

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



廣州白雲山醫葯集團股份有限公司

GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.

(a joint stock company with limited liability established in the People's Republic of China)

(H Share Stock Code: 0874)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company hereby announces at the Board meeting held on 27 April 2016, the Board has approved, among other things, the Proposed Amendments.

1. PROPOSED AMENDMENTS

Details on the Proposed Amendments are set out in the appendix to this announcement.

2. SHAREHOLDERS' APPROVAL OF THE PROPOSED AMENDMENTS

The Proposed Amendments are subject to the approval by the Shareholders by way of special resolution. A resolution will be proposed at the AGM for the Shareholders to consider and, if thought fit, approve the Proposed Amendments.

3. REASONS FOR THE PROPOSED AMENDMENTS

The Board proposed to amend the Articles of Association in order to further improve the standard of corporate governance of the Company, to ensure compliance with the Companies Laws of the PRC and relevant laws and regulations and to operate within the business scope registered with the Administration for Industry and Commerce of the PRC. Having taken into account the factors mentioned above, the Directors (including the independent non-executive Directors) consider that the Proposed Amendments are in the interest of the Company and the Shareholders as a whole.

4. NOTICE OF AGM, PROXY FORMS AND CIRCULAR

As at the date of this announcement, it is expected that the notice convening the AGM, the forms of proxy are expected and the relevant circular will be despatched to the Shareholders on or before 9 May 2016.

5. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“AGM”	the annual general meeting of 2015 of the Company proposed to be held on Thursday, 23 June 2016 at 10:00 a.m., including any adjournment thereof;
“Articles of Association”	the articles of association of the Company;
“Board”	the board of Directors;
“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 Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange respectively;
“Directors”	directors of the Company;
“PRC”	the People’s Republic of China;
“Proposed Amendments”	the proposed amendments to the Articles of Association, details of which are set out in the appendix to this announcement; and
“Shareholders”	holders of the A shares and/or H shares of the Company.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 27 April 2016

As at the date of this announcement, the Board comprises Mr. Li Chuyuan, Mr. Chen Mao, Ms. Liu Juyan, Ms. Cheng Ning, Mr. Ni Yidong, Mr. Wu Changhai and Mr. Wang Wenchu as executive directors, and Mr. Wong Lung Tak Patrick, Mr. Qiu Hongzhong, Mr. Chu Xiaoping and Mr. Jiang Wenqi as independent non-executive directors.

Article 3

The existing Article 3 is as follows:

Registered Chinese Name: 廣州白雲山醫藥集團股份有限公司

English Name: GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS COMPANY LIMITED

Address: 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC

Telephone: (8620)8121 8103

Fax: (8620)8121 6408

Postal code: 510130

The proposed amendment(s):

“Li Wan District” will be inserted in the Company’s address in the Chinese version, and the telephone number and the fax number will be changed.

Article 3 after the proposed amendment is as follows:

Registered Chinese Name: 廣州白雲山醫藥集團股份有限公司

English Name: GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS COMPANY LIMITED

Address: 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC

Telephone: (8620) **6628 1011**

Fax: (8620) **6628 1229**

Postal code: 510130

Article 13

The existing Article 13 is as follows:

The business scope of the Company should be consistent with those set out in the business license. The Company shall engage in operations within the business scope registered with the Administration for Industry and Commerce.

The business scope of the Company as approved by the state-owned assets administration department covers: operation, investment, development and financing of state-owned assets; research and development, producing and sales of medicines, Chinese medicines, Chinese traditional prepared herbal medicine slice, chemical materials, intermediates for chemical crude drug, packaged food, healthcare food, food for special nutrition uses, drinks, medical apparatus, pharmaceutical machinery, medical supplies, medical materials and dressing, cosmetics, trade brokerage and agency (the specific

items of the above-mentioned research and development, manufacturing and sales are subject to as set out in the licenses of relevant affiliated companies); wholesale and retail trade (except for commodities exclusively sold and controlled by the state); provision of services of securities investment, development of technology and products and improvement of technology for new technology, new products and new materials in the pharmaceutical sector, product information enquiry and property development; development of computer software; provision of information and technology services; import and export of goods and technology (the import and export of the items restricted by laws and administrative regulations should only be conducted upon obtaining the required permits); general cargo and transportation agency; operation of counter trade and transshipment trade; storage (except dangerous chemicals); development, leasing and management of properties.

(If the final business scope of the Company as approved by the Administration for Industry and Commerce is different from that mentioned above, the business scope approved by the Administration for Industry and Commerce shall prevail)

The proposed amendment(s):

Article 13 relates to the scope of business of the Company. Under the proposed amendment(s), the major change is the inclusion of retail of wine, drinks and tea. Other changes are principally modifications due to the requirements of the Administration for Industry and Commerce of the PRC. Save for the inclusion of retail of wine, drinks and tea, the scope of business of the Company remains substantially unchanged.

Article 13 after the proposed amendment is as follows:

The business scope of the Company should be consistent with those set out in the business license. The Company shall engage in operations within the business scope registered with the Administration for Industry and Commerce.

The business scope of the Company is as follows: research and development of medicine; manufacturing of chemical raw material medicine; manufacturing of chemical drug preparations; production of Chinese patent medicine; processing of Chinese herbal medicine; manufacturing of biological medicine; manufacturing of medical materials and pharmaceutical supplies; wholesale of Western medicine; wholesale of Chinese patent drug and Chinese herbal medicine; retail of medicine; manufacturing of healthy foods; manufacturing of tea drinks and other beverages; wholesale of non-alcoholic drinks and tea; manufacturing of food additives; manufacturing of bottled (canned) drinking water; manufacturing of fruit and vegetable juice and beverages; manufacturing of solid beverage; manufacturing of carbonated beverage; manufacturing of cosmetic products; wholesale of cosmetic products and sanitary supplies; retail of cosmetic products and sanitary supplies; manufacturing of oral cleaning supplies; wholesale of cleaning supplies; manufacturing of soaps and synthetic

detergents; wholesale of equipment for medical diagnosis, surveillance and treatment; retail of equipment for medical diagnosis, surveillance and treatment; operation of unlicensed medical apparatus; operation of licensed medical apparatus; retail of medical supplies and apparatus (excluding pharmaceuticals and medical apparatus); wholesale of prepackaged food; retail of prepackaged food; manufacturing of veterinary drugs; sales of veterinary medicine; manufacturing of other wine; wholesale of wine; retail of wine, drinks and tea; wholesale of chemical products (including dangerous chemicals; excluding petroleum products and precursor chemicals); retail of chemical products (except for dangerous chemicals); import and export of technologies; import and export of goods (except for exclusively controlled and franchised merchandise); property management; property leasing; packaging service of transport goods; vehicle weighing service; development and operation of real estate; operation of parking lots; cargo terminal service; road freight transport.

(If the final business scope of the Company as approved by the Administration for Industry and Commerce is different from that mentioned above, the business scope approved by the Administration for Industry and Commerce shall prevail).

Article 46

The existing Article 46 is as follows:

If the individual who have his/her names registered or requests to have his/her names registered on the register of shareholders lose his/her share certificate (i.e the “original share certificate”), (s)he may apply to the Company for issuing a replacement share certificate representing the same shares (i.e “related shares”). In the event that a shareholder of domestic shares loses his/her share certificate(s) and applies for issuing replacement share certificate(s), (s)he should follow the procedures as stipulated in Rule 150 of the “Company Law”.

In the event that a shareholder of overseas listed foreign investment shares loses his/her share certificate(s) and applies for issuing replacement share certificate(s), (s)he should follow the procedures as required by the laws, regulations of the stock exchange or any other related rules in the place where the register of shareholders for such overseas listed foreign investment shares is kept.

In the event that a shareholder of the Company’s overseas listed foreign investment shares listed in Hong Kong (H shares) loses his/her share certificate(s) and applies for issuing replacement share certificate(s), such issue shall be subject to the following conditions:

- (1) An applicant is required to lodge his/her application in standard form as specified by the Company with a notarisation or a statutory declaration. A notarisation or a statutory declaration shall include the reasons of the application, the details and evidences for the loss of the share certificates, and the declaration to state that no other persons are entitled to be registered as shareholders of the same shares.

- (2) The Company has not received, prior to the Company's decision for the issue of replacement share certificates, any declaration from any person(s) other than the applicant to request to be registered as the shareholder of the same shares.
- (3) Once the Company decides to issue replacement share certificates to the applicant, a press announcement on the issue of the same will be published on a newspaper specified by the Board. The announcement should be published at least once every 30 days during a period of 90 days.
- (4) The Company is required, prior to the publication of the announcement on the issue of replacement share certificates, to deliver to the stock exchange on which its shares are listed a copy of the same announcement. The announcement is allowed to be published once the Company has received the confirmation of the stock exchange that the same has been shown on the stock exchange. The announcement required should be posted on the stock exchange for 90 days. If the application for the issue of replacement share certificates has not been approved by the registered shareholder of same shares, the Company shall send to such shareholder a copy of the announcement to be published.
- (5) If the Company has not received any objection from any person in respect of the issue of replacement share certificates upon the expiration of the 90 days period for the posting of the announcement as required in paragraphs (3) and (4) of this Article, the Company may issue replacement share certificates according to the application of the applicant.
- (6) The Company is required to cancel the original share certificates immediately once the replacement share certificates are issued, and enter the cancellation and the issue into the register of shareholders as required by this Article.
- (7) The applicant shall bear all the cost incurred to the Company relating to and in connection with the cancellation of the original share certificates and the issue of replacement share certificates. The Company has the right to refuse to take any action until reasonable guarantees being provided by the applicant.

The proposed amendment(s):

Article 46 relates to re-issue of share certificate(s). Under the proposed amendment(s), the relevant reference to the Companies Law will be changed from Rule 150 to Rule 143.

Article 46 after the proposed amendment is as follows:

If the individual who have his/her names registered or requests to have his/her names registered on the register of shareholders lose his/her share certificate (i.e the “original share certificate”), (s)he may apply to the Company for issuing a replacement share certificate representing the same shares (i.e “related shares”). In the event that a shareholder of domestic shares loses his/her share certificate(s) and applies for issuing replacement share certificate(s), (s)he should follow the procedures as stipulated in **Rule 143** of the “Company Law”.

In the event that a shareholder of overseas listed foreign investment shares loses his/her share certificate(s) and applies for issuing replacement share certificate(s), (s)he should follow the procedures as required by the laws, regulations of the stock exchange or any other related rules in the place where the register of shareholders for such overseas listed foreign investment shares is kept.

In the event that a shareholder of the Company’s overseas listed foreign investment shares listed in Hong Kong (H shares) loses his/her share certificate(s) and applies for issuing replacement share certificate(s), such issue shall be subject to the following conditions:

- (1) An applicant is required to lodge his/her application in standard form as specified by the Company with a notarisation or a statutory declaration. A notarisation or a statutory declaration shall include the reasons of the application, the details and evidences for the loss of the share certificates, and the declaration to state that no other persons are entitled to be registered as shareholders of the same shares.
- (2) The Company has not received, prior to the Company’s decision for the issue of replacement share certificates, any declaration from any person(s) other than the applicant to request to be registered as the shareholder of the same shares.
- (3) Once the Company decides to issue replacement share certificates to the applicant, a press announcement on the issue of the same will be published on a newspaper specified by the Board. The announcement should be published at least once every 30 days during a period of 90 days.
- (4) The Company is required, prior to the publication of the announcement on the issue of replacement share certificates, to deliver to the stock exchange on which its shares are listed a copy of the same announcement. The announcement is allowed to be published once the Company has received the confirmation of the stock exchange that the same has been shown on the stock exchange. The announcement required should be posted on the stock exchange for 90 days. If the application for the issue of replacement share certificates has not been approved by the registered shareholder of same shares, the Company shall send to such shareholder a copy of the announcement to be published.

- (5) If the Company has not received any objection from any person in respect of the issue of replacement share certificates upon the expiration of the 90 days period for the posting of the announcement as required in paragraphs (3) and (4) of this Article, the Company may issue replacement share certificates according to the application of the applicant.
- (6) The Company is required to cancel the original share certificates immediately once the replacement share certificates are issued, and enter the cancellation and the issue into the register of shareholders as required by this Article.
- (7) The applicant shall bear all the cost incurred to the Company relating to and in connection with the cancellation of the original share certificates and the issue of replacement share certificates. The Company has the right to refuse to take any action until reasonable guarantees being provided by the applicant.

Article 60(13)

The existing Article 60(13) is as follows:

- (13) to consider any proposals made by shareholders representing more than 5% (inclusive) of the voting rights of the Company;

The proposed amendment(s):

Article 60(13) relates to the scope of power of the general meeting. Under the proposed amendment(s), the relevant percentage of shareholding will be reduced to more than 3% (inclusive).

Article 60(13) after the proposed amendment is as follows:

- (13) to consider any proposals made by shareholders representing more than 3% (inclusive) of the voting rights of the Company;

Article 63(1)

The existing Article 63(1) is as follows:

- (1) the number of directors fall short of the number as stipulated by the Company Law or is less than 8;

The proposed amendment(s):

Article 63(1) relates to the requirement of holding an extraordinary general meeting within two months after the number of directors falls below a specified number. Under the proposed amendment(s), the relevant number will be changed to “the number as stipulated by the Company Law or is less than two-thirds of the number of directors as stipulated under the Articles of Association”

Article 63(1) after the proposed amendment is as follows:

- (1) the number of directors falls below the number as stipulated by the Company Law or is less than **two-thirds of the number of directors as stipulated under the Articles of Association;**

Article 90

The existing Article 90 is as follows:

To effectively safeguard the interests of public shareholders, the Company may, if conditions permit, provide a network voting system for domestic shareholders to vote at general meetings. **The Company shall provide a network voting platform for domestic shareholders to vote in relation to the matters set out in Article 79.**

If a network voting platform is provided for domestic shareholders to vote at general meeting, all domestic shareholders whose names appeared in the register of the Company at the date of record of shareholders for the meeting are all entitled to vote via the network, provided that only one of the voting methods either in person, through the network or other ways shall be selected for the same shares.

Network voting for domestic shareholders at general meeting shall be implemented in accordance with relevant laws, regulations and provisions.

The proposed amendment(s):

Article 90 relates to voting by the holders of domestic shares through network voting system. Under the proposed amendment(s), “The Company shall provide a network voting platform for domestic shareholders to vote in relation to the matters set out in Article 79.” will be deleted.

Article 90 after the proposed amendment is as follows:

To effectively safeguard the interests of public shareholders, the Company may, if conditions permit, provide a network voting system for domestic shareholders to vote at general meetings.

If a network voting platform is provided for domestic shareholders to vote at general meeting, all domestic shareholders whose names appeared in the register of the Company at the date of record of shareholders for the meeting are all entitled to vote via the network, provided that only one of the voting methods either in person, through the network or other ways shall be selected for the same shares.

Network voting for domestic shareholders at general meeting shall be implemented in accordance with relevant laws, regulations and provisions.

Article 92

The existing Article 92 is as follows:

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed by half or more of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution of a general meeting shall be passed by two-thirds or more of the voting rights held by the shareholders (including proxies) present at the meeting.

The proposed amendment(s):

Article 92 relates to the percentage of votes required for the passing of a special resolution and an ordinary resolution. Under the proposed amendment(s), the relevant percentage for the passing of an ordinary resolution will be changed from “half or more” to “more than one half”. The Company is of view that it is necessary to change the wordings, in particular the Chinese version, to achieve certainty.

Article 92 after the proposed amendment is as follows:

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed by **more than one half** of the voting rights held by the shareholders (including proxies) present at the meeting.

A special resolution of a general meeting shall be passed by two-thirds or more of the voting rights held by the shareholders (including proxies) present at the meeting.

Article 98(5)

The existing Article 98(5) is as follows:

- (5) the provision by the Company of any security with an amount of over 10% of the net asset in the consolidated accounting statement for the latest accounting year in respect of the secured object which falls into the Company's standards;

The proposed amendment(s):

Article 98(5) relates to the matters which must be approved by way of ordinary resolution. Under the proposed amendment(s), the relevant amount will be changed to "a single security with an amount of over 10% of the latest audited net asset in respect of the secured object which satisfies the Company's standards".

Article 98(5) after the proposed amendment is as follows:

- (5) the provision by the Company of **a single security** with an amount of over 10% of the **latest audited** net asset in respect of the secured object which **satisfies** the Company's standards;

Article 101

The existing Article 101 is as follows:

Where any of the circumstances provided in Article 93 occurs, subsequent to the notice of the general meeting of shareholders, the Company shall give another notice of general meeting within three days after the date of equity registration

The proposed amendment(s):

Article 101 relates to the requirement of issuing a further notice of shareholders' meeting after a notice of shareholders' meeting has already been issued. Under the proposed amendment(s), the relevant reference to the provisions of the Articles of Association will be changed from "Article 93" to "Article 100" in order to correct an existing clerical mistake.

Article 101 after the proposed amendment is as follows:

Where any of the circumstances provided in **Article 100** occurs, subsequent to the notice of the general meeting of shareholders, the Company shall give another notice of general meeting within three days after the date of equity registration

Article 135(12)

The existing Article 135(12) is as follows:

- (12) making decision on external guarantee where the items guaranteed satisfying the conditions of the Company involves an amount of not more than 10% (or 10%) of the net assets in the consolidated financial statements of the most recent fiscal year;

The proposed amendment(s):

Article 135(12) relates to the scope of powers of the Board. Under the proposed amendment(s), the relevant amount will be changed to “a single external guarantee where the items guaranteed satisfying the conditions of the Company involves an amount of not more than 10% (or 10%) of the latest audited net assets”.

Article 135(12) after the proposed amendment is as follows:

- (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;

Article 195 (II)

Article 195 (II) is as follows:

(II) Guarantees to other parties

- I. The Company is prohibited from providing a guarantee for a loan to a controlling shareholder, a subsidiary of a shareholder, a fellow subsidiary of a shareholder and other related parties in which the Company holds less than 50% equity interests, or any non-legal persons or individuals;
- II. The total amount of guarantees provided by the Company shall not be more than 50% of net asset value of the Company as shown in the latest audited consolidated financial statements;
- III. The Company shall carry out a credit review of the parties for which the Company provides guarantee and the Company is not allowed to, directly or indirectly, provide guarantee for a loan to any party whose debt to assets ratio is higher than 70%;

- IV. For any guarantee to be provided by the Company, the Company must request the party for which the guarantee is given to give a counter guarantee to the Company and the party who gives the counter guarantee must have the actual capability to perform the counter guarantee.

The proposed amendment(s):

Article 195(II) relates to the provision of guarantees by the Company to third parties. Under the proposed amendment(s), the original paragraphs II and III will be deleted for updating purposes pursuant to the latest laws and regulations.

Article 195(II) after the proposed amendment is as follows:

(II) Guarantees to other parties

- I. The Company is prohibited from providing a guarantee for a loan to a controlling shareholder, a subsidiary of a shareholder, a fellow subsidiary of a shareholder and other related parties in which the Company holds less than 50% equity interests, or any non-legal persons or individuals;
- II. For any guarantee to be provided by the Company, the Company must request the party for which the guarantee is given to give a counter guarantee to the Company and the party who gives the counter guarantee must have the actual capability to perform the counter guarantee.