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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular accompanying with the form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

- (1) **PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND**
- (2) **PROPOSED CASH MANAGEMENT OF PART OF THE TEMPORARY IDLE  
FUND RAISING PROCEEDS  
AND**
- (3) **PROPOSED CASH MANAGEMENT OF PART OF THE TEMPORARY IDLE  
INTERNAL FUNDS  
AND**
- (4) **PROPOSED ADDITION OF A NEW ENTITY WHICH MAY USE PART OF  
THE PLACING PROCEEDS  
AND**
- (5) **PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES  
AND**
- (6) **NOTICE OF THE ANNUAL GENERAL MEETING**
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Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 10 of this circular. The notice convening the AGM to be held at the Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Friday, 28 June 2019 at 10:00 a.m. or any adjournment thereof is set out on pages 34 to 40 of this circular.

Whether or not you intend to attend the AGM, please complete the form of proxy despatched together with the aforementioned notice in accordance with the instructions printed thereon and return the form of proxy to the office of the Company's H Share Registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) as soon as possible and in any event not less than 24 hours before the time appointed for the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“A Shares”	RMB-denominated domestic shares in the share capital of the Company with a nominal value of RMB1.00 each and are listed on Shanghai Stock Exchange
“AGM”	the annual general meeting of the Company for year 2018 to be held on Friday, 28 June 2019 at 10:00 a.m., including any adjournment thereof
“Applicable Net Assets Amount”	RMB2,314,373,275.40, being the amount representing 10% of the net assets of the Group based on the audited financial statements of the Group for the financial year ended 31 December 2018
“April Board Meeting”	the meeting of the Board held on 26 April 2019
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Board Rules”	the rules of procedures of the Board (董事會議事規則) of the Company
“Business Development Uses”	the uses of the Placing Proceeds as disclosed in (i) the announcement of the Company dated 29 August 2016 and (ii) the December Announcement, in each case excluding the use of the Placing Proceeds as general working capital
“Cai Zhi Lin”	Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd., a wholly-owned subsidiary of the Company
“Company”	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited* (廣州白雲山醫藥集團股份有限公司), a joint stock company with limited liability established in the PRC, whose H Shares and A Shares are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange respectively
“controlling shareholder”	has the meaning given to it under the Hong Kong Listing Rules
“December Announcement”	the announcement of the Company dated 27 December 2018 wherein the Company disclosed changes to the use of the Placing Proceeds
“Director”	a director of the Company from time to time

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## DEFINITIONS

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“Establishment of New Management and Information System”	the new management and information system of the Group which shall be established by applying part of the Placing Proceeds as disclosed in the December Announcement
“GPHL”	Guangzhou Pharmaceutical Holdings Limited* (廣州醫藥集團有限公司), a state-owned enterprise established by, and under the administration of, the Guangzhou SASAC. It is the controlling shareholder of the Company which held approximately 45.04% of the issued shares of the Company as at the LPD
“Group”	the Company and its subsidiaries
“Guangzhou SASAC”	the Guangzhou Municipal People’s Government State-owned Assets Supervision and Administration Commission* (中國廣州市人民政府國有資產監督管理委員會) of the PRC
“H Shares”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each and are listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Last AGM”	the last annual general meeting of the Company prior to this circular, which was held on 22 June 2018
“Last General Mandate”	the general mandate which is exercisable by the Directors to allot, issue and deal with additional A Shares and/or H Shares not exceeding 20% of the A Shares and the H Shares respectively in issue as at the date of passing of the relevant Shareholders’ resolution at the Last AGM
“LPD”	8 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Management System on External Investment”	the “Management System on External Investment” (《對外投資管理制度》) of the Company
“March Announcement”	the announcement of the Company dated 15 March 2019 wherein, among other things, the Company announced the Proposed Amendments

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## DEFINITIONS

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“March Board Meeting”	the meeting of the Board held on 15 March 2019
“New General Mandate”	the general mandate which is exercisable by the Directors to allot, issue and deal with additional A Shares and/or H Shares not exceeding 20% of the A Shares and the H Shares respectively in issue as at the date of passing of the relevant Shareholders’ resolution at the AGM
“Placing”	the placing of the new A Shares as disclosed in the announcement of the Company dated 12 January 2015
“Placing Circular”	the circular of the Company dated 26 February 2015
“Placing Proceeds”	the final proceeds raised by the Company through the Placing, being approximately RMB7,863 million after deducting relevant expenses
“PRC”	the People’s Republic of China which, for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Amendments”	the proposed amendments to the Articles of Association, details of which are set out in the Appendix to this circular
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder”	a holder of the A Shares and/or H Shares
“%”	per cent

\* *For ease of reference, the names of the PRC established companies or entities (if any) and the PRC laws and regulations (if any) have generally been included in this announcement in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.*

# *All times stated in this circular refer to Hong Kong time.*

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Li Chuyuan  
Mr. Chen Mao  
Ms. Liu Juyan  
Ms. Cheng Ning  
Mr. Ni Yidong  
Mr. Li Hong  
Mr. Wu Changhai

*Independent non-executive Directors:*

Mr. Chu Xiaoping  
Mr. Jiang Wenqi  
Mr. Wong Hin Wing  
Ms. Wang Weihong

*Registered office and principal place  
of business:*

45 Sha Mian North Street  
Liwan District  
Guangzhou City, Guangdong Province  
The PRC

*Principal place of business in Hong Kong:*

Room 2005, 20th Floor  
Tower Two Lippo Centre  
89 Queensway  
Hong Kong

11 May 2019

*To the Shareholders*

Dear Sir or Madam

- (1) PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
(2) PROPOSED CASH MANAGEMENT OF PART OF THE TEMPORARY IDLE  
FUND RAISING PROCEEDS  
AND  
(3) PROPOSED CASH MANAGEMENT OF PART OF THE TEMPORARY IDLE  
INTERNAL FUNDS  
AND  
(4) PROPOSED ADDITION OF A NEW ENTITY WHICH MAY USE PART OF  
THE PLACING PROCEEDS  
AND  
(5) PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES  
AND  
(6) NOTICE OF THE ANNUAL GENERAL MEETING**

### **1. INTRODUCTION**

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM on, among other things, (i) the proposed amendments to the Articles of Association; (ii) the proposed cash management of part of the temporary idle fund raising proceeds; (iii) the proposed

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## LETTER FROM THE BOARD

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cash management of part of the temporary idle internal funds of the Group; (iv) the proposed addition of a new entity which may use part of the Placing Proceeds; and (v) the proposed grant of the New General Mandate and to give you the notice of the AGM.

### **2. PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

Reference is made to the March Announcement wherein, among other things, the Company announced the Proposed Amendments. In the March Announcement, the Company announced that the Board has approved, among other things, the Proposed Amendments. The Proposed Amendments are proposed to improve the corporate governance of the Company (1) according to, among other things, the Companies Law of the PRC, the Decision on Revising the Companies Law of the PRC adopted by the Standing Committee of the National People's Congress on 26 October 2018, the Securities Law of the PRC, the Code of Corporate Governance for Listed Companies in China (Amended in 2018) and (2) taking into account the implementation and the actual circumstances of the compliance aspects of the Company. Corresponding changes will also be made to the Board Rules.

The Proposed Amendments are subject to certain conditions, including the approval of the Shareholders by way of special resolution at the AGM and all necessary approvals, authorisations, or registration (if applicable) having been obtained from or filed with the relevant governmental or regulatory authorities. A resolution will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the Proposed Amendments.

The proposed new provisions under Article 33 of the Articles of Association regarding repurchase under the Proposed Amendments are proposed pursuant to, among other things, the most recent requirements under the Companies Law of the PRC and other PRC laws and rules. Those amendments are applicable only to the repurchase of A Shares, but not H Shares.

If the Company shall repurchase A Shares and/or H Shares in future, it will strictly comply with the laws, rules and guidance materials of the jurisdictions in which the shares of the Company are listed and the applicable requirements of the relevant stock exchanges (including without limitation the Hong Kong Stock Exchange). In this regard, the Company has also proposed to add the following express provision to Article 262 of the Articles of Association under the Proposed Amendments: If the provisions under these Articles of Association conflict with the relevant rules and regulations, such as the laws, rules and regulatory documents of the places at which the shares of the Company are listed or the rules of the stock exchanges, the laws, rules and regulatory documents of the places at which the shares of the Company are listed or the rules of the stock exchanges shall prevail.

Details on the Proposed Amendments are set out in the Appendix to this circular.

### **3. CASH MANAGEMENT**

#### **3.1 Proposed cash management of part of the temporary idle fund raising proceeds**

Reference is made to the announcement of the Company dated 12 January 2015 wherein it was announced, among other things, that the Company proposed to raise funds by the Placing. As disclosed in the announcement of the Company dated 18 August 2016 as supplemented by an

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## LETTER FROM THE BOARD

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announcement dated 22 August 2016, the Placing was completed. The final net proceeds raised by the Company through the Placing was approximately RMB7,863 million after deducting relevant expenses, of which RMB2,163 million was allocated as general working capital and the balance of RMB5,700 million was allocated to the Business Development Uses as disclosed in the announcement of the Company dated 29 August 2016. In the December Announcement, the Company disclosed changes to the use of the proceeds raised from the Placing subsequent to 29 August 2016, namely the application of RMB1,080 million raised from the Placing to the Company's acquisition of the "Wang Lao Ji" trademarks series held by GPHL as disclosed in another announcement of the Company dated 27 December 2018.

As at 31 December 2018, approximately RMB3.097 billion of the Placing Proceeds had already been utilized and the balance of approximately RMB4.767 billion (interests inclusive) was placed in the special savings account referred to in the subsection headed "10. Proposal in relation to the establishment of a special saving account for proceeds raised by the Company" on page 20 of the Placing Circular.

In order to utilize part of the temporary idle Placing Proceeds reasonably, enhance the efficiency in the utilization of the Placing Proceeds and to bring return to the Group, the Board proposed that cash management be imposed on part of the Placing Proceeds. At the April Board Meeting, the Board passed a resolution pursuant to which authorization will be sought from the Shareholders whereupon the Company be given authorization to impose cash management up to a maximum of RMB2 billion of the Placing Proceeds ("**Authorized Amount (A)**"). The aforesaid authorization shall be subject to the following conditions:

- (a) the authorization given to the Company shall be valid for one year from the date of passing of the relevant Shareholders' resolution ("**Resolution Valid Period (A)**");
- (b) the implementation of the investment plans by utilizing the Placing Proceeds shall not be affected;
- (c) acknowledgement of larger bank deposits and/or principal-guaranteed wealth management products of banks having high degree of safety and liquidity are to be purchased; and
- (d) subject to Authorized Amount (A) at any point of time, the temporary idle proceeds raised from the Placing can be utilized on revolving basis during Resolution Valid Period (A).

At the Last AGM, the Shareholders had granted authority to the Board to impose cash management on part of the Placing Proceeds as described in more details in the circular of the Company dated 7 May 2018. As such authority will expire on 21 June 2019, the Board proposed to seek refreshed authority from the Shareholders at the AGM. Please refer to sections 3.3 and 3.4 below for more information on the cash management referred to in this section.

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## LETTER FROM THE BOARD

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### 3.2 Proposed cash management of part of the temporary idle internal funds

In order to utilize the temporary idle internal funds reasonably, enhance the efficiency in the utilization of such funds and bring return to the Group, and after taking into account the normal operation funding needs and the liquidity needs of the Group, the Board proposed that cash management be imposed on certain idle funds. At the April Board Meeting, the Board passed a resolution pursuant to which authorization will be sought from the Shareholders whereupon the Company be given authorization to impose cash management up to a maximum of RMB3 billion of the internal financial resources of the Group (“**Authorized Amount (B)**”). The aforesaid authorization shall be subject to the following conditions:

- (a) the authorization given to the Company shall be valid for one year from the date of passing of the relevant Shareholders’ resolution (“**Resolution Valid Period (B)**”);
- (b) principal-guaranteed wealth management products of banks having high degree of safety and liquidity are to be purchased; and
- (c) subject to Authorized Amount (B) at any point of time, the temporary idle internal funds can be utilized on revolving basis during Resolution Valid Period (B).

At the Last AGM, the Shareholders had granted authority to the Board to impose cash management on temporary idle internal funds as described in more detail in the circular of the Company dated 7 May 2018. As such authority will expire on 21 June 2019, the Board proposed to seek refreshed authority from the Shareholders at the AGM. Please refer to sections 3.3 and 3.4 below for more information on the cash management referred to in this section.

### 3.3 Management System on External Investment and cash management

Pursuant to the Management System on External Investment, the Board has the authority to utilize any amount not exceeding the Applicable Net Assets Amount for investment purposes, regardless of the source of funds. Accordingly, the Board may approve any investment amount not exceeding RMB2.314 billion without Shareholders’ approval under the Management System on External Investment. Since the aggregate of Authorized Amount (A) and Authorized Amount (B) in the amount of RMB5 billion exceeds the Applicable New Assets Amount, Shareholders’ approval is required under the Management System on External Investment. On the other hand, notwithstanding that investments made under the Management System on External Investment are not restricted by reference to sources of funds, since the funds for cash management as mentioned in section 3.1 above are the Placing Proceeds, the Board considered that it is prudent to submit two separate shareholders’ resolutions as mentioned in sections 3.1 and 3.2 above, respectively, based on the sources of funds for the consideration of the Shareholders.

Even if the proposed shareholders’ resolution described in section 3.1 and/or section 3.2 are not passed, the Board’s powers to impose cash management on funds not exceeding the Applicable Net Assets Amount pursuant to the Management System on External Investment will not be prejudiced and, accordingly, the Board may impose cash management on funds of whatever sources not exceeding the Applicable Net Assets Amount if it considers appropriate. Notwithstanding that

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## LETTER FROM THE BOARD

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cash management on funds not exceeding the Applicable Net Assets Amount is not required to be approved by the Shareholders under the Management System on External Investment, the Board and the Company must nevertheless comply with all other applicable laws, rules and regulations (including but not limited to the Companies Law of the PRC and the rules of the stock exchanges on which the shares of the Company are listed) and, where applicable, seek further approvals of the Shareholders regardless of whether the proposed Shareholders' resolution as described in this section 3.1 and/or section 3.2 were passed at the AGM.

### **3.4 Implications of the proposed cash management under the Hong Kong Listing Rules**

The transactions which may be entered into by the Group under cash management, whether entered into pursuant to the powers of the Board to make investments not exceeding the Applicable Net Assets Amount, the proposed Shareholders' resolutions as described in sections 3.1 and 3.2 above or otherwise, and regardless of the sources of the funds, may (including on an aggregate basis under Rule 14.22 and/or Rule 14A.81 of the Hong Kong Listing Rules where applicable) constitute notifiable transactions of the Company under Chapter 14 of the Hong Kong Listing Rules and/or the connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules. Accordingly, the Company must comply with the notification, announcement and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules and/or Chapter 14A of the Hong Kong Listing Rules if so required, even if the proposed Shareholders' resolutions as described in sections 3.1 and 3.2 above were passed at the AGM. The Company will ensure that the applicable Hong Kong Listing Rules will be complied with in implementing the cash management as described in this circular.

## **4. PROPOSED ADDITION OF A NEW ENTITY WHICH MAY USE PART OF THE PLACING PROCEEDS**

On the basis of the information disclosed in the December Announcement, part of the Placing Proceeds (i.e. RMB120,000,000) would be applied to the Establishment of New Management and Information System. According to the Company's proposal on Placing, the Company was designated as the entity to use part of the Placing Proceeds for the Establishment of New Management and Information System. At the April Board Meeting, the Directors (including all the independent non-executive Directors) resolved that Cai Zhi Lin shall, in addition to the Company, be included as the entities which may use part of the Placing Proceeds for the Establishment of New Management and Information System. The reasons for the proposed addition in entity are, among other things, to speed up the Establishment of New Management and Information System and to enhance the efficiency in use of the Placing Proceeds. On the basis of the reasons disclosed above, the Directors considered that the proposed addition of a new entity which may use part of the Placing Proceeds for the Establishment of New Management and Information System is in the best interests of the Company and the Shareholders as a whole. The independent non-executive directors of the Company opined that an addition of a new entity which may use part of the Placing Proceeds for the Establishment of New Management and Information System would not cause material impact on the implementation of the Establishment of New Management and Information System and is to the benefit of the business development of the Group.

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## LETTER FROM THE BOARD

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Under the Hong Kong Listing Rules, the addition of a new entity which may use part of the Placing Proceeds is not required to be approved by the Shareholders. However, pursuant to the applicable PRC regulations such as Listed Companies Regulatory Guidelines No. 2 – Management and Use of Funds Raised by Listed Companies (《上市公司監管指引第2號—上市公司募集資金管理和使用》) and the Measures for the Management of the Funds Raised by Listed Companies of the Shanghai Stock Exchange (2013 Revised) (《上海證券交易所上市公司募集資金管理辦法(2013年修訂)》), the changes of the entities using the Placing Proceeds are required to be approved by both the Directors and the Shareholders. Accordingly, resolution on the addition of a new entity which may use part of the Placing Proceeds for the Establishment of New Management and Information System will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve. If such resolution is passed by the Shareholders at the AGM, the Company will inject further capital into Cai Zhi Lin. The proposed addition of a new entity which may use part of the Placing Proceeds as described in this circular would not result in any change to the information regarding the Placing disclosed by the Company prior to the LPD.

### **5. NEW GENERAL MANDATE**

At the Last AGM, the Last General Mandate was granted to the Directors to allot, issue and deal with the A Shares and/or the H Shares. The Last General Mandate will lapse on 21 June 2019, being the expiration of a period of twelve months following the passing of the special resolution of the Company approving the Last General Mandate. As such, resolution will be proposed at the AGM for the grant of a new general mandate (i.e. the New General Mandate) under which the Board would be conditionally authorised to issue additional new H Shares and A Shares.

The Directors believe that the New General Mandate will allow financial flexibility for the Company to raise funds for its future business development and expansion, if the Directors consider appropriate. Accordingly, the Directors consider that the approval of the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

Any exercise of the power by the Board under the New General Mandate will have to comply with the Articles of Association, the Companies Law of the PRC and the Hong Kong Listing Rules and all other applicable laws, rules, regulations and requirements of relevant governmental and/or regulatory authorities.

### **6. CLOSURE OF REGISTER OF MEMBERS FOR HOLDERS OF H SHARES**

The register of members of the Company will be closed from Wednesday, 29 May 2019 to Friday, 28 June 2019 (both days inclusive) for the purpose of determining the entitlements of the Shareholders to attend the AGM, during which no transfer of H Shares will be effected. In order to qualify to attend the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's H Share Registrar, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:00 p.m. on Tuesday, 28 May 2019.

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## LETTER FROM THE BOARD

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### 7. AGM

The AGM will be held at the conference room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Friday, 28 June 2019 at 10:00 a.m. The notice convening the AGM is set out on pages 34 to 40 of this circular.

Whether or not you intend to attend the AGM, please complete the form of proxy despatched together with the aforementioned notice in accordance with the instructions printed thereon and return the form of proxy to the office of the Company's H Share Registrar, Hong Kong Registrars Limited, at Shops 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) as soon as possible and in any event not less than 24 hours before the time appointed for the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

All the votes of the Shareholders at the AGM will be taken by poll.

### 8. RECOMMENDATIONS

The Directors consider that each of the proposed amendments to Articles of Association, the proposed cash management of part of the temporary idle fund raising proceeds, the proposed cash management of part of the temporary idle internal funds of the Group, the proposed addition of a new entity which may use part of the Placing Proceeds and the proposed grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the proposed resolutions.

### 9. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully,  
The Board of

**Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited**

No.	Before amendments	After amendments
1	<p><b>Article 2</b> The Company was established by way of promotion in accordance with the approval document of Ti Gai Sheng [1997] No. 139 issued by the State Commission for Economic System Restructuring of the PRC. The Company was incorporated and registered with Guangzhou Administration for Industry and Commerce with the registration number of 63320680-X, and obtained its business license on 1 September 1997.</p> <p>The promoter of the Company was Guangzhou Pharmaceutical Holdings Limited</p> <p>As approved by the Securities Commission of the State Council by approval document No. [1997] 56 Hao in September 1997, the Company has issued to oversea investors 219,900,000 overseas listed foreign shares available for subscription in foreign currencies and such shares were listed on Hong Kong Stock Exchange in October 1997. In January 2000, as approved by CSRC (approval document no. Zheng Jian Gong Si Zi [2000] 22 Hao), the Company issued to the public 78,000,000 ordinary shares in RMB and such shares were listed on the Shanghai Stock Exchange in February 2000.</p>	<p><b>Article 2</b> The Company was established by way of promotion in accordance with the approval document of Ti Gai Sheng [1997] No. 139 issued by the State Commission for Economic System Restructuring of the PRC. The Company was both registered with the Guangzhou Branch of the Administration for Industry and Commerce and established on 1 September 1997. <b><u>Unified Social Credit Code:914401063320680X7.</u></b></p> <p>The promoter of the Company was Guangzhou Pharmaceutical Holdings Limited.</p> <p>As approved by the Securities Commission of the State Council by approval document No. [1997] 56 Hao in September 1997, the Company has issued to oversea investors 219,900,000 overseas listed foreign shares available for subscription in foreign currencies and such shares were listed on the Hong Kong Stock Exchange in October 1997. In January 2000, as approved by CSRC (approval document no. Zheng Jian Gong Si Zi [2000] 22 Hao), the Company issued to the public 78,000,000 ordinary shares in RMB and such shares were listed on the Shanghai Stock Exchange in February 2000.</p>

No.	Before amendments	After amendments
2	<p><b>Article 30</b> Under the following circumstances, the Company may repurchase its shares issued on the market subject to a resolution passed in accordance with the provisions of these Articles of Association and the approval by the relevant authority of the State:</p> <p>(1) cancellation of shares for the purpose of reduction of the Company's capital;</p> <p>(2) merger with another company which holds the Company's shares;</p> <p>(3) distribution of shares to employees as an incentive;</p> <p>(4) request from shareholders who object to a resolution of a general meeting of shareholders on merger or division of the Company for the Company to acquire their shares; and</p> <p>(5) other circumstances permitted by laws and administrative regulations.</p> <p>Save for the above, the Company shall not purchase its shares.</p>	<p><b>Article 30</b> Under the following circumstances, the Company may repurchase its shares issued on the market subject to a resolution passed in accordance with the provisions of these Articles of Association and the approval by the relevant authority of the State:</p> <p>(1) cancellation of shares for the purpose of reduction of the Company's capital;</p> <p>(2) merger with another company which holds the Company's shares;</p> <p><b><u>(3) apply the shares for the purposes of the employee share scheme or in shares incentive scheme;</u></b></p> <p>(4) request from shareholders who object to a resolution of a general meeting of shareholders on merger or division of the Company for the Company to acquire their shares;</p> <p><b><u>(5) apply the shares for the purposes of the conversion pursuant to the company convertible bonds issued by the listed company;</u></b></p> <p><b><u>(6) if the listed company considers that it is necessary to protect the value of the company and the interests of shareholders.</u></b></p> <p>Save for the above, the Company shall not purchase its shares.</p>

No.	Before amendments	After amendments
3	<p><b>Article 31</b> The Company may, upon approval by the relevant PRC regulatory authority, repurchase its shares by one of the following ways:</p> <p>(1) offer for repurchase of shares to all shareholders in equal proportions;</p> <p>(2) repurchase of shares through open transactions on a stock exchange;</p> <p>(3) repurchase of shares through off-market agreements outside a stock exchange; and</p> <p>(4) repurchase of shares in other methods as recognized by CSRC.</p>	<p><b>Article 31</b> The Company may, upon approval by the relevant PRC regulatory authority, repurchase its shares by one of the following ways:</p> <p>(1) offer for repurchase of shares to all shareholders in equal proportions;</p> <p>(2) repurchase of shares through open transactions on a stock exchange;</p> <p>(3) repurchase of shares through off-market agreements outside a stock exchange; and</p> <p>(4) repurchase of shares in other methods as recognized by CSRC.</p> <p><b><u>If the Company repurchase its own shares, it must perform its disclosure obligations in accordance with the Securities Law of China; and if the repurchase is made pursuant to the circumstances under (3), (5), (6) of Article 30 of these Articles of Association, such repurchase must be conducted by way of opened centralised trading or by such other ways as permitted by the applicable laws and regulations or by the stock exchanges on which the shares of the Company are listed.</u></b></p>

No.	Before amendments	After amendments
4	<p><b>Article 32</b> A repurchase of shares by the Company for reasons as stated in items (1) through (3) of Articles 30 of these Articles of Association, the Company shall subject to prior approval of the general meeting of shareholders in accordance with the provisions of these Articles of Associations. Subject to the prior approval of the general meeting of shareholders in the same manner, the Company may discharge or change a contract entered into in the aforesaid methods or may waive any rights in such contract.</p> <p>The contract to repurchase shares referred to above includes but not limited to such agreement for the commitment to fulfil the obligations of share repurchase and acquisition of the rights to repurchase shares.</p> <p>The Company is not allowed to transfer the contracts for the repurchase of its shares or any rights under such contracts</p>	<p><b>Article 32</b> <u>If the repurchase is made under the circumstances specified in (1), (2) of Article 30 of these Articles of Association, approval must be obtained from the general meeting; if the repurchase is made under the proposed circumstances specified in (3), (5), (6) under Article 30 of these Articles of Association, it may be approved by resolution passing by two-thirds of the votes cast by the directors attending the board meeting.</u></p> <p><u>With respect to those contracts made pursuant to the prior approval of the general meeting or the board of directors,</u> the Company may terminate or vary such contracts or give up any right thereunder pursuant to the same manner by which they were approved.</p> <p>The contract to repurchase shares referred to above includes but not limited to such agreement for the commitment to fulfil the obligations of share repurchase and acquisition of the rights to repurchase shares.</p> <p>The Company is not allowed to transfer the contracts for the repurchase of its shares or any rights under such contracts.</p>

No.	Before amendments	After amendments
5	<p><b>Article 33</b> In the event that any repurchase of shares by the Company pursuant to the laws and Article 30 hereof, shares acquired under a repurchase of shares under the circumstances stipulated in item (1) of Article 30 hereof shall be cancelled within ten days from the date of acquisition thereof while shares acquired under a repurchase of shares made under the circumstances stipulated in items (2) and (4) of Article 30 hereof shall be transferred or cancelled within six months and change of registration of registered capital shall be proceeded with the Company's original registration authority.</p> <p>The aggregate nominal value of the cancelled shares shall be verified and deducted from the Company's registered capital.</p> <p>The shares acquired under a repurchase of shares made by the Company in accordance with the provisions of item (3) of Article 26 hereof shall not exceed 5% of the issued share capital of the Company. Funds used for the acquisition shall be paid out from the profit after tax of the Company and the acquired shares shall be transferred to employees within one year.</p>	<p><b>Article 33</b> In the event that any repurchase of shares by the Company pursuant to the laws and Article 30 hereof, shares acquired under a repurchase of shares under the circumstances stipulated in item (1) of Article 30 hereof shall be cancelled within ten days from the date of acquisition thereof while shares acquired under a repurchase of shares made under the circumstances stipulated in items (2) and (4) of Article 30 hereof shall be transferred or cancelled within six months and change of registration of registered capital shall be proceeded with the Company's original registration authority. <b><u>Under the circumstances specified in (3), (5) and 6), the total number of shares of the Company held by the Company shall not exceed 10% of the shares of the Company in issue and should be transferred or cancelled within three years.</u></b></p> <p>The aggregate nominal value of the cancelled shares shall be verified and deducted from the Company's registered capital.</p> <p>The shares acquired under a repurchase of shares made by the Company in accordance with the provisions of item (3) of Article 26 hereof shall not exceed 5% of the issued share capital of the Company. Funds used for the acquisition shall be paid out from the profit after tax of the Company and the acquired shares shall be transferred to employees within one year.</p>

No.	Before amendments	After amendments
6	<p><b>Article 54</b> In the event of violation of laws, administrative regulations or the provisions under these Articles of Association by a director or senior management personnel in performing his duties resulting damage to the shareholders’ interest, the shareholders may file a litigation with a people’s court.</p>	<p><b>Article 54</b> In the event of violation of laws, administrative regulations or the provisions under these Articles of Association by a director or senior management personnel in performing his duties resulting damage to the shareholders’ interest, the shareholders may file a litigation with a people’s court.</p> <p><b><u>Shareholders have the right to protect its own legal rights by initiating civil proceedings or other legal proceedings pursuant to the laws or administrative regulations.</u></b></p>
7	<p><b>Article 59</b> The controlling shareholders and/or the actual controlling party of the Company shall not use their relationship to cause damage to the Company’s interests and shall be liable for indemnity in case of violation of such requirements.</p>	<p><b>Article 59</b> The controlling shareholders and/or the actual controlling party of the Company shall not use their relationship to cause damage to the Company’s interests and shall be liable for indemnity in case of violation of such requirements.</p>

No.	Before amendments	After amendments
	<p>The controlling shareholders and the actual controlling party of the Company own duties to the Company and to public shareholders. The controlling shareholders shall exercise their rights as investors in strict compliance with laws. The controlling shareholders may not cause damage to the lawful interests of the Company and the public shareholders by way of connected transactions, profit distribution, assets restructuring, foreign investment, capital appropriation and guarantee for loans etc. and shall not cause damage to the interests of the Company and the public shareholders by taking advantage of its controlling status or grant any approval on any resolutions on election of personnel at general meetings and any resolutions on the appointment of any personnel by the Board of Directors or appoint or remove any senior management members of the Company without the approval at general meeting and the Board of Directors or intervene directly or indirectly any decisions on production and operation of the Company or intervene the finance and accounting related activities of the Company or impose any operation plans or give any orders to the Company or carry out any business activities which are the same or similar to those of the Company or influence the independence of the Company's operation and management or infringe the legal interests of the Company by any other means.</p>	<p>The controlling shareholders and the actual controlling party of the Company own duties to the Company and to public shareholders. The controlling shareholders shall exercise their rights as investors in strict compliance with laws, <b><u>and fulfill the obligations of shareholders.</u></b> The controlling shareholders may not cause damage to the lawful interests of the Company and the public shareholders by way of connected transactions, profit distribution, assets restructuring, foreign investment, capital appropriation and guarantee for loans etc. and shall not cause damage to the interests of the Company and the public shareholders by taking advantage of its controlling status or grant any approval on any resolutions on election of personnel at general meetings and any resolutions on the appointment of any personnel by the Board of Directors or appoint or remove any senior management members of the Company without the approval at general meeting and the Board of Directors or intervene directly or indirectly any decisions on production and operation of the Company or intervene the finance and accounting related activities of the Company or impose any operation plans or give any orders to the Company or carry out any business activities which are the same or similar to those of the Company or influence the independence of the Company's operation and management or infringe the legal interests of the Company by any other means.</p>

<b>No.</b>	<b>Before amendments</b>	<b>After amendments</b>
	<p>The directors, supervisors and senior officers of the Company have the obligation to protect the capital of the Company from being appropriated by the controlling shareholder. In the case that either the directors or senior management of the Company assists or connives the controlling shareholder or his subsidiaries in misappropriating the assets of the Company, the Board has the power to take disciplinary action against the directly responsible person and remove the director who holds serious responsibilities depending on the security of the case. In the case that the controlling shareholder of the Company misappropriates the assets of the Company, including but not limited to, the capital of the Company, the Board has the power to immediately apply to the People’s Court in the name of the Company to legally freeze the assets of the Company so appropriated and the shares of the Company held by the controlling shareholder. In the case that the controlling shareholder is unable to make any restitution or cash compensation for any assets of the Company misappropriated by him, the Company is entitled to a compensation from the controlling shareholder for the misappropriated assets of the Company by realizing the shares of the Company held by him in accordance with the provisions and procedures of the relevant laws, rules and regulations.</p>	<p>The directors, supervisors and senior officers of the Company have the obligation to protect the capital of the Company from being appropriated by the controlling shareholder. In the case that either the directors or senior management of the Company assists or connives the controlling shareholder or his subsidiaries in misappropriating the assets of the Company, the Board has the power to take disciplinary action against the directly responsible person and remove the director who holds serious responsibilities depending on the security of the case. In the case that the controlling shareholder of the Company misappropriates the assets of the Company, including but not limited to, the capital of the Company, the Board has the power to immediately apply to the People’s Court in the name of the Company to legally freeze the assets of the Company so appropriated and the shares of the Company held by the controlling shareholder. In the case that the controlling shareholder is unable to make any restitution or cash compensation for any assets of the Company misappropriated by him, the Company is entitled to a compensation from the controlling shareholder for the misappropriated assets of the Company by realizing the shares of the Company held by him in accordance with the provisions and procedures of the relevant laws, rules and regulations.</p>

No.	Before amendments	After amendments
		<p><b><u>The undertakings given by the controlling shareholders and/or the actual controlling party of the Company must be expressed, have sufficient details and can be implemented. No undertakings should be given if such undertakings are obviously not possible to perform based on the circumstances at the material time. The party giving the undertaking should declare that it will perform the undertaking and set out the consequences of its failure to perform the undertakings and perform its undertakings genuinely.</u></b></p>
8	<p><b>Article 61</b> The general meeting of shareholders shall exercise the following functions and powers:</p> <p>(1) to decide on the Company's direction of operation and investment plans;</p> <p>(2) to elect and replace directors who are not the employee's representatives and to decide matters relating to the remuneration of directors;</p> <p>(3) to elect and replace supervisors who are not the employee's representatives and to decide matters relating to the remuneration of supervisors;</p> <p>(4) to consider and approve reports of the Board;</p> <p>(5) to consider and approve reports of the supervisory committee;</p> <p>(6) to consider and approve the Company's annual financial budget and final accounts;</p> <p>(7) to consider and approve the Company's profit distribution proposals and loss recovery proposals;</p> <p>(8) to resolve on the increase or reduction of the Company's registered capital;</p>	<p><b>Article 61</b> The general meeting of shareholders shall exercise the following functions and powers:</p> <p>(1) to decide on the Company's direction of operation and investment plans;</p> <p>(2) to elect and replace directors who are not the employee's representatives and to decide matters relating to the remuneration of directors;</p> <p>(3) to elect and replace supervisors who are not the employee's representatives and to decide matters relating to the remuneration of supervisors;</p> <p>(4) to consider and approve reports of the Board;</p> <p>(5) to consider and approve reports of the supervisory committee;</p> <p>(6) to consider and approve the Company's annual financial budget and final accounts;</p> <p>(7) to consider and approve the Company's profit distribution proposals and loss recovery proposals;</p> <p>(8) to resolve on the increase or reduction of the Company's registered capital;</p>

No.	Before amendments	After amendments
	(9) to resolve on matters such as merger, division, dissolution or liquidation of the Company;	(9) to resolve on matters such as merger, division, dissolution or liquidation of the Company;
	(10) to resolve on issuance of debenture by the Company;	(10) to resolve on issuance of debenture by the Company;
	(11) to resolve on the appointment, removal or non-renewal of the services of an accounting firm for the Company;	(11) to resolve on the appointment, removal or non-renewal of the services of an accounting firm for the Company;
	(12) to amend these Articles of Association;	(12) to amend these Articles of Association;
	(13) to consider any proposals made by shareholders representing more than 3% (inclusive) of the voting rights of the Company;	(13) to consider any proposals made by shareholders representing more than 3% (inclusive) of the voting rights of the Company;
	(14) to consider the material acquisition, sale or replacement of assets of the Company (in the standard as confirmed by the rules of the stock exchange where the Company's shares are listed);	(14) to consider the material acquisition, sale or replacement of assets of the Company (in the standard as confirmed by the rules of the stock exchange where the Company's shares are listed);
	(15) matters that may be delegated to the Board through authorization or entrustment granted by a general meeting of shareholders of the Company;	(15) matters that may be delegated to the Board through authorization or entrustment granted by a general meeting of shareholders of the Company;
	<p>The authorization or entrustment granted to the Board for handling matters as authorised or entrusted by a general meeting of shareholders of the Company shall be in compliance with the requirements of maintaining the legal interests of the Company's shareholders and in strict compliance with laws and regulations to safeguard the Company's principles of efficient operation and scientific decision. The following matters may be delegated by the Board through authorization or entrustment:</p>	<p>The authorization or entrustment granted to the Board for handling matters as authorised or entrusted by a general meeting of shareholders of the Company shall be in compliance with the requirements of maintaining the legal interests of the Company's shareholders and in strict compliance with laws and regulations to safeguard the Company's principles of efficient operation and scientific decision. The following matters may be delegated by the Board through authorization or entrustment:</p>

No.	Before amendments	After amendments
	<ol style="list-style-type: none"> <li>1. amendment of wordings of these Articles of Association upon passing of a resolution for amendment of these Articles of Association by a general meeting of shareholders;</li> <li>2. distribution of interim dividends;</li> <li>3. specific matters involving issuance of new shares or convertible debenture;</li> <li>4. disposal, mortgage and guarantee on fixed assets as set forth in an approved direction of operation and investment plan; and</li> <li>5. other matters may be delegated by the Board through authorization or entrustment as stipulated by laws, regulations and these Articles of Association.</li> </ol>	<ol style="list-style-type: none"> <li>1. amendment of wordings of these Articles of Association upon passing of a resolution for amendment of these Articles of Association by a general meeting of shareholders;</li> <li>2. distribution of interim dividends;</li> <li>3. specific matters involving issuance of new shares or convertible debenture;</li> <li>4. disposal, mortgage and guarantee on fixed assets as set forth in an approved direction of operation and investment plan; and</li> <li>5. other matters may be delegated by the Board through authorization or entrustment as stipulated by laws, regulations and these Articles of Association.</li> </ol>
(16)	to consider matters relating to guarantee as stipulated under Article 62 hereof;	<p><b><u>The general meetings must not delegate those powers which are only exercisable by the general meetings as prescribed by laws to the board of directors.</u></b></p>
(17)	to consider matters relating to the Company's purchase and sale of material assets exceeding 30% of the latest audited total assets;	(16) to consider matters relating to guarantee as stipulated under Article 62 hereof;
(18)	to consider matters relating to change of purpose for fund raising;	(17) to consider matters relating to the Company's purchase and sale of material assets exceeding 30% of the latest audited total assets;
(19)	to consider share incentive scheme; and	(18) to consider matters relating to change of purpose for fund raising; (19) to consider share incentive scheme; and

No.	Before amendments	After amendments
	<p>(20) other matters which are required by laws,administrative regulations and these Articles of Association to be adopted by way of resolutions by the general meeting of shareholders.</p>	<p>(20) other matters which are required by laws,administrative regulations and these Articles of Association to be adopted by way of resolutions by the general meeting of shareholders.</p>
<p>9</p>	<p><b>Article 105</b> The name list of candidates for directors and supervisors shall be submitted by way of proposal to the general meeting for voting.</p> <p>During voting at the general meeting on election of directors and supervisors, cumulative voting system may be implemented in accordance with the stipulations of these Articles of Association or the resolutions of the general meeting.</p> <p>The “cumulative voting system” as in the foregoing means that each share has the number of voting right identical to the number of directors or supervisors to be elected, and the voting right owned by the shareholders may be cumulatively used when the general meeting elects the directors or supervisors. The Board shall announce to the shareholders the resume and basic information of the candidates for directors or supervisors.</p>	<p><b>Article 105</b> The name list of candidates for directors and supervisors shall be submitted by way of proposal to the general meeting for voting.</p> <p><b><u>If the listed company whose single largest shareholder together with its parties acting in concert are interested in 30% or more of the shares of the listed company, the elections of directors and supervisors at the general meetings shall be conducted by way of cumulative voting.</u></b></p> <p>The “cumulative voting system” as mentioned in the foregoing means that each share has the number of voting right identical to the number of directors or supervisors to be elected, and the voting right owned by the shareholders may be cumulatively used when the general meeting elects the directors or supervisors. The Board shall announce to the shareholders the resume and basic information of the candidates for directors or supervisors.</p>

No.	Before amendments	After amendments
		<p data-bbox="847 300 1382 363"><u>Set out below are the details of the cumulative voting at the general meetings:</u></p> <p data-bbox="847 412 1382 1187">(a) <u>For the purposes of the election of directors or supervisors, each share held by a shareholder of the Company has the same number of votes as the number of directors or supervisors to be elected. That means the total number of votes that a shareholder is entitled to in the election of directors or supervisors equal to the number of shares that he/she held times the number of candidates for directors or supervisors. The number of candidates for directors and supervisors can be more than the number of directors or supervisors to be elected. However, the number of candidates to which the votes are cast by each shareholder cannot exceed the number of directors or supervisors to be elected and the total number of votes cast cannot be more than the number of votes that a shareholder is entitled, otherwise the votes shall be invalid.</u></p> <p data-bbox="847 1236 1382 1859">(b) <u>the voting on independent directors and non-independent directors should be separated. In relation to the election of independent directors, the number of votes that each shareholder is entitled to equal to the number of shares that he/she held times the number of independent directors to be elected. Those votes can only cast on the candidates for independent directors. In relation to the election of non-independent directors, the number of votes that each shareholder is entitled to equal to the number of shares that he/she held times the number of non-independent directors to be elected. Those votes can only cast on the candidates for non-independent directors.</u></p>

No.	Before amendments	After amendments
		<p>(c) <u>after the end of the voting, the vote-counting should be undertaken by the scrutineer of the general meeting. The number of votes obtained by the candidates for directors or supervisors shall be announced for determining which candidates are elected and which candidates for directors or supervisors are elected shall be determined in the order of the number of votes that they obtained. However, for a candidate to be elected, the minimum number of votes that he/she obtained must be more than half of the number of votes held by those shareholders (including their proxies) attending the general meetings. If the number of directors or supervisors elected are lower than the number proposed to be elected at the general meeting, another voting should be conducted in relation to the vacancies for those candidates for directors or supervisors who have not obtained the requisite number of votes. If there are two or more candidates for directors or supervisors who have obtained the same number of votes and only some of which can be elected due to the restriction on the number of vacancies, a by-election should be held in respect of those candidates for directors or supervisors who obtained the same number of votes.</u></p>

No.	Before amendments	After amendments
10	<p><b>Article 131</b> Directors shall be elected at the general meeting of shareholders, with a term of office of three years. Upon expiration of the term, the directors may be re-elected and serve consecutive terms.</p> <p>The written notice of the intention of the nominees of the candidates for directors and of the acceptance by the candidates to be nominated shall be served on the Company seven days before the convening of the general meeting of shareholders.</p> <p>Directors and deputy directors shall be elected or dismissed by a majority of the general body of directors.</p> <p>The term of office of directors and deputy directors shall be three years and they may be re-elected and serve consecutive terms.</p> <p>Subject to the compliance of the provisions of the relevant laws and administrative regulations, the general meeting of the shareholders may dismiss by ordinary resolution any directors of whom the term of office has not expired (the claim for compensation under any contracts shall however be not affected). The term of directors shall commence on the date of entering on the office, and shall end on the date the term of the board of directors expires. Prior to the expiry of the term of a director, the general meeting of shareholders shall not dismiss the duties of such director without any reasons.</p>	<p><b>Article 131</b> Directors shall be elected at the general meeting of shareholders, with a term of office of three years. Upon expiration of the term, the directors may be re-elected and serve consecutive terms.</p> <p>The written notice of the intention of the nominees of the candidates for directors and of the acceptance by the candidates to be nominated shall be served on the Company seven days before the convening of the general meeting of shareholders.</p> <p>Directors and deputy directors shall be elected or dismissed by a majority of the general body of directors.</p> <p>The term of office of directors and deputy directors shall be three years and they may be re-elected and serve consecutive terms.</p> <p>Subject to the compliance of the provisions of the relevant laws and administrative regulations, the general meeting of the shareholders may dismiss by ordinary resolution any directors of whom the term of office has not expired (the claim for compensation under any contracts shall however be not affected). The term of directors shall commence on the date of entering on the office, and shall end on the date the term of the board of directors expires. Prior to the expiry of the term of a director, the general meeting of shareholders shall not dismiss the duties of such director without any reasons.</p>

No.	Before amendments	After amendments
	<p>Where no new appointment is made upon expiry of the term of a director, the original director shall, prior to the new director entering on the office, continue to perform his or her duties as a director in accordance with the provisions of laws and administrative regulations and the Articles of Association of the Company.</p> <p>Managers or other senior management personnel shall serve the office of director concurrently. However, the total number of directors serving the office of manager or other senior management personnel concurrently and labour union representative holding the office of director shall not exceed half of the total number of directors of the Company.</p> <p>Directors are not required to hold shares of the Company.</p>	<p>Where no new appointment is made upon expiry of the term of a director, the original director shall, prior to the new director entering on the office, continue to perform his or her duties as a director in accordance with the provisions of laws and administrative regulations and the Articles of Association of the Company.</p> <p>Managers or other senior management personnel shall serve the office of director concurrently. However, the total number of directors serving the office of manager or other senior management personnel concurrently and labour union representative holding the office of director shall not exceed half of the total number of directors of the Company.</p> <p>Directors are not required to hold shares of the Company. <b><u>The directors must have the necessary knowledge, skill and quality to perform the duties of directors.</u></b></p>
11	<p><b>Article 137</b> The Board is accountable for the general meeting of the shareholders and shall exercise the following powers:</p> <p>(1) convention of general meetings of shareholders, and report to the general meetings;</p> <p>(2) implementation of the resolutions of the general meeting;</p> <p>(3) formulation of the business plan and investment scheme of the Company;</p> <p>(4) formulation of the annual financial budget and financial accounting policy of the Company;</p> <p>(5) formulation of the profit distribution policy and loss recovery policy of the Company;</p>	<p><b>Article 137</b> The Board is accountable for the general meeting of the shareholders and shall exercise the following powers:</p> <p>(1) convention of general meetings of shareholders, and report to the general meetings;</p> <p>(2) implementation of the resolutions of the general meeting;</p> <p>(3) formulation of the business plan and investment scheme of the Company;</p> <p>(4) formulation of the annual financial budget and financial accounting policy of the Company;</p> <p>(5) formulation of the profit distribution policy and loss recovery policy of the Company;</p>

No.	Before amendments	After amendments
	(6) formulation of the policy of increase or reduction of registered capital and the policy of issue of corporate bonds of the Company;	(6) formulation of the policy of increase or reduction of registered capital and the policy of issue of corporate bonds of the Company;
	(7) drafting of the policies of material corporate acquisition, acquisition of shares of the Company, or the merger, separation, dissolution and liquidation of the Company;	(7) drafting of the policies of material corporate acquisition, <b><u>if the repurchase is made under the circumstances specified in (1), (2) of Article 30 of these Articles of Association,</u></b> or the merger, separation, dissolution and liquidation of the Company;
	(8) making decision on the establishment of internal management system in the Company;	(8) making decision on the establishment of internal management system in the Company;
	(9) employment or dismissal of the managers of the Company; on the basis of nomination, employment or dismissal of the assistant managers, person in charge of finance and other senior management personnel of the Company; making decision on their remuneration;	(9) employment or dismissal of the managers of the Company; on the basis of nomination, employment or dismissal of the assistant managers, person in charge of finance and other senior management personnel of the Company; making decision on their remuneration;
	(10) formulation of the basic management system of the Company;	(10) formulation of the basic management system of the Company;
	(11) formulation of the proposal on amendment of these Articles of Association;	(11) formulation of the proposal on amendment of these Articles of Association;
	(12) making decision on a single external guarantee where the items guaranteed satisfying the conditions of the Company involves an amount of more than 10% (or 10%) of the latest audited net assets;	(12) making decision on a single external guarantee where the items guaranteed satisfying the conditions of the Company involves an amount of more than 10% (or 10%) of the latest audited net assets;
	(13) making decisions on matters such as external investment, acquisition and sale of assets, mortgaged assets, external guarantee, financial management by commission, connected transaction, within the scope of authorization by the general meeting of shareholders;	(13) making decisions on matters such as external investment, acquisition and sale of assets, mortgaged assets, external guarantee, financial management by commission, connected transaction, within the scope of authorization by the general meeting of shareholders;

No.	Before amendments	After amendments
	<p>(14) management of disclosure of information of the Company;</p> <p>(15) proposal to the general meeting of shareholders on employment or replacement of accounting firm responsible for auditing for the Company;</p> <p>(16) receiving the work report of the managers of the Company and checking the work of the managers;</p> <p>(17) other powers granted by these Articles of Association and the general meeting of shareholders.</p> <p>When the Board makes resolutions on the aforesaid matters, saving for matters as set out in sections (6), (7),(11) and (12) which require consent by more than two thirds of directors through voting, the remaining matters may be approved by more than half of directors through voting.</p>	<p>(14) management of disclosure of information of the Company;</p> <p>(15) proposal to the general meeting of shareholders on employment or replacement of accounting firm responsible for auditing for the Company;</p> <p>(16) receiving the work report of the managers of the Company and checking the work of the managers;</p> <p><b><u>(17) pass resolutions regarding the repurchase of the shares of the Company by the Company under the circumstances prescribed in (3), (5) and (6) of Article 30 of these Articles of Association;</u></b></p> <p><b><u>(18)</u></b> other powers granted by these Articles of Association and the general meeting of shareholders.</p> <p>When the Board makes resolutions on the aforesaid matters, saving for matters as set out in sections (6), (7), (11) and (12) which require consent by more than two thirds of directors through voting, the remaining matters may be approved by more than half of directors through voting.</p>
12	<p><b>Article 148</b> Directors shall attend any meeting of the Board in person. Where a director is unable to attend for some reasons, he or she may authorize in writing another director to attend the board meeting on his or her behalf. The instrument of proxy shall specify the name of the proxy, the matters to be authorized, scope of authorization and validity, and the proxy shall sign on or affix a chop to such instrument.</p>	<p><b>Article 148</b> Directors shall attend any meeting of the Board in person. Where a director is unable to attend for some reasons, he or she may authorize in writing another director to attend the board meeting on his or her behalf. The instrument of proxy shall specify the name of the proxy, the matters to be authorized, scope of authorization and validity, and the proxy shall sign on or affix a chop to such instrument.</p>

No.	Before amendments	After amendments
	<p>The director attending the meeting for another director shall exercise the rights of latter director within the scope of authorization. Any director who is unable to attend a particular board meeting without authorizing a proxy to attend shall be deemed as waiving the right to vote at that meeting.</p>	<p>The director attending the meeting for another director shall exercise the rights of latter director within the scope of authorization. <b><u>An independent director shall not appoint a non-independent director to vote on his behalf.</u></b> Any director who is unable to attend a particular board meeting without authorizing a proxy to attend shall be deemed as waiving the right to vote at that meeting.</p>
13	<p><b>Article 160</b> Power and duties of independent directors</p> <p>(i) In order to exercise the function of an independent director, save for the power vested by the company law and other relevant laws, regulations and the Articles of Association, independent directors of the Company shall be vested with the following special power and duties:</p> <ol style="list-style-type: none"> <li>1. major connected transaction (refer to connected transactions entered into between the Company and any connected parties, the aggregate consideration of which is more than RMB3 million and more than 0.5% of the latest audited net asset value of the Company), shall first be approved by independent directors before being submitted to the Board of directors for discussion. Before making a judgement, independent directors can appoint intermediaries to prepare independent financial adviser's report as the basis for their judgement.</li> <li>2. propose to the Board for the appointment or removal of auditors;</li> <li>3. propose to the Board for convening an extraordinary general meeting;</li> </ol>	<p><b>Article 160</b> Power and duties of independent directors</p> <p>(i) In order to exercise the function of an independent director, save for the power vested by the company law and other relevant laws, regulations and the Articles of Association, independent directors of the Company shall be vested with the following special power and duties:</p> <ol style="list-style-type: none"> <li>1. major connected transaction (refer to connected transactions entered into between the Company and any connected parties, the aggregate consideration of which is more than RMB3 million and more than 0.5% of the latest audited net asset value of the Company), shall first be approved by independent directors before being submitted to the Board of directors for discussion. Before making a judgement, independent directors can appoint intermediaries to prepare independent financial adviser's report as the basis for their judgement.</li> <li>2. propose to the Board for the appointment or removal of auditors;</li> <li>3. propose to the Board for convening an extraordinary general meeting;</li> </ol>

No.	Before amendments	After amendments
	<p>4. propose to convene Board meetings;</p> <p>5. appoint an independent external auditing firm or consultant firm;</p> <p>6. solicit proxies from shareholders before proposing to the Board for convening extraordinary general meeting or board meeting or before convening general meeting.</p> <p>(ii) Independent director shall obtain the consent of at least half of all independent directors to exercises the above power.</p> <p>(iii) Should the above proposal not be adopted or the above power not be exercised normally, the Company shall disclose the above matters.</p> <p>(iv) With the approval of all independent directors, an independent director may appoint independent external auditing firm or consultant firm to provide auditing or consulting services in respect of any particular events, and the relevant expenses incurred shall be borne by the Company.</p> <p>(v) Save for the power of directors and special power vested by the Company, an independent director shall abide by all provisions of these Articles of Association in respect of duties of a director.</p>	<p>4. propose to convene Board meetings;</p> <p>5. appoint an independent external auditing firm or consultant firm;</p> <p>6. solicit proxies from shareholders before proposing to the Board for convening extraordinary general meeting or board meeting or before convening general meeting.</p> <p>(ii) Independent director shall obtain the consent of at least half of all independent directors to exercises the above power.</p> <p>(iii) Should the above proposal not be adopted or the above power not be exercised normally, the Company shall disclose the above matters.</p> <p>(iv) With the approval of all independent directors, an independent director may appoint independent external auditing firm or consultant firm to provide auditing or consulting services in respect of any particular events, and the relevant expenses incurred shall be borne by the Company.</p> <p>(v) <b><u>The independent directors should take the initiative to perform their duties and protect the interest of the Company as a whole where there is conflict among the shareholders of the Company or the directors of the Company.</u></b></p> <p>(vi) Save for the power of directors and special power vested by the Company, an independent director shall abide by all provisions of these Articles of Association in respect of duties of a director.</p>

No.	Before amendments	After amendments
14	<p><b>Article 162</b> To ensure that independent directors are in a position to exercise their powers effectively, the Company shall provide independent directors with the following essential conditions.</p> <p>(i) The Company shall ensure that independent directors have the same right to information as other directors, shall provide independent directors with relevant materials, information of its operation on a timely basis. On-site visits may also be arranged when necessary. The Company shall within statutory time inform independent directors in advance of matters to be considered by the Board and provide them with enough information. Should an independent director regards the information provided not sufficient, he may request supplementary information. Whenever two or more independent directors are of the opinion that the information provided is insufficient or the evidence is not explicit, they can jointly in writing request the Board of directors to postpone the convening of the board meeting or postpone consideration of that matter, and the Board shall accept accordingly.</p> <p>Information provided to independent directors by the Company shall be kept for at least 5 years by the Company and each independent director.</p>	<p><b>Article 162</b> To ensure that independent directors are in a position to exercise their powers effectively, the Company shall provide independent directors with the following essential conditions.</p> <p>(i) The Company shall ensure that independent directors have the same right to information as other directors, shall provide independent directors with relevant materials, information of its operation on a timely basis. On-site visits may also be arranged when necessary. The Company shall within statutory time inform the independent directors in advance of matters to be considered by the Board and provide them with enough information. Should an independent director regards the information provided not sufficient, he may request supplementary information. If two or more independent directors are of the opinion that the information provided is insufficient or the evidence is not explicit, they can jointly in writing request the Board of directors to postpone the convening of the board meeting or postpone consideration of that matter, and the Board shall accept accordingly <b><u>and perform timely disclosure of relevant information.</u></b></p> <p>Information provided to independent directors by the Company shall be kept for at least 5 years by the Company and each independent director.</p>

No.	Before amendments	After amendments
	<p>(ii) The Company shall provide essential conditions to enable independent directors to discharge their duties. The secretary to the Board of the Company shall provide assistance to the independent directors to enable them to discharge their duties, and shall be responsible for liaison and coordination with the independent directors, including but not limited to giving explanation and providing information. The secretary to the Board of the Company shall arrange the publication of the announcement if the independent opinion, proposal and written explanation given by the independent directors shall be announced.</p>	<p>(ii) The Company shall provide essential conditions to enable independent directors to discharge their duties. The secretary to the Board of the Company shall provide assistance to the independent directors to enable them to discharge their duties, and shall be responsible for liaison and coordination with the independent directors, including but not limited to giving explanation and providing information. The secretary to the Board of the Company shall arrange the publication of the announcement if the independent opinion, proposal and written explanation given by the independent directors shall be announced.</p>
	<p>(iii) The Company and relevant staff members shall actively assist independent directors in carrying out their functions and duties to ensure that they understand the true circumstances, and shall not refuse, obstruct or cover up facts, or interfere with the independent directors' carrying out of their functions and duties.</p>	<p>(iii) The Company and relevant staff members shall actively assist independent directors in carrying out their functions and duties to ensure that they understand the true circumstances, and shall not refuse, obstruct or cover up facts, or interfere with the independent directors' carrying out of their functions and duties.</p>
	<p>(iv) Costs and expenses in respect of appointment of an intermediary organization by an independent director or incurred from an independent director's carrying out of his/her functions and duties shall be borne by the Company.</p>	<p>(iv) Costs and expenses in respect of appointment of an intermediary organization by an independent director or incurred from an independent director's carrying out of his/her functions and duties shall be borne by the Company.</p>
	<p>(v) The Company shall provide appropriate subsidies to the independent directors. The standards of the subsidies shall be formulated by the Board, reviewed and passed at the general meeting and disclosed in the Company's annual reports.</p>	<p>(v) The Company shall provide appropriate subsidies to the independent directors. The standards of the subsidies shall be formulated by the Board, reviewed and passed at the general meeting and disclosed in the Company's annual reports.</p>

No.	Before amendments	After amendments
	Apart from the above subsidies, an independent director is not allowed to obtain other extra and undisclosed benefits from the Company and its major shareholders or organizations or people with a conflict of interests.	Apart from the above subsidies, an independent director is not allowed to obtain other extra and undisclosed benefits from the Company and its major shareholders or organizations or people with a conflict of interests.
15	<b>Article 205</b> Any person taking up the position other than a director in the organization of the Company's controlling shareholder or actual controlling party may not take up the position of senior management personnel of the Company.	<b>Article 205</b> Any person taking up the position other than as a director <u>or supervisor</u> in the organization of the Company's controlling shareholder or actual controlling party may not take up the position of senior management personnel of the Company.
16	<b>Article 262</b> The Board is responsible for the interpretation of these Articles of Association. Where there are matters not contained in these Articles of Association, these matters shall be proposed by the Board for approval by way of special resolution at the shareholders' general meeting.	<b>Article 262</b> The Board is responsible for the interpretation of these Articles of Association. Where there are matters not contained in these Articles of Association, these matters shall be proposed by the Board for approval by way of special resolution at the shareholders' general meeting.  <b><u>If the provisions under these Articles of Association conflict with the relevant rules and regulations, such as the laws, rules and regulatory documents of the places at which the shares of the Company are listed or the rules of the stock exchanges, the laws, rules and regulatory documents of the places at which the shares of the Company are listed or the rules of the stock exchanges shall prevail.</u></b>

\* *The Articles of Association are written in Chinese. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.*

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## NOTICE OF THE AGM

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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)

### NOTICE OF THE 2018 ANNUAL GENERAL MEETING

#### IMPORTANT NOTICE

- Date and time of the 2018 annual general meeting (the “AGM”) to be held on-site: 28 June 2019 (Friday) at 10:00 a.m.
- Reference date for determination of entitlement to attend the AGM: 28 May 2019 (Tuesday)
- Place at which the AGM will be held: Conference Room of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “Company”), 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”)
- Manner of voting at the AGM: the manner of voting at the AGM will be both on-site and by way of network voting (applicable to A shares)

#### I. INFORMATION REGARDING THE CONVENING OF THE AGM

1. The resolution on convening the AGM was considered and passed at the 20th meeting of the seventh session of the board of directors of the Company (the “Board”).
2. Date and time of the AGM: 28 June 2018 (Friday) at 10:00 a.m.
3. Place at which the AGM will be held: Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.
4. The convener of the meeting: the Board.
5. Manner of voting: the manner of voting for the AGM will be both on-site and by way of network voting (applicable to A shares).
6. The system, commencement date, ending date and voting time of the network voting (applicable to A shares):

The Company will utilize the network voting system of The Shanghai Stock Exchange. The time for casting votes via the voting platform of the trading system is the trading sessions on the date on which the AGM will be held (28 June 2019) i.e. 9:15 to 9:25, 9:30 to 11:30 and 13:00 to 15:00. The time for casting votes via network voting will be from 9:15 to 15:00 on the date on which the AGM will be held.

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## NOTICE OF THE AGM

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7. The voting procedure of accounts in respect of margin trading and securities lending, refinancing, buy-back agreement business and investors of the Northbound Trading Link:

The voting procedure of accounts in respect of margin trading and securities lending, refinancing, buy-back agreement business and investors of the Northbound Trading Link will be conducted in accordance with, among others, the relevant provisions of the Detailed Rules of the Shanghai Stock Exchange for Online Voting at Shareholders' General Meetings of Listed Companies.

8. Solicitation of shareholders' voting rights

Not applicable.

### **II. MATTERS TO BE CONSIDERED AT THE AGM**

- (1) To be considered and approved by way of ordinary resolution:

1. Annual Report and its summary for year 2018;
2. Report of the Board for year 2018;
3. Report of the supervisory committee of the Company for year 2018;
4. Financial report of the Company for year 2018;
5. Auditors' report of the Company for year 2018;
6. Proposal on the financial and operational targets and annual budget of the Company for year 2019;
7. Resolution on the emoluments to be paid to the directors of the Company for year 2019:
  - 7.1 Resolution on the emoluments to be paid to Mr. Li Chuyuan (the Chairperson of the Board) for year 2019;
  - 7.2 Resolution on the emoluments to be paid to Mr. Chen Mao (the Vice Chairperson of the Board) for year 2019;
  - 7.3 Resolution on the emoluments to be paid to Ms. Liu Juyan (an executive director) for year 2019;
  - 7.4 Resolution on the emoluments to be paid to Ms. Cheng Ning (an executive director) for year 2019;
  - 7.5 Resolution on the emoluments to be paid to Mr. Ni Yidong (an executive director) for year 2019;

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## NOTICE OF THE AGM

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- 7.6 Resolution on the emoluments to be paid to Mr. Li Hong (an executive director) for year 2019;
- 7.7 Resolution on the emoluments to be paid to Mr. Wu Changhai (an executive director) for year 2019;
- 7.8 Resolution on the emoluments to be paid to Mr. Chu Xiaoping (an independent non-executive director) for year 2019;
- 7.9 Resolution on the emoluments to be paid to Mr. Jiang Wenqi (an independent non-executive director) for year 2019;
- 7.10 Resolution on the emoluments to be paid to Mr. Wong Hin Wing (an independent non-executive director) for year 2019;
- 7.11 Resolution on the emoluments to be paid to Ms. Wang Weihong (an independent non-executive director) for year 2019;
8. Resolution on the emoluments to be paid to the supervisors of the Company for year 2019:
  - 8.1 Resolution on the emoluments to be paid to Mr. Xian Jiaxiong (the Chairperson of the Supervisory Committee) for year 2019;
  - 8.2 Resolution on the emoluments to be paid to Ms. Li Jinyun (the supervisor representing the employees) for year 2019;
  - 8.3 Resolution on the emoluments to be paid to Ms. GaoYanzhu (a supervisor) for year 2019;
9. Resolution on the amounts of guarantees to be provided by the Company to secure bank loans for some of the subsidiaries of the Company;
10. Resolution on the application by the Company for general banking facilities not exceeding RMB4 billion;
11. Resolution on the entrusted borrowing and entrusted loans business between the Company and its subsidiaries;
12. Resolution on the application for the amounts of bank borrowing by Guangzhou Pharmaceutical Corporation, a subsidiary of the Company, and the amounts of guarantees to be provided by it to secure the bank loans for some of its subsidiaries;
13. Resolution on the proposed cash management of part of the temporary idle proceeds from fund raising of the Company;

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## NOTICE OF THE AGM

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14. Resolution on the proposed cash management of part of the temporary idle internal funds of the Company and its subsidiaries;
15. Resolution on the addition of a new entity which may use part of the proceeds from the fund raising of the Company;
16. Resolution on amendments to the rules of procedures of the Board of Directors of the Company;
17. Resolution on the re-appointment of Ruihua Certified Public Accountants (Special General Partnership) as the auditor of the Company for year 2019;
18. Resolution on the re-appointment of Ruihua Certified Public Accountants (Special General Partnership) as the auditor for the internal control of the Company for year 2019.

The above proposed resolutions were approved at the 20th meeting of the seventh session of the Board and the 14th meeting of the seventh session of the supervisory committee of the Company held on 15 March 2019, the 21st meeting of the seventh session of the Board and the 15th meeting of the seventh session of the supervisory committee of the Company held on 26 April 2019 and the 22nd meeting of the seventh session of the Board held on 8 May 2019.

(2) To be considered by way of special resolution:

19. Proposal on profit distribution and dividend payment of the Company for year 2018;
20. Resolution on amendments to Articles of Association of the Company;
21. Resolution on granting a general mandate to the Board for issuing new shares of the Company;
  - (i) Subject to the satisfaction of the conditions set out in paragraphs (a), (b) and (c) below, an unconditional general mandate be granted to the Board to allot, issue and deal with the A shares (the “**A Shares**”) and/or the H shares (the “**H Shares**”) of the Company during the Relevant Period (as defined below) and to make or grant offers, agreements and options in this connection:
    - (a) save and except that the Board may make or grant offers, agreements and options pursuant to the unconditional general mandate during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period, the unconditional general mandate may exercise only during the Relevant Period;
    - (b) the aggregate number of each of the A Shares and H Shares allotted, issued and dealt whether conditionally or unconditionally (whether pursuant to an option or otherwise) by the Board during the Relevant

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## NOTICE OF THE AGM

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Period, other than the shares issued pursuant to a rights issue or the right to purchase the shares of the Company under any option scheme or similar arrangement, shall not (in the case of A Shares) exceed 20% the A Shares in issue as at the date of passing this resolution and (in the case of H Shares) exceed 20% the H Shares in issue as at the date of passing this resolution; and

- (c) in exercising the mandate granted above, the Board must comply with the Companies Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other applicable laws, rules and regulations of governments or regulatory authorities and have obtained approvals from the China Securities Regulatory Commission and/or other relevant PRC government departments.
- (ii) For the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
- (a) the conclusion of the next annual general meeting following the passing of this special resolution;
  - (b) the expiration of a period of twelve months following the passing of this special resolution; and
  - (c) the date on which the authority granted to the Board as set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting.
- (iii) Subject to paragraph (i), the Board be and is hereby authorized to approve the increase in the registered capital of the Company to reflect the number of shares issued pursuant to the general mandate granted under paragraph (i) of this special resolution and to make such corresponding amendments to the articles of association of the Company to reflect the increase in the registered capital of the Company and to take such necessary actions and to complete such necessary procedures to reflect the issue of shares and the increase in the registered capital of the Company in connection with paragraph (i) of this special resolution.

The above proposed resolutions were approved at the 20th meeting of the seventh session of the Board and the 14th meeting of the seventh session of the supervisory committee of the Company held on 15 March 2019.

### **III. ATTENDEES OF THE AGM AND BOOK CLOSURE PERIOD FOR HOLDERS OF H SHARES**

1. Holders of domestic shares (A shares) and overseas listed foreign shares (H shares) whose names appear on the register of members of the Company after the end of the trading hours on 28 May 2019 (Tuesday) (including those holders of H shares who have submitted verified

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## NOTICE OF THE AGM

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application documents for the transfer of shares on or before 28 May 2019 (Tuesday)) are entitled to attend the AGM. The register of members of the Company will be closed from 30 May 2019 (Thursday) to 28 June 2019 (Friday) (both days inclusive) during which no transfer of H shares will be effected. In order to determine who are entitled to attend the AGM, all share transfer documents of H shares together with the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, namely Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for share transfer registration no later than 4:00 p.m. on 28 May 2019 (Tuesday).

2. Any shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies (whether or not he/she is a shareholder) to attend and vote at the meeting on his/her behalf. If any shareholder appoints more than one proxy, the proxies can only vote by poll. To be valid, the proxy form and the notarially certified power of attorney and/or other documents of authorization (if any) must be delivered to the address of the Company's office (for holders of A shares) or the office address of the Company's H share registrar, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H shares) no less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof.
3. Shareholders who intend to attend the AGM in person or by proxy should complete and return the attached reply slip by hand, by mail or by fax in accordance with the instructions printed thereon before 6 June 2019 (Thursday).
4. The directors, supervisors and senior management of the Company.
5. The lawyers and the auditors of the Company.

#### IV. REGISTRATION FOR THE AGM

##### 1. Methods of registration

To attend the AGM, an individual shareholder should bring along his/her identity card, shareholder account card; a proxy should bring along the proxy form, his/her identity card and the identity card of the principal and the shareholder account card for registration purpose. A legal person shareholder should bring along a copy of the business license, the proxy form signed by the legal entity, the shareholder account card and the identity card of the attendee for registration purpose.

##### 2. Place and time of registration:

Registration date and time: 09:30 a.m.-11:30 a.m. and 2:30 p.m.-4:30 p.m. on 6 June 2019 (Thursday)

Place of registration: Office of the secretariat to the Board, 2nd Floor, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC

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### V. OTHERS

1. Address: 2nd Floor of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC  
Postal code: 510130  
Contact persons: Huang Ruimei/Tan Yanli  
Telephone: (8620) 6628 1217/6628 1220  
Fax: (8620) 6628 1229  
Email: sec@gybys.com.cn
  
2. Address of Shanghai Branch Company of China Securities Depository and Clearing Corporation Limited: 3/F., China Insurance Building, No. 166 Lujiazui Road East, Shanghai, the PRC  
  
Address of Hong Kong Registrars Limited: Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
  
3. The AGM is expected to last for a day. Shareholders attending the AGM shall be responsible for their own travelling and accommodation expenses.
  
4. Reporters attending the AGM shall register before the registration time for the shareholders.

### VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions passed at the 20th meeting of the seventh session of the Board and the relevant announcement.
  
2. Resolutions passed at the 14th meeting of the seventh session of the supervisory committee of the Company and the relevant announcement.
  
3. Resolutions passed at the 21st meeting of the seventh session of the Board and the relevant announcement.
  
4. Resolutions passed at the 15th meeting of the seventh session of the supervisory committee of the Company and the relevant announcement.
  
5. Resolutions passed at the 22nd meeting of the seventh session of the Board and the relevant announcement.

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

Guangzhou, the PRC, 10 May 2019

*As at the date of this notice, 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.*