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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 to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “Company”), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer 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)

**PROPOSED AMENDMENTS TO  
THE ARTICLES OF ASSOCIATION OF THE COMPANY  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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The EGM (as defined herein) will be held at the conference room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People's Republic of China on Monday, 30 December 2013 at 10:00 a.m. A notice convening the EGM is set out on pages 7 to 10 of this circular.

Whether or not you proposed to attend the EGM, you are requested to complete and return the form of proxy attached to the notice of the EGM in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

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## DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, a joint stock company with limited liability established in the PRC, whose H shares and A shares are listed on the The Stock Exchange of Hong Kong Limited and The Shanghai Stock Exchange respectively
“Directors”	the directors of the Company
“EGM”	the 2013 extraordinary general meeting to be held at the conference room of the Company at 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Monday, 30 December 2013 at 10:00 a.m., the notice of which is set out in this circular
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of Share(s)
“Shares”	shares of RMB1.00 in the capital of the Company, including (i) domestic shares (the A shares) and (ii) overseas listed foreign shares (the H shares)

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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)**

*Board of Directors:*

*Executive Directors:*

Mr. Li Chuyuan (*Chairman*)

Ms. Cheng Ning

Mr. Wu Changhai

*Registered address and office:*

45 Sha Mian North Street

Liwan District

Guangzhou City

Guangdong Province

the PRC

*Independent non-executive Directors:*

Mr. Liu Jinxiang

Mr. Li Shanmin

Mr. Zhang Yonghua

Mr. Wong Lung Tak Patrick

Mr. Qiu Hongzhong

*Principal place of business in Hong Kong:*

Room 2005

20th Floor

Tower Two Lippo Center

89 Queensway

Hong Kong

11 November 2013

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO  
THE ARTICLES OF ASSOCIATION OF THE COMPANY  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the EGM relating to, among other things, the proposed amendments to the Articles of Association as set out in the notice of the EGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

#### Scope of amendments

The Company proposed to amend Article 53 of the Articles of Association as described below:

#### *Article 53*

*Article 53 prior to the proposed amendment is as follows:*

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.

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.

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.

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## LETTER FROM THE BOARD

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*Article 53 after the proposed amendment will be as follows:*

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.

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.

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.

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## LETTER FROM THE BOARD

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### 3. CONDITION AND REASONS FOR THE PROPOSED AMENDMENTS

The above proposed amendments to the Articles of Association will come into force after the Shareholders' approval has been obtained at the EGM.

Pursuant to the "Guiding Opinion on Further Improvement of the Corporate Governance of the Listed Companies within Jurisdiction" issued by the Guangdong Regulatory Authority (廣東監管局) of China Securities Regulatory Commission (中國證券監督管理委員會) dated 25 November 2012 (Guangdong Zheng Jian [2012] No.206) (廣東證監[2012]206號) and to improve the corporate governance of the Company, the Articles of Association are proposed to be amended by adding "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 damage the legal interests of the Company by any other means" to article 53 of the Articles of Association.

All the Directors (including the independent non-executive Directors) consider that the proposed amendments to the Articles of Association are in the interests of the Company and the Shareholders as a whole.

### 4. EGM

The EGM will be held at the conference room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Monday, 30 December 2013 at 10:00 a.m. The notice convening the EGM is set out on pages 7 to 10 of this circular. The relevant form of proxy is enclosed.

Whether or not you proposed to attend the meeting, you are requested to complete and return the form of proxy attached to the notice of the EGM to the office of the Company at 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

All resolutions will be passed by way of a poll.

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## LETTER FROM THE BOARD

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### 5. RECOMMENDATION

The Board considers that the proposed amendments to the Articles of Association and other resolutions as set out in the notice of the EGM are in the interest of the Company and its Shareholders as a whole, and recommends the Shareholders to vote in favour of all the resolutions to be proposed at the EGM.

Yours faithfully,

On behalf of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

**Li Chuyuan**

*Chairman*



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## NOTICE OF EGM

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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 2013 EXTRAORDINARY GENERAL MEETING

#### IMPORTANT NOTICE

- Date and time of the 2013 extraordinary general meeting (the “EGM”): 30 December 2013 (Monday) at 10:00 a.m.
- The shareholding registration date of EGM: 29 November 2013 (Friday)
- Place of the EGM: 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 holding the EGM: physical meeting

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

1. The resolution to convene the EGM was considered and passed at the 28th meeting of the fifth session of the board of directors (the “Board”).
2. The convener of the meeting: the Board of the Company.
3. Date and time of the EGM: 30 December 2013 (Monday) at 10:00 a.m..
4. Manner of holding the EGM: physical meeting.
5. Place of the EGM: Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.

#### II. MATTERS TO BE CONSIDERED AT THE EGM

##### (1) To be considered and approved by way of ordinary resolutions:

1. The resolution on adjustment to financial budget report of the Company for year 2013.
2. The resolution in relation to the Purchase and Sale Connected Transactions Agreement entered into between the Company, Guangzhou Pharmaceuticals Corporation and Hutchison Whampoa Guangzhou Baiyunshan Chinese Medicine Company Limited.

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## NOTICE OF EGM

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3. The resolution in relation to the distribution of special dividend.
4. The resolution in relation to the amendments to the Rules of Procedures for the General Meeting of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited.
5. The resolution in relation to the amendments to the Rules of Procedures for the Board Meeting of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited.

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

The resolution in relation to the proposed amendments to the Articles of Association of the Company.

The above resolutions were considered and passed at the 26th meeting of the fifth session of the Board and the 19th meeting of the fifth session of the supervisory committee held on 30 August 2013, and the 28th meeting of the fifth session of the Board held on 30 October 2013.

### **III. ATTENDEES OF THE EGM**

1. Holders of domestic shares (A shares) and overseas listed foreign capital shares (H shares) whose names appeared on the register of members of the Company at the close of business on 29 November 2013 (Friday) (including those overseas shareholders who have already submitted documents on shares transfer applications on or before 29 November 2013) are entitled to attend the EGM. The register of members of the Company will be closed from 30 November 2013 (Saturday) to 30 December 2013 (Monday) (both days inclusive) during which no transfer of H shares will be effected. In order to determine who are entitled to attend the EGM, 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, for share transfer registration not later than 4:30 p.m. on 29 November 2013 (Friday).
2. Any shareholder entitled to attend and vote at the EGM 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 appoint more than one proxy, the proxy(ies) can only vote by poll. To be valid, the proxy form and the notarially certified power of attorney or other documents of authorization (if any) must be delivered to the Company's office address not less than 24 hours before the time appointed for the holding of the EGM or its any adjournment thereof.
3. Shareholders who intend to attend the EGM 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 9 December 2013 (Monday).

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## NOTICE OF EGM

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4. The directors, supervisors and senior management of the Company.
5. The legal adviser of the Company.

### IV. REGISTRATION FOR THE EGM

1. To attend the EGM, an individual shareholder should bring along his/her identity card, the 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. A legal person shareholder shall bring along a copy of the business license, the proxy form signed by the legal representative of that legal person, the shareholder account card and the identity card of the attendee. Shareholders outside Guangzhou can make registration by E-mail, telephone or fax.

2. Place and time of registration:

Registration date and time: 9:00 a.m. to 11:30 a.m. and 2:30 p.m. to 4:30 p.m. on 9 December 2013 (Monday)

Place of registration: The Secretariat of the Company, 2nd Floor, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC

### V. OTHERS

1. Address: 2nd Floor, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC  
  
Postal code: 510130  
  
Contact person: Pang Jianhui, Huang Xuezheng  
Tel: 8620-8121 8117/8121 8119  
Fax: 8620-8121 6408  
E-mail: sec@gpc.com.cn/pangjh@gpc.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  
  
Address of Hong Kong Registrars Limited: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
3. The EGM is expected to last for a half day. Shareholders attending the meeting shall be responsible for their own travelling and accommodation expenses.

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## NOTICE OF EGM

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4. Reporters attending the EGM shall register in advance during the shareholders' registration time.

### VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions and announcements of resolutions passed at the 26th and the 28th meeting of the fifth session of the Board of the Company.
2. Resolutions and announcement of resolutions passed at the 19th meeting of the fifth session of the supervisory committee of the Company.

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

Guangzhou, the PRC, 6 November 2013

*As at the date of this notice, the Board comprises Mr. Li Chuyuan, Ms. Cheng Ning and Mr. Wu Changhai as executive directors, and Mr. Liu Jinxiang, Mr. Li Shanmin, Mr. Zhang Yonghua, Mr. Wong Lung Tak Patrick and Mr. Qiu Hongzhong as independent non-executive directors.*