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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)

CLARIFICATION ANNOUNCEMENT

Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. (the "**Company**") has noticed some recent media reports concerning Guangzhou Pharmaceutical Holding Co., Ltd. ("**GPHL**"), the controlling shareholder of the Company, the Company and its subordinated enterprises. The Company pays close attention to the above situation and verifies the related matters.

The Company hereby clarifies that:

- Guangzhou Baiyunshan Pharmaceutical Technology Development Co., Ltd. ("**Pharmaceutical Technology**"), a 51%-owned subsidiary of the Company, and Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. Baiyunshan Pharmaceutical General Factory ("**Baiyunshan Pharmaceutical General Factory**"), Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. Baiyunshan Chemical Pharmaceutical Factory ("**Baiyunshan Chemical Pharmaceutical Factory**"), both of which are the branch companies of the Company, have been operating in accordance with the laws and regulations, and there is no situation that damages the interests of the above companies and its shareholders.
- The sales revenue of sildenafil citrate tablet (trade name of which is "**Jinge**") for year 2018 produced by Baiyunshan Pharmaceutical General Factory, a branch company of the Company, amounted to RMB662,057,800, representing 1.58% of the Company's revenue for year 2018; the total profit for year 2018 was RMB399,363,500, accounting for 9.94% of the Company's total profits for year 2018.

- As we have verified, Baiyunshan Pharmaceutical General Factory, Baiyunshan Chemical Pharmaceutical Factory and Pharmaceutical Technology have been operating in accordance with the laws and regulations, and there are no cases of false cost, tax evasion, revenue concealment, false information disclosure, infringement on shareholder's interests and etc. The main contents of the relevant reports are inconsistent with the facts. The Company has been notified by GPLL, the controlling shareholder of the Company, that it had reported the case to the Public Security Department.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 21 July 2019

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