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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 ELECTION AND RE-ELECTION OF DIRECTORS
AND
(2) PROPOSED ELECTION AND RE-ELECTION OF SUPERVISORS
AND
(3) PROPOSED CASH MANAGEMENT OF PART OF THE TEMPORARY
IDLE FUND RAISING PROCEEDS
AND
(4) PROPOSED CASH MANAGEMENT OF PART OF THE TEMPORARY
IDLE INTERNAL FUNDS
AND
(5) PROPOSED GRANT OF GENERAL MANDATE TO ISSUE SHARES
AND
(6) NOTICE OF THE ANNUAL GENERAL MEETING**
-

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 5 to 11 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, 23 June 2017 at 10:00 a.m. or any adjournment thereof is set out on pages 21 to 28 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 to do so.

9 May 2017

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DEFINITIONS

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

“A Share(s)”	RMB-denominated domestic shares in the share capital of the Company with a nominal value of RMB1.00 each and are listed on the Shanghai Stock Exchange
“AGM”	the annual general meeting of the Company for year 2016 to be held on Friday, 23 June 2017 at 10:00 a.m., including any adjournment thereof
“Articles of Association”	the articles of association of the Company
“Baiyunshan General Factory”	Guangzhou Baiyunshan Pharmaceutical General Factory (廣州白雲山醫藥集團股份有限公司廣州白雲山製藥總廠)
“Baiyunshan Pharmaceutical”	Guangzhou Baiyunshan Pharmaceutical Co., Ltd. (廣州白雲山製藥股份有限公司)
“Baiyunshan Pharmaceutical Marketing”	Guangzhou Baiyunshan Pharmaceutical Marketing Co., Ltd. (廣州白雲山醫藥銷售有限公司), a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Business Development Uses”	the uses of the Placing Proceeds as disclosed in the announcement of the Company dated 29 August 2016 other than as general working capital, details of which were set out in the section headed “Reasons for the Proposed Placing and the Employment Stock Ownership Scheme (2015)” on pages 45 to 48 of the Placing Circular and the announcement of the Company dated 29 August 2016
“Chemical Pharmaceutical Factory”	Guangzhou Baiyunshan Chemical Pharmaceutical Factory (廣州白雲山醫藥集團股份有限公司廣州白雲山化學製藥廠)
“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
“Directors”	the directors of the Company

DEFINITIONS

“Directors Candidate (s)”	the candidate (s) proposed to be elected as Directors at the AGM
“GP Corp.”	Guangzhou Pharmaceuticals Corporation (廣州醫藥有限公司), a joint venture of the Company
“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 Municipal People’s Government State-owned Assets Supervision and Administration Commission in the PRC. It is the controlling shareholder of the Company which holds approximately 45.04% of the issued shares of the Company as at the LPD
“Guang Hua”	Guangzhou Baiyunshan Guang Hua Pharmaceutical Co., Ltd., (廣州白雲山光華製藥股份有限公司), a wholly-owned subsidiary of the Company
“Guangyao Baiyunshan Hong Kong Company”	Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited (廣藥白雲山香港有限公司), a wholly-owned subsidiary of the Company
“Guangyao General Institute”	Guangzhou Pharmaceutical Research General Institute (廣州醫藥研究總院有限公司), a wholly-owned subsidiary of the Company
“Guangxi Yingkang”	Guangxi Yingkang Pharmaceutical Company Limited (廣西盈康藥業有限公司), a wholly-owned subsidiary of the Company
“Guangzhou Han Fang”	Guangzhou Baiyunshan Han Fang Contemporary Pharmaceutical Co., Ltd. (廣州白雲山漢方現代藥業有限公司), a wholly-owned subsidiary of the Company
“H Share (s)”	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”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HWBYS”	Hutchison Whampoa Guangzhou Baiyunshan Chinese Medicine Company Limited (廣州白雲山和記黃埔中藥有限公司), a joint venture of the Company

DEFINITIONS

“Last AGM”	the last annual general meeting of the Company, which was held on 23 June 2016
“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”	4 May 2017, being the latest practicable date prior the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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/or the H Shares respectively in issue as at the date of passing of the relevant Shareholders’ resolution at the AGM
“Pharmaceutical Technology”	Guangzhou Baiyunshan Pharmaceutical Technology Development Co., Ltd. (廣州白雲山醫藥科技發展有限公司), a wholly-owned subsidiary of the Company
“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, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Qi Xing”	Guangzhou Baiyunshan Qi Xing Pharmaceutical Co., Ltd. (廣州白雲山奇星藥業有限公司), a wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder(s)”	holder(s) of the A Shares and/or H Shares

DEFINITIONS

“Supervisors”	the supervisors of the Company
“Supervisors Candidate (s)”	the candidate(s) proposed to be elected as Supervisors at the AGM
“Supervisory Committee”	the supervisory committee of the Company
“WLJ Great Health”	Guangzhou WLJ Great Health Industry Co., Ltd. (廣州王老吉大健康產業有限公司), a wholly-owned subsidiary of the Company
“WLJ Investment”	Guangzhou WLJ Investment Co., Ltd. (廣州王老吉投資有限公司), a wholly-owned subsidiary of the Company
“Xing Qun”	Guangzhou Baiyunshan Xing Qun Pharmaceutical Co., Ltd. (廣州白雲山星群(藥業)股份有限公司), a wholly-owned subsidiary of the Company
“Zhong Yi”	Guangzhou Baiyunshan Zhong Yi Pharmaceutical Company Limited (廣州白雲山中一藥業有限公司), a wholly-owned subsidiary of the Company
“%”	per cent

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

LETTER FROM THE BOARD



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. Wu Changhai
Mr. Wang Wenchu

Independent non-executive Directors:

Mr. Wong Lung Tak Patrick
Mr. Qiu Hongzhong
Mr. Chu Xiaoping
Mr. Jiang Wenqi

*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

9 May 2017

To the Shareholders

Dear Sir or Madam

- (1) PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS
AND
(2) PROPOSED ELECTION AND RE-ELECTION OF SUPERVISORS
AND
(3) PROPOSED CASH MANAGEMENT OF PART OF THE TEMPORARY IDLE FUND
RAISING PROCEEDS
AND
(4) PROPOSED CASH MANAGEMENT OF PART OF
THE TEMPORARY IDLE INTERNAL FUNDS
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 certain resolutions to be proposed at the AGM on, among other things, (i) the proposed election and re-election of Directors; (ii) the proposed election and re-election of Supervisors; (iii) the proposed cash management of part of the temporary idle fund raising proceeds; (iv) the proposed cash management of part of the temporary idle internal funds of the Group; and (v) the proposed grant of the New General Mandate and to give you the notice of the AGM.

LETTER FROM THE BOARD

2. PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS

2.1 Nomination of Directors Candidates

The current Board is the 6th session whose term of office will expire at the conclusion of the AGM. The Board is currently comprising of 11 members, seven of which are executive Directors and four of which are independent non-executive Directors. In accordance with the Articles of the Association, the Company shall elect members of the new session of the Board (i.e. the 7th session) at the AGM. The 7th session of the Board shall comprise of 11 members, of which seven shall be executive Directors and four shall be independent non-executive Directors.

At the 30th meeting of the 6th session of the Board held on 26 April 2017, the Board approved the nomination of the Directors Candidates set out in the table below as members of the 7th session of the Board:

No.	Name of the Directors Candidate	Current designation	Proposed designation
1	Li Chuyuan (李楚源) (“Mr. Li”)	Executive Director	Executive Director
2	Chen Mao (陳矛) (“Mr. Chen”)	Executive Director	Executive Director
3	Liu Juyan (劉菊妍) (“Ms. Liu”)	Executive Director	Executive Director
4	Cheng Ning (程寧) (“Ms. Cheng”)	Executive Director	Executive Director
5	Ni Yidong (倪依東) (“Mr. Ni”)	Executive Director	Executive Director
6	Wu Changhai (吳長海) (“Mr. Wu”)	Executive Director	Executive Director
7	Wang Wenchu (王文楚) (“Mr. Wang”)	Executive Director	Executive Director
8	Chu Xiaoping (儲小平) (“Mr. Chu”)	Independent non-executive Director	Independent non-executive Director
9	Jiang Wenqi (姜文奇) (“Mr. Jiang”)	Independent non-executive Director	Independent non-executive Director
10	Wong Hin Wing (黃顯榮) (“Mr. Wong”)	N.A	Independent non-executive Director
11	Wang Weihong (王衛紅) (“Ms. Wang”)	N.A	Independent non-executive Director

Particulars on each of the Directors Candidates and further information required to be disclosed pursuant to Rule 13.51 (2) of the Hong Kong Listing Rules are set out in Appendix I to this circular.

2.2 Further information in relation to the nomination of the Directors Candidates

In accordance with the terms of reference of the nomination and remuneration committee of the Company (“**Nomination and Remuneration Committee**”) and the Company’s nomination policy, the Nomination and Remuneration Committee has:

- (a) evaluated the performance and the contribution of each of the retiring Directors, namely Mr. Li, Mr. Chen, Ms. Liu, Ms. Cheng, Mr. Ni, Mr. Wu, Mr. Wang, Mr. Chu and Mr. Jiang during the last financial year of the Company and the period thereafter up to the date of evaluation;
- (b) assessed the independence of the independent non-executive Directors proposed to be re-elected, namely Mr. Chu and Mr. Jiang; and

LETTER FROM THE BOARD

- (c) assessed the independence of the candidates proposed to be elected as independent non-executive Directors, namely Mr. Wong and Ms. Wang.

The Nomination and Remuneration Committee is of the opinion that:

- (a) the performance of each of Mr. Li, Mr. Chen, Ms. Liu, Ms. Cheng, Mr. Ni, Mr. Wu, Mr. Wang, Mr. Chu and Mr. Jiang was satisfactory;
- (b) each of Mr. Chu and Mr. Jiang continue to bring relevant experience and knowledge to the Board;
- (c) each of Mr. Chu and Mr. Jiang maintains an independent view on the Company's affairs;
- (d) based on the information available to the Nomination and Remuneration Committee, the Nomination and Remuneration Committee considered each of Mr. Chu, Mr. Jiang, Mr. Wong and Ms. Wang is independent to the Company; and
- (e) having taken into account the independence confirmation, all the members of the Nomination and Remuneration Committee were satisfied that each of Mr. Chu, Mr. Jiang, Mr. Wong and Ms. Wang (i) met the criteria set out in Rule 3.13 of the Hong Kong Listing Rules; (ii) was a person of integrity and independent in character and judgment; and (iii) is an appropriate candidate to be appointed or re-appointed as an independent non-executive Director.

Accordingly, the Nomination and Remuneration Committee recommended to the Board to propose the re-election of each of Mr. Li, Mr. Chen, Ms. Liu, Ms. Cheng, Mr. Ni, Mr. Wu and Mr. Wang as an executive Director, and the re-election or election of each of Mr. Chu, Mr. Jiang, Mr. Wong and Ms. Wang as an independent non-executive Director.

Each of Mr. Chu and Mr. Jiang had given to the Company an annual confirmation of his/her independence. Each of Mr. Wong and Ms. Wang has given a confirmation of her/his independence prior to each of them being recommended to be nominated as a candidate for independent non-executive Director. The Board, therefore, considers them to be independent and believes that they should be re-elected or elected.

2.3 Retirement of Mr. Wong Lung Tak Patrick and Mr. Qiu Hongzhong as independent non-executive Directors

Each of Mr. Wong Lung Tak Patrick and Mr. Qiu Hongzhong (“**Mr. Qiu**”) has been an independent non-executive Director since June 2010 and, if they continue to act as the independent non-executive Directors beyond the conclusion of the AGM, would have been independent non-executive Directors for more than six years. According to the applicable PRC laws and the Articles of Association, an independent non-executive Director cannot stay in that office for more than six years consecutively. Accordingly, each of Mr. Wong and Mr. Qiu will retire at the conclusion of the AGM and will not offer himself for re-election.

LETTER FROM THE BOARD

Each of Mr. Wong Lung Tak Patrick and Mr. Qiu has confirmed to the Company that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the Shareholders.

3. PROPOSED ELECTION AND RE-ELECTION OF SUPERVISORS

The current Supervisory Committee is the 6th session whose term of office will expire at the conclusion of the AGM. The Supervisory Committee is currently comprising of three members, two of which are the Supervisors representing the Shareholders and the other is the Supervisor representing the employees. In accordance with the Articles of the Association, the Company shall elect members of the new session of the Supervisory Committee (i.e. the 7th session) representing the Shareholders at the AGM. The 7th session of the Supervisory Committee shall comprise of three members, of which two shall be the Supervisors representing the Shareholders and one shall be the Supervisor representing the employees. As at the LPD, the Supervisor representing the employees was Ms. Li Jinyun. The Supervisor representing the employees is elected at the meeting of the employees instead of at the general meetings of the Company.

At the 17th meeting of the 6th session of the Supervisory Committee held on 26 April 2017, the Supervisory Committee approved the nomination of each of (i) Mr. Xian Jiaxiong (洗家雄) (“**Mr. Xian**”), an existing Supervisor representing the Shareholders and the chairperson of the Supervisory Committee; and (ii) Ms. Gao Yanzhu (高燕珠) (“**Ms. Gao**”) as the Supervisors Candidates.

Particulars on each of the Supervisors Candidates and further information required to be disclosed pursuant to Rule 13.51 (2) of the Hong Kong Listing Rules are set out in Appendix II to this circular.

4. 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 whereby 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 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 Purposes as disclosed in the announcement of the Company dated 29 August 2016.

As at 31 December 2016, approximately RMB1,914 million of the Placing Proceeds had already been utilized as disclosed and the balance of approximately RMB5,949 million (interests inclusive) was placed in the special saving 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.

The Board noted that part of the Placing Proceeds has been idled for a certain period of time. In order to utilize the 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 meeting of the Board held on 26 April 2017, the Board passed a resolution

LETTER FROM THE BOARD

pursuant to which authorization will be sought from the Shareholders whereupon the Board will be given authorization to impose cash management on a maximum of RMB2,500 million of the Placing Proceeds for cash management subject to the following conditions:

- (a) the authorization given to the Board 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 utilizing the Placing Proceeds shall not be affected;
- (c) the risks can be effectively kept under control;
- (d) 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
- (e) subject to the cap of RMB2,500 million at any point of time, the temporary idle proceeds raised from the Placing can be utilized on revolving basis during Resolution Valid Period (A).

5. PROPOSED CASH MANAGEMENT OF PART OF THE TEMPORARY IDLE INTERNAL FUNDS

The Board noted that the Group has internal fund which has been idled for a certain period of time. In order to utilize such idle funds reasonably, enhance the efficiency in the utilization of such funds and to 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 meeting of the Board held on 26 April 2017, the Board passed a resolution pursuant to which authorization will be sought from the Shareholders whereupon the Board will be given authorization to impose cash management on a maximum of RMB5,000 million of the internal financial resources of the Group, such cash management shall be subject to the following conditions:

- (a) the authorization given to the Board shall be valid for one year from the date of passing of the relevant Shareholders' resolution (“**Resolution Valid Period (B)**”);
- (b) the risk can be effectively kept under control;
- (c) principal-guaranteed wealth management products of banks having high degree of safety and liquidity is to be purchased; and
- (d) subject to the cap of RMB5,000 million at any point of time, the temporary idle internal funds can be utilized on revolving basis during Resolution Valid Period (B).

6. 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 23 June 2017, being the expiration of a period of twelve months following the passing of the special resolution of the Company

LETTER FROM THE BOARD

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.

7. CLOSURE OF REGISTER OF MEMBERS FOR HOLDERS OF H SHARES

The register of members of the Company will be closed from Wednesday, 24 May 2017 to Friday, 23 June 2017 (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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:00 p.m. on Tuesday, 23 May 2017.

8. 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, 23 June 2017 at 10:00 a.m.. The notice convening the AGM is set out on pages 21 to 28 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 to do so.

All resolutions will be passed by way of poll. In accordance with the Articles of Association, resolutions on the election of Directors and Supervisors will be taken by way of cumulative poll. Further information in this regard is set out in the proxy form.

LETTER FROM THE BOARD

9. RECOMMENDATIONS

The Directors consider that each of the proposed re-election and election of the Directors Candidates as Directors, the proposed re-election and election of the Supervisors Candidates as Supervisors, 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 and the 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.

10. ADDITIONAL INFORMATION

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

Yours faithfully,
The Board of
**Guangzhou Baiyunshan Pharmaceutical
Holdings Company Limited**

1. PARTICULARS OF THE DIRECTORS CANDIDATES PROPOSED TO BE ELECTED OR RE-ELECTED AS EXECUTIVE DIRECTORS**1.1 Li Chuyuan (李楚源)**

Mr. Li, aged 51, completed postgraduate education and holds an EMBA degree and is a senior economist and a senior engineer of professor grade. Mr. Li received the “Model Workers Award” and enjoys special allowances from the State Council and had been awarded the second prize of the National Science and Technology Progress. He was awarded the “Top 10 Innovative Characters of Guangdong Province” and the “Top 10 Outstanding Business Individuals of Guangdong Province”. He is the deputy director of the Committee of Education, Science, Culture, Health and Sports of the Political Consultative Conference of Guangdong Province, a member of the Guangdong Provincial People’s Congress, a representative of the Chinese Communist Party in Guangzhou and was awarded the “Outstanding City Management Expert of Guangzhou”. Mr. Li received the “Ding Ying Technology Award” in February 2014, which was the top award in the field of science and technology in Guangdong Province. Mr. Li began his career in July 1988 and has been the deputy head of the operations department of Baiyunshan General Factory, the deputy general manager of Baiyunshan Pharmaceutical, the general manager, vice chairperson and deputy secretary of the party committee of GPHL and the vice chairperson of the Company. Mr. Li has been the chairperson of the Company since 8 August 2013 and is also currently the chairperson and secretary of the party committee of each of GPHL and the Company, vice chairperson and the secretary of the party committee of HWBYS and the vice chairperson of GP Corp. Mr. Li has extensive experience in corporate operations and management.

1.2 Chen Mao (陳矛)

Mr. Chen, aged 53, holds a bachelor degree in medicine and is a pharmaceutical engineer. He was awarded the “National Labour Day Award”. Mr. Chen began his career in November 1985, and has been the deputy factory manager of Guangzhou Baiyunshan Pharmaceutical Factory* (廣州白雲山中藥廠), the chairperson of Pharmaceutical Technology, the general manager of Baiyunshan Pharmaceutical, the factory manager of Baiyunshan General Factory, the chairperson of Guang Hua, the chairperson of WLJ Great Health and deputy general manager of GPHL. Mr. Chen has been the vice chairperson of the Company since January 2014 and is also currently the general manager, vice chairperson and deputy secretary of the party committee of GPHL, deputy secretary of the party committee of the Company, the chairperson of Guangzhou Baxter Qiao Guang Pharmaceutical Co., Ltd. (廣州百特僑光醫藥用品有限公司) and the secretary of the party committee of WLJ Great Health. Mr. Chen has extensive experience in corporate management and marketing.

1.3 Liu Juyan (劉菊妍)

Ms. Liu, aged 52, completed postgraduate education and holds a doctorate degree in medicine and is a senior engineer of professor grade. Ms. Liu began her career in July 1990 and has been the chairperson and general manager of Guangzhou Han Fang, the head of the technology and quality department of GPHL, the chairperson of Guangzhou Guangyao Yigan Biological Products Co., Ltd. (廣州廣藥益甘生物製品股份有限公司) and the chairperson of the Guangyao General Institute. Since August 2005, Ms. Liu has been the chief engineer of GPHL and the chief technical officer of

the Company. Since January 2011, she has been the deputy general manager of GPLH. Ms. Liu has been a Director since December 2013. She also enjoys special allowances from the State Council and is a member of the Guangzhou Provincial People's Progress. She was also awarded the "March 8th Flag Bearer" of Guangzhou, a Guangzhou "121" reserved talent and an "Outstanding City Management Expert" of Guangzhou. Ms. Liu has extensive experience in scientific research and development, technological research and quality management.

1.4 Cheng Ning (程寧)

Ms. Cheng, aged 51, completed tertiary education and is an accountant. Ms. Cheng possesses several professional qualifications, including PRC certified public accountant, PRC certified tax consultant, senior international finance manager and senior accounting (finance management) technician. Ms. Cheng began her career in August 1986 and has been an officer of the finance department of Guangzhou Baiyunshan General Factory, the deputy head of the finance department of Guangzhou Baiyunshan Bao De Pharmaceutical Factory* (廣州白雲山寶得藥廠), the head of the finance department of Guangzhou Baiyunshan Veterinary Medicine Factory* (廣州白雲山獸藥廠), the head of the settlements division of the operations department, head of the accounts and payments division of the settlements centre, deputy head of the finance department and a member and secretary of the supervisory committee of Baiyunshan Pharmaceutical, the acting manager and manager of the financial resources department and the head of the finance department of Guangzhou Baiyunshan Enterprise Group Co., Ltd.* (廣州白雲山企業集團有限公司) and the deputy head and the head of the finance department of GPLH. Ms. Cheng has been a Director since 19 September 2012, and is also currently the deputy general manager and the financial controller of GPLH, a director of each of Zhong Yi, Qi Xing, Guangxi Yingkang, WLJ Investment and Guangzhou Wang Lao Ji Restaurant Management Development Co., Ltd.* (廣州王老吉餐飲管理發展有限公司), the convenor of the board of directors of Guangyao Baiyunshan Hong Kong Company, a supervisor of GP Corp., a supervisor of Guangzhou Bai Di Bio-technology Co., Ltd. and the chairperson of the supervisory committee of WLJ Great Health and the chairperson of the Guangzhou Pharmaceutical Accounting Association* (廣州醫藥會計學會). Ms. Cheng has extensive experience in finance management and internal control management.

1.5 Ni Yidong (倪依東)

Mr. Ni, aged 45, completed postgraduate education and holds a doctorate degree in medicine and is a senior engineer. Mr. Ni began his career in July 1994 and has been the head of the marketing department of GPLH and the chairperson and secretary of the party committee of Zhong Yi. He has been a Director since January 2014, and is also currently the deputy general manager and chief officer of the Great Health segment of GPLH. Mr. Ni has extensive experience in corporate management, marketing and brand protection and management.

1.6 Wu Changhai (吳長海)

Mr. Wu, aged 51, holds a bachelor degree and an EMBA degree and is a senior economist. Mr. Wu began his career in August 1989 and has been the deputy general manager of Guangxi Yingkang, the deputy general manager, general manager, chairperson and secretary of the party committee of Zhong Yi, the chairperson of each of Qi Xing, Xing Qun, WLJ Great Health, Wang Lao Ji Great

Health (Ya'an) Co., Ltd. and Wang Lao Ji Great Health Industry (Meizhou) Co., Ltd. and the general manager of Guangzhou Pharmaceutical Company Limited. Mr. Wu has been a Director since 28 June 2010 and is also currently a deputy general manager of the Company. He has extensive experience in the operation of listed companies and pharmaceutical, food and beverage businesses, marketing and scientific research and development.

1.7 Wang Wenchu (王文楚)

Mr. Wang, aged 50, holds a bachelor degree and is an assistant engineer and economist. Mr. Wang began his career in July 1988 and has been the deputy factory manager of Guangzhou Baiyunshan General Factory, the general manager of Baiyunshan Pharmaceutical, the chairperson of Guang Hua and the chairperson of Baiyunshan Pharmaceutical Marketing. Mr. Wang has been a Director and the deputy general manager of the Company since January 2014. Mr. Wang has extensive experience in corporate management and marketing.

2. PARTICULARS OF THE DIRECTORS CANDIDATES PROPOSED TO BE ELECTED OR RE-ELECTED AS INDEPENDENT NON-EXECUTIVE DIRECTORS

2.1 Chu Xiaoping (儲小平)

Mr. Chu, aged 61, holds a doctorate degree in management and is a professor and a doctoral advisor. Mr. Chu graduated from the Xi'an Jiaotong University. He was a lecturer, associate professor, professor, associate dean and the dean of the Business School of Shantou University in Guangdong and a visiting scholar of the University of Hong Kong. He has been an independent director of Shengyi Technology Co., Ltd. for six years. He is currently a professor and a doctoral advisor at the Lingnan (University) College, Sun Yat-sen University. Mr. Chu has extensive experience in the organisation, leadership, innovation and sustainable development of enterprises.

2.2 Jiang Wenqi (姜文奇)

Mr. Jiang, aged 59, holds a master's degree in clinical medicine and advanced health management and is a professor, doctoral advisor and a chief physician. Mr. Jiang obtained his medical degree from Shanghai Medical University in 1982 and obtained his master's degree in oncology from the Sun Yat-sen University in 1988. He was a physician, vice president and the head of the medical department of the Sun Yat-sen University Cancer Center (an affiliate hospital of the Sun Yat-sen University) and the dean of the School of Medicine of the Shenzhen University. Mr. Jiang is currently the head of the medical department of the Sun Yat-sen University Cancer Center. Mr. Jiang has extensive experience in the medical industry and health sectors.

2.3 Wong Hin Wing (黃顯榮)

Mr. Wong, aged 54, holds a Master's degree in Executive Business Administration. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England & Wales, the Association of Chartered Certified Accountants, the Hong Kong Institute of Directors and the Institute of Chartered Secretaries and Administration. He is also a member of the American Institute of Certified Public Accountants and a chartered member of the

Chartered Institute for Securities & Investment. Mr. Wong was an independent non-executive Director and the chairman of the audit committee of the Company during 2004 to 2010. He is an independent non-executive director of each of Dongjiang Environmental Company Limited (a company whose A shares are listed on the Small and Medium Enterprise Board of the Shenzhen Stock Exchange and whose H shares are listed on the Main Board of the Hong Kong Stock Exchange), CRCC High-Tech Equipment Corporation Limited (a company whose H shares are listed on Main Board of the Hong Kong Stock Exchange), AEON Credit Service (Asia) Company Limited (a company listed on the Main Board of the Hong Kong Stock Exchange) and China Agri-Products Exchange Limited (a company listed on the Main Board of the Hong Kong Stock Exchange). He is also a member of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference, a member of the Nursing Council of Hong Kong, a council member of the Hong Kong Institute of Certified Public Accountants and a member of the Securities and Futures Appeals Tribunal established pursuant to the SFO. He has been the chief executive officer and the responsible officer of China Silk Road International Capital Limited (formerly known as Legend Capital Partners, Inc.), a licensed corporation under the SFO, since 1997. Prior to this, Mr. Wong had worked with an international audit firm for four years and then worked in a listed company as the chief financial officer for seven years. He has 33 years of experience in accounting, finance, investment management and advisory.

2.4 Wang Weihong (王衛紅)

Ms. Wang, aged 54, completed postgraduate education and holds a master degree in management. Ms. Wang is a professor and a member of each of the ninth, tenth and eleventh session of the Chinese People's Political Consultative Conference of Guangdong Province. Ms. Wang graduated from the Hunan Institute of Economics and Finance (currently known as the Hunan University). She began her career in July 1986 and had been a teacher of the Department of Trade and Economics of the Hunan Institute of Finance and Economics, the head and associate professor of the Teaching and Research Office of the Department of Business Administration of the Hunan Institute of Finance and Economics, the head and associate professor of the Department of Marketing and Sale of the Business Faculty of the Hunan University and an evaluation expert of the Association of the Social and Scientific Sectors of Guangdong (廣東省社會科學界聯合會). Ms. Wang is currently the head of the Department of Marketing of the School of Business Administration and the Business College, the head of the Research Center and a professor of the Guangdong University of Foreign Studies. Ms. Wang is also a standing director of the China Marketing Association, the deputy secretary general of China Business Administration Association of Universities (中國高校商務管理研究會), a standing director of China Marketing Association of Universities (中國高校市場學研究會), a standing director and the deputy secretary general of Guangdong Marketing Association and a standing director of Guangdong Institute of Research on the Tertiary Sector (廣東省第三產業研究會). Ms. Wang has extensive experience in strategy management, marketing management and brand operation.

3. FURTHER INFORMATION

3.1 Term of office

If elected, the term of office of each Directors Candidate as a member of the 7th session of the Board shall commence from the date on which he/she is elected up to the date on which the members of the new session of the Board (i.e. the 8th session) are elected. On this basis, it is expected that the term of office of each Directors Candidate as a member of the 7th session of the Board will be approximately three years. The Company will enter into a service agreement with each elected Directors Candidate.

3.2 Remuneration

According to the emoluments policy of the Company, the Board shall propose the emoluments of the Directors and the Board shall, pursuant to the authorization given to it at the annual general meeting(s) of the Company, determine the amount of the emoluments of the Directors and the payment manner. As at the LPD, Mr. Li, Mr. Chen, Ms. Liu, Ms. Cheng and Mr. Ni, all being members of the senior management of GPHL, received their respective emoluments from GPHL directly. If elected, Mr. Li, Mr. Chen, Ms. Liu, Ms. Cheng and Mr. Ni shall, in respect of their positions in GPHL and the Group, continue to receive their respective emoluments from GPHL until such emoluments shall be determined and/or modified by the Board in accordance with the authorization of the annual general meeting(s) of the Company.

3.3 Interests in the shares of the Company within the meaning of Part XV of the SFO

Set out below are the interests of the Directors Candidates in the shares of the Company as at the LPD:

Name	Capacity	Number of A Shares under the Employee Stock Trust	Approximate percentage in the entire issued share capital of the Company
Mr. Li	Beneficial owner	100,000	0.0071
Mr. Chen	Beneficial owner	50,000	0.0036
Ms. Liu	Beneficial owner	13,000	0.0009
Ms. Cheng	Beneficial owner	21,500	0.0015
Mr. Ni	N.A	Nil	N.A
Mr. Wu	Beneficial owner	13,000	0.0009
Mr. Wang	Beneficial owner	10,000	0.0007
Mr. Chu	N.A	Nil	N.A
Mr. Jiang	N.A	Nil	N.A
Ms. Wang	N.A	Nil	N.A
Mr. Wong	N.A	Nil	N.A

Save as disclosed above, none of the Directors Candidates or their associates have any interest in the shares of the Company within the meaning of Part XV of the SFO. The interests of the Directors Candidates in the A Shares as disclosed above are held by the asset manager of the Employee Stock Ownership Scheme (2015) for the benefits of the relevant Directors Candidate. Details of the Employee Stock Ownership Scheme (2015) were set out in the Placing Circular and the circular of the Company dated 19 May 2015, respectively.

3.4 No other information required to be disclosed

Save as disclosed in the preceding sections of this appendix, as at the LPD:

- (a) none of the Directors Candidates has any relationship with any other Directors, Supervisors, senior management or substantial or controlling shareholders of the Company;
- (b) none of the Directors Candidates have or deemed to have any interests in the shares of the Company within the meaning of Part XV of the SFO;
- (c) none of the Directors Candidates have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas;
- (d) none of the Directors Candidates held any position in the Company or other members of the Group; and
- (e) there were no other matters concerning any Director Candidate that needed to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Hong Kong Listing Rules.

1. PARTICULARS OF THE SUPERVISORS CANDIDATES**1.1 Xian Jiaxiong (洗家雄)**

Mr. Xian, aged 57, holds a bachelor degree and a master's degree in business administration, and is an economist and senior political engineer. Mr. Xian began his career in September 1976 and has been the deputy secretary of the party committee of Guangzhou Grandbuy Co., Ltd. and assistant to the general manager and the secretary of the disciplinary committee of Guangzhou Department Store Enterprise Group Co., Ltd. Mr. Xian has been the deputy secretary of the party committee, secretary of the disciplinary committee and chairperson of the supervisory committee of the Company since October 2013, and is also currently the deputy secretary of the party committee and the secretary of the disciplinary committee of GPHL. Mr. Xian has extensive experience in economic management, operations of the Chinese Communist Party and legal affairs.

1.2 Gao Yanzhu (高燕珠)

Ms. Gao, aged 51, holds a bachelor degree and a MBA degree. She is a senior economist, auditor, an engineer and a member of the 16th National People's Congress of Liwan District, Guangzhou City. Ms. Gao started her career in July 1988 and had been the deputy director of the office of the operation and management of the enterprise management department of Guangzhou Baiyunshan Enterprise Group Co., Ltd., representative of securities affairs and company's legal adviser of Baiyunshan Pharmaceutical, deputy department head of the audit department and the deputy director of the risk control office of GPHL. Ms. Gao was the deputy department head of the audit department and the deputy director of the risk control office of the Company during March 2014 to January 2017 and is currently the department head of the audit department and the director of the risk control office of the Company. Ms. Gao has extensive experience in audit, risk control and securities affairs.

2. FURTHER INFORMATION**2.1 Term of office**

If elected, the term of office of each Supervisors Candidate as a member of the 7th session of the Supervisory Committee shall commence from the date on which he/she is elected up to the date on which the members of the new session of the Supervisory Committee (i.e. the 8th session) are elected. On this basis, it is expected that the term of office of each Supervisors Candidate as a member of the 7th session of the Supervisory Committee will be approximately three years. The Company will enter into a service agreement with each elected Supervisors Candidate.

2.2 Remuneration

According to the emoluments policy of the Company, the Board shall propose the emoluments of the Supervisors and the Board shall, pursuant to the authorization given to it at the annual general meeting(s) of the Company, determine the amount of the emoluments of the Supervisors and the payment manner. As at the LPD, Mr. Xian, as a member of the senior management of GPHL, received his emoluments from GPHL directly. If elected, Mr. Xian shall, in respect of his positions in

APPENDIX II INFORMATION ON THE SUPERVISORS CANDIDATES

GPHL and the Group, continue to receive his emoluments from GPHL until such emoluments shall be determined and/or modified by the Board in accordance with the authorization of the annual general meeting(s) of the Company.

2.3 Interests in the shares of the Company within the meaning of Part XV of the SFO

Set out below are the interests of the Supervisors Candidates in the shares of the Company as at the LPD:

Name	Capacity	Number of A Shares under the Employee Stock Trust	Approximate percentage in the entire issued share capital of the Company
Mr. Xian	Beneficial owner	11,000	0.0008
Ms. Gao	Beneficial owner	5,000	0.0004

Save as disclosed above, none of the Supervisors Candidates or their associates have any interest in the shares of the Company within the meaning of Part XV of the SFO. The interests of the Supervisors Candidates in the A Shares as disclosed in the above are held by the asset manager of the Employee Stock Ownership Scheme (2015) for the benefits of the relevant Supervisors Candidates. Details of the Employee Stock Ownership Scheme (2015) were set out in the Placing Circular and the circular of the Company dated 19 May 2015, respectively.

2.4 No other information required to be disclosed

Save as disclosed in the preceding sections of this appendix, as at the LPD:

- (a) none of the Supervisors Candidates has any relationship with any Directors, other Supervisors, senior management or substantial or controlling shareholders of the Company;
- (b) none of the Supervisors Candidates have or deemed to have any interests in the shares of the Company within the meaning of Part XV of the SFO;
- (c) none of the Supervisors Candidates have any directorships held in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas;
- (d) none of the Supervisors Candidates held any position in the Company or other members of the Group; and
- (e) there were no other matters concerning any Supervisors Candidate that needed to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Hong Kong Listing Rules.

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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 2016 ANNUAL GENERAL MEETING

IMPORTANT NOTICE

- Date and time of the 2016 annual general meeting (the “AGM”) to be held on-site: 23 June 2017 (Friday) at 10:00 a.m.
- Registration date of the AGM: 23 May 2017 (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 the voting at the AGM: the manner of the 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 to convene the AGM was considered and passed at the 29th meeting of the sixth session of the board of directors of the Company (the “Board”).
2. Date and time of the AGM: 23 June 2017 (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 the 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):

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The Company shall 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 (23 June 2017) 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.

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 shall 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 passed by way of ordinary resolutions:
- (1) Report of the Board for year 2016;
 - (2) Report of the supervisory committee of the Company for year 2016;
 - (3) Financial report of the Company for year 2016;
 - (4) Auditors' report of the Company for year 2016;
 - (5) Proposal on profit distribution and dividend payment of the Company for year 2016;
 - (6) Proposal on the operational targets and financial budget of the Company for year 2017;
 - (7) Resolution on the total service emoluments to be paid to the directors of the Company for year 2017;
 - (8) Resolution on the total service emoluments to be paid to the supervisors of the Company for year 2017;
 - (9) Resolution on the amounts of guarantees to be provided by the Company to secure bank loans for some of its subsidiaries;
 - (10) Resolution on the application by the Company for general banking facilities not exceeding RMB2 billion;

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- (11) Resolution on the entrusted loans business between the Company and its subsidiaries;
- (12) Resolution on the proposed cash management of part of the temporary idle proceeds from fund raising of the Company;
- (13) Resolution on the proposed cash management of part of the temporary internal idle funds of the Company and its subsidiaries;
- (14) Resolution on the anticipated amounts of the ordinary and usual connected transactions for year 2017;
- (15) Resolution on the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the auditors of the Company for year 2017;
- (16) Resolution on the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the auditors for the internal control of the Company for year 2017.

The above resolutions were approved at the 29th meeting of the sixth session of the Board and the 16th meeting of the sixth session of the supervisory committee of the Company held on 15 March 2017, the 30th meeting of the sixth session of the Board and the 17th meeting of the sixth session of the supervisory committee of the Company held on 26 April 2017.

2. To be considered by way of special resolution:

- (17) Resolution on granting general mandate to the Board for issuing new shares of the Company
 - (1) 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 the A Shares and/or H Shares allotted, issued and dealt whether conditionally or unconditionally (whether pursuant to an option or otherwise) by the Board during the Relevant 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 exceed 20% of each of the A Shares and/or H Shares in issue as at the date of passing this resolution; and;

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- (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.
- (2) 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.
 - (3) Subject to paragraph (1), the Board be and is hereby authorised 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 (1) 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 (1) of this special resolution.

The above resolution was approved at the 29th meeting of the sixth session of the Board held on 15 March 2017.

- 3. Election of the members of the seventh session of the Board and the seventh session of the Supervisory Committee by way of cumulative poll:
 - (18) Election of the executive directors of the seventh session of the Board by way of cumulative poll:
 - 18.1 Elect Mr. Li Chuyuan as an executive director of the Company;
 - 18.2 Elect Mr. Chen Mao as an executive director of the Company;
 - 18.3 Elect Ms. Liu Juyan as an executive director of the Company;
 - 18.4 Elect Ms. Cheng Ning as an executive director of the Company;

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- 18.5 Elect Mr. Ni Yidong as an executive director of the Company;
- 18.6 Elect Mr. Wu Changhai as an executive director of the Company;
- 18.7 Elect Mr. Wang Wenchu as an executive director of the Company;
- (19) Election of the independent non-executive directors of the Board by way of cumulative poll:
 - 19.1 Elect Mr. Chu Xiaoping as an independent non-executive director of the Company;
 - 19.2 Elect Mr. Jiang Wenqi as an independent non-executive director of the Company;
 - 19.3 Elect Mr. Wong Hin Wing as an independent non-executive director of the Company;
 - 19.4 Elect Ms. Wang Weihong as an independent non-executive director of the Company;
- (20) Election of the members of the seventh session of the Supervisory Committee by way of cumulative poll:
 - 20.1 Elect Mr. Xian Jiexiong as a supervisor of the Company;
 - 20.2 Elect Ms. Gao Yanzhu as a supervisor of the Company.

The above resolutions were approved at the 30th meeting of the sixth session of the Board and the 17th meeting of the sixth session of the supervisory committee of the Company held on 26 April 2017 respectively.

Details of the cumulative poll are set out in the proxy form in relation to the AGM.

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 appeared on the register of members of the Company after the end of the trading hours on 23 May 2017(Tuesday) (including those holders of H shares who have submitted verified application documents for the transfer of shares on or before 23 May 2017(Tuesday)) are entitled to attend the AGM. The register of members of the Company will be closed from 24 May 2017 (Wednesday) to 23 June 2017 (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

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lodged with the share registrar of the Company in Hong Kong, namely Hong Kong Registrars Limited, at Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for share transfer registration not later than 4:00 p.m. on 23 May 2017 (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 2 June 2017 (Friday).
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 2 June 2017 (Friday)

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 person: Huang Ruimei/Tan Yanli

Telephone: (8620) 6628 1217/6628 1220/6628 1219

Fax: (8620) 6628 1229

Email: sec@gybys.com.cn
2. Address of the Shanghai Branch of China Securities Depository and Clearing Corporation Limited: 3/F, China Insurance Building, No. 166 Lujiazui Road East, Shanghai, the PRC
3. 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.

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VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions passed at the 29th meeting of the sixth session of the Board and the relevant announcement.
2. Resolutions passed at the 30th meeting of the sixth session of the Board and the relevant announcement.
3. Resolutions passed at the 16th meeting of the sixth session of the supervisory committee of the Company and the relevant announcement.
4. Resolutions passed at the 17th meeting of the sixth session of the supervisory committee of the Company and the relevant announcement.

Note: all times stated refer to Hong Kong time.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 9 May 2017

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. 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.