed Placing.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the further Revised Proposed Placing (assuming full subscription under the Employee Scheme Subscription Agreement and no change in the total issued share capital of the Company other than the issue of A Shares since the date of this announcement and up to the completion of the further Revised Proposed Placing); and (iii) immediately after the completion of the further Revised Proposed Placing (assuming no subscription under the Employee Scheme Subscription Agreement and no change in the total issued share capital of the Company other than the issue of A Shares since the date of this announcement and up to the completion of the further Revised Proposed Placing):

Shareholders	(i) As at the date of this announcement		(ii) Immediately after the completion of the further Revised Proposed Placing (assuming full subscription under the Employee Scheme Subscription Agreement)		(iii) Immediately after the completion of the further Revised Proposed Placing (assuming no subscription under the Employee Scheme Subscription Agreement)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>A Shares</b>						
<b>The Concert Group</b>						
GPHL	583,966,636	45.23	732,305,103	44.56	732,305,103	45.15
GZ SOA Development	–	–	87,976,539	5.35	87,976,539	5.42
GZ Chengfa	–	–	73,313,783	4.46	73,313,783	4.52
<b>Sub-total</b>	<b>583,966,636</b>	<b>45.23</b>	<b>893,595,425</b>	<b>54.38</b>	<b>893,595,425</b>	<b>55.09</b>
The Employee Stock Trust	–	–	21,440,821	1.30	–	–
<b>Public A Share Shareholders</b>						
The Fund	–	–	21,222,410	1.29	21,222,410	1.31
Other public A Share Shareholders	487,212,614	37.74	487,212,614	29.65	487,212,614	30.04
<b>Sub-total</b>	<b>487,212,614</b>	<b>37.74</b>	<b>508,435,024</b>	<b>30.94</b>	<b>508,435,024</b>	<b>31.35</b>
<b>Total number of A Shares</b>	<b>1,071,179,250</b>	<b>82.97</b>	<b>1,423,471,270</b>	<b>86.62</b>	<b>1,402,030,449</b>	<b>86.44</b>
<b>H Shares</b>						
<b>Public H Share Shareholders</b>	<b>219,900,000</b>	<b>17.03</b>	<b>219,900,000</b>	<b>13.38</b>	<b>219,900,000</b>	<b>13.56</b>
<b>Total number of Shares</b>	<b>1,291,079,250</b>	<b>100.00</b>	<b>1,643,371,270</b>	<b>100.00</b>	<b>1,621,930,449</b>	<b>100.00</b>

*Note:* The percentages shown are rounded to the nearest 2 decimal places. The numbers may not add up to 100% due to rounding.

As a result of the cancellation of the GPLH Undertaking pursuant to the GPLH Supplemental Agreement, the aggregate shareholding interests of the Concert Group in the Company will be further reduced from a maximum of approximately 55.68% (under the Revised Proposed Placing) as disclosed in the Announcement to approximately 55.09% (under the further Revised Proposed Placing) in the table above, representing a decrease of approximately 0.59%.

## **EFFECTS ON THE USE OF PROCEEDS**

Without the GPLH Undertaking and in the event that there is no subscription pursuant to the Employee Scheme Subscription Agreement, the gross proceeds to be raised from the further Revised Proposed Placing will be reduced by up to a maximum of approximately RMB505 million. In such instance, the proceeds to be applied as general working capital of the Group will be decreased from approximately RMB2,200 million to approximately RMB1,695 million after reviewing the consolidated cash and bank balance of the Group of approximately RMB3,883 million as at 30 September 2015.

## **OTHERS**

The Directors are of the view that the change to the Revised Proposed Placing as described in this announcement would not have material adverse effect on the operation and financial position of the Group.

As disclosed in the Circular, the approval given by the CSRC is one of the conditions to the completion of 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 further Revised Proposed Placing as and when appropriate.

**Shareholders and potential investors should be cautioned that the further Revised Proposed Placing is subject to the approval from the CSRC, and therefore, the further Revised Proposed Placing may or may not proceed. Accordingly, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

The Board of  
**Guangzhou Baiyunshan Pharmaceutical  
Holdings Company Limited**

Guangzhou, the PRC, 26 November 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any of the statements in this announcement misleading.*