

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)

INSIDE INFORMATION: PROGRESS ON SUSPENSION OF TRADING OF A SHARES REGARDING THE PLAN FOR SIGNIFICANT TRANSACTION

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

References are made to the announcement of the Company dated 30 October 2017 in relation to the suspension of trading of A shares of the Company (the “**A Shares**”) listed on The Shanghai Stock Exchange regarding the plan for significant transaction and the announcements of the Company dated 6 November 2017, 13 November 2017, 20 November 2017 and 27 November 2017 respectively in relation to the progress on suspension of trading of A Shares regarding the plan for significant transaction. As the Company is contemplating a significant transaction which is primarily in relation to the proposed acquisition (the “**Proposed Acquisition**”) by the Company of certain equity interest in a joint venture, namely Guangzhou Pharmaceuticals Corporation (the “**Target Company**”), after application made by the Company to The Shanghai Stock Exchange, trading in the A Shares has been suspended since 31 October 2017.

The purpose of this announcement is to provide the latest information on the progress and status of the Proposed Acquisition.

I. THE FRAMEWORK FOR THE PROPOSED ACQUISITION

(1) Counterparty of the Proposed Acquisition

The counterparty of the Proposed Acquisition is Alliance BMP Limited, an independent third party to the Company, which currently owns 50% of the equity interest in the Target Company.

(2) Mode of transaction for the Proposed Acquisition

The consideration of the Proposed Acquisition is proposed to be settled in cash. Completion of the Proposed Acquisition will not result in change of control of the Company.

(3) Information on the underlying asset

The underlying asset of the Proposed Acquisition is certain equity interest in the Target Company. The Company currently owns 50% of the equity interest in the Target Company, which is a jointly controlled entity of the Company. Completion of the Proposed Acquisition may result in the results of the Target Company being consolidated in the consolidated accounts of the Company.

II. PROGRESS OF THE PROPOSED ACQUISITION

Since the suspension of trading of the A Shares, the Company has been in discussion and consultation with relevant parties in relation to the Proposed Acquisition. As at the date of this announcement, the Company has engaged financial advisers, auditors, valuers and legal advisers to conduct due diligence work on the Proposed Acquisition in accordance with the Measures for the Administration of the Material Asset Restructurings of Listed Companies issued by The Shanghai Stock Exchange and other applicable laws and regulations. As at the date of this announcement, no legally binding agreement(s) (whether in respect of the percentage of the equity interests of the Target Company, consideration, manner of payment of the consideration or otherwise) in this regard has been entered into by the Company.

III. REASONS FOR FAILURE TO RESUME TRADING OF A SHARES AS SCHEDULED

Trading in the A Shares on The Shanghai Stock Exchange has been suspended since 31 October 2017 and such suspension of trading was proposed to last for not more than 30 days. The parties need to further discuss and resolve the outstanding issues relating to the Proposed Acquisition, the relevant due diligence investigation, auditing and valuation work on the Target Company is still being carried out and the specific plan of the Proposed Acquisition has not been finalised yet. The Company expects that it will not be able to disclose the preliminary scheme or draft report relating to the Proposed Acquisition by 30 November 2017 as scheduled, resulting in the delay of the resumption of trading in the A Shares.

IV. APPLICATION FOR CONTINUED SUSPENSION OF TRADING OF A SHARES

In accordance with the Guidelines on Trading Suspension and Resumption for Listed Companies Planning for Material Events issued by The Shanghai Stock Exchange and after due and careful consideration by the Company, the Company expects that trading in the A Shares will be suspended for not more than one month from 30 November 2017.

During the suspension period of the A Shares, the Company will commit to process the work relevant to the Proposed Acquisition and fulfil its obligation regarding the timely disclosure of information according to the progress of the Proposed Acquisition. After completion of the relevant work, a Board meeting will be held to consider the relevant matters in relation to the Proposed Acquisition, and the relevant announcement will be made and trading of the A Shares will be resumed in a timely manner.

V. RISK WARNING

There are still uncertainties relating to the Proposed Acquisition. During the period of suspension of trading of the A Shares, the Company will strictly perform its obligations to disclose information in a timely manner in accordance with the relevant laws and regulations and will make an announcement on the progress of the Proposed Acquisition at the interval of five trading days of the A shares to ensure fair disclosure of information and to protect investors' interest. Investors are advised to pay attention to relevant announcement(s) and be aware of the investment risks involved.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 29 November 2017

As at the date of this announcement, the board of directors of the Company comprises Mr. Li Chuyuan, Mr. Chen Mao, Ms. Liu Juyan, Ms. Cheng Ning, Mr. Ni Yidong and Mr. Wu Changhai as executive directors, and Mr. Chu Xiaoping, Mr. Jiang Wenqi, Mr. Wong Hin Wing and Ms. Wang Weihong as independent non-executive directors.