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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: COMPLETION OF THE EQUITY TRANSFER

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

References are made to the announcement of inside information dated 26 December 2017 (“**December Announcement**”), the announcement of inside information dated 26 March 2018 (“**March Announcement**”) and the announcement of inside information dated 11 June 2018 (“**June Announcement**”). Unless otherwise specified, capitalized terms used in this announcement has the same meanings as those defined in the December Announcement.

1. BACKGROUND

In the December Announcement, it was disclosed, among other things, that pursuant to the Arbitration Ruling, Golden Force was ordered to transfer 98,378,439 shares it held in Wang Lao Ji to the Company. In the March Announcement, the Company disclosed that it received an application for revocation of Arbitration Ruling submitted by Golden Force to Shenzhen Peoples’ Intermediate Court* (深圳市中級人民法院). Then in the June Announcement, the Company disclosed that it received a civil ruling of Shenzhen Peoples’ Intermediate Court wherein application for the revocation of the Arbitration Ruling submitted by Golden Force has been rejected.

2. UPDATE ANNOUNCEMENT

The Company announces that according to the Arbitration Ruling it transferred the consideration payment of RMB338,436,381.95 in total (after deductible fees in the Arbitration Ruling totaling RMB7,444,064.44 and withholding enterprise income tax of RMB23,038,699.86) to the account appointed by the court on 1 August 2018. After inquiry, according to the “Notice of Assistance in Execution” [(2018) Yue 01 Zhi No.985] issued by Guangzhou Peoples’ Intermediate Court* (廣州市中級人民法院), the registration of change in

shareholder in relation to the 48.0465% equity interest in Wang Lao Ji held by Golden Force representing 98,378,439 shares therein to the Company, has been completed. Wang Lao Ji has become a subsidiary of the Company, which it holds 96.0930% equity interest therein.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 6 September 2018

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. Li Hong 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.