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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)

INSIDE INFORMATION RESULTS OF LITIGATION

This announcement is made by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (“**Company**”) pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. BACKGROUND

1.1 Case No. 1

In the announcement of the Company dated 19 December 2014 (“**2014 Announcement**”), it was disclosed, among other things, that:

- (a) Guangzhou Wang Lao Ji Great Health Industry Company Limited* (廣州王老吉大健康產業有限公司) (“**Wang Lao Ji Great Health Company**”), a wholly-owned subsidiary of the Company, was involved in Case No. 1 (as defined in the 2014 Announcement) under which Guangdong Jia Duo Bao Beverage and Food Company Limited* (廣東加多寶 飲料食品有限公司) (“**Guangdong Jia Duo Bao**”) sued Wang Lao Ji Great Health Company for unauthorised use of the specific packaging and decoration of well-known products; and
- (b) the People’s High Court of Guangdong Province* (廣東省高級人民法院) (“**Guangdong High Court**”) dismissed all the claims made by Guangdong Jia Duo Bao.

1.2 Case No. 2

In the 2014 Announcement, it was disclosed, among other things, that:

- (a) Guangzhou Pharmaceutical Holdings Limited (“**GPHL**”), the controlling shareholder of the Company, was involved in Case No. 2 (as defined in the 2014 Announcement) under which GPHL sued Guangdong Jia Duo Bao for unauthorised use of the specific packaging and decoration of well-known products; and
- (b) the Guangdong High Court ruled, among other things, that:
 - (i) Guangdong Jia Duo Bao shall cease to use the packaging and decoration which is the same as, or similar to, the well-known Wang Lao Ji trademark red-canned herbal tea involved in this case immediately; and
 - (ii) Guangdong Jia Duo Bao shall compensate GPHL, among other things, for economic loss.

1.3 Appeals of Guangdong Jia Duo Bao

Guangdong Jia Duo Bao disagreed with the judgements of the Guangdong High Court on both Case No. 1 and Case No. 2 and submitted appeals to the Supreme Court of the PRC* (中華人民共和國最高人民法院) (“**Supreme Court**”).

2. RESULTS OF THE APPEALS

The Supreme Court delivered the judgments in respect of the judgments of the Guangdong High Court on Case No. 1 (“**Case 1 Appeal Judgement**”) and Case No. 2 and GPHL (“**Case 2 Appeal Judgement**”) which were received by Wang Lao Ji Great Health Company on the date of this announcement. With respect to both Case No. 1 and Case No. 2, the Supreme Court has mentioned that GPHL and Guangdong Jia Duo Bao can jointly enjoy the interests of the specific packaging and decoration of the relevant well-known products. More information on Case 1 Appeal Judgement and Case 2 Appeal Judgement are set out below.

2.1 Case 1 Appeal Judgement

The Supreme Court dismissed the appeal of Guangdong Jia Duo Bao and ordered Guangdong Jia Duo Bao to bear specified amounts of litigation costs.

2.2 Case 2 Appeal Judgement

The Supreme Court:

- (a) revoked the initial judgement of the Guangdong High Court;

- (b) dismissed the requests of GPLH; and
- (c) ordered GPLH to bear specified amounts of litigation costs.

3. OTHER INFORMATION

Under PRC laws, the judgments of the Supreme Court are final. As at the date of this announcement, the Company does not expect that Case 2 Appeal Judgement will have any material adverse effect on the business, operation or the financial aspect of the Company and its subsidiaries. Notwithstanding the preceding statement, the Company will keep assessing the impact of Case 2 Appeal Judgement on the Company and its subsidiaries.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 16 August 2017

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. Chu Xiaoping, Mr. Jiang Wenqi, Mr. Wong Hin Wing and Ms. Wang Weihong as independent non-executive directors.

* *For identification purpose only*