

*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)

## **ANNOUNCEMENT IN RELATION TO THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Board hereby announces that at its meeting held on the date of this announcement, it has approved the proposed amendments to the Articles of Association.

The proposed amendments to the Articles of Association are subject to the Shareholders' approval at the EGM.

The Board hereby announces that at its meeting held on the date of this announcement, it has approved the proposed amendments to the Articles of Association, details of which are set out below.

### **1. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

#### **Proposed new provisions:**

#### Article 6

All of the assets of the Company shall be divided into shares of equal value. The shareholders shall be liable to the extent of the shares subscribed and the Company shall be liable for its debts to the extent of all of its assets.

#### Article 9

Other senior management referred to in the Articles of Association means the deputy manager of the Company, secretary to the Board and the financial controller of the Company.

#### Article 18

Domestic shares issued by the Company are deposited and under the custody of China Securities Depository and Clearing Corporation Limited.

## Article 51

If a resolution of a general meeting of shareholders or a resolution of the Board violates the laws and administrative regulations, shareholders shall have the right to request a people's court to declare that such resolution as invalid.

If the procedure for convening a general meeting of shareholders or Board meeting, or the method of voting at either meeting, violates the laws, administrative regulations or the Articles of Association, or the contents of a resolution violates the Articles of Association, shareholders shall have the right to request a people's court to rescind the resolution within sixty days from the date on which the resolution is passed.

## Article 55

Where the shareholdings of a shareholder is more than 5%, and any such shares carry voting rights of the Company, if the shareholders charges such shares held by him, he shall submit a written report to the Company upon the date on which the shares are charged.

## Article 65

The supervisory committee is entitled to propose in writing to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply to the Supervisory Committee stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after having received such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, it shall serve the notice of such meeting within five days after the relevant Board resolution is passed. Consent of the supervisory committee shall be obtained in the event of any changes made to the original proposal in the notice.

In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any written reply to the Supervisory Committee within ten days after having received such proposal, the Board is deemed to be unable or unwilling to perform the duty of convening a general meeting, in which case the supervisory committee may convene and preside over such meeting by itself.

## Article 66

Any shareholder(s) who individually or jointly more than 10% of the shares of the Company is/are entitled to propose in writing to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply to the relevant shareholders stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days after having received such proposal.

In the event that the Board agrees to convene an extraordinary general meeting, it shall serve the notice of such meeting within five days after the relevant Board resolution is passed. Consent of the relevant shareholders shall be obtained in the event of any changes made to the original proposal in the notice.

In the event that the Board does not agree to convene an extraordinary general meeting or does not furnish any written reply to the relevant shareholders within ten days after having received such proposal, any shareholder(s) who individually or jointly more than 10% of the shares of the Company is/are entitled to propose to the supervisory committee to convene an extraordinary general meeting.

In the event that the supervisory committee agrees to convene an extraordinary general meeting, it shall serve the notice of such meeting within five days after having received such proposal. Consent of the relevant shareholders shall be obtained in the event of any changes made to the original proposal in the notice.

In the event that the supervisory committee does not serve any notice of an extraordinary general meeting within the prescribed period, the supervisory committee is deemed not to convene and preside over such meeting, in which case the shareholder(s) who individually or jointly more than 10% of the shares of the Company for more than ninety consecutive days may convene and preside over such a meeting by himself/themselves.

Clause (1) of Article 73:

The Board, the supervisory committee and shareholder(s) who individually or jointly hold more than 3% of the total number of the shares of the Company is entitled to propose resolutions to the Company to be decided at the general meeting of shareholders convened by the Company.

Article 217

(II) The management of the Company shall make reasonable proposals on profit distribution to the Board based on, among other things, the provisions of the Articles of Association, size of share capital, profits, investment arrangements, capital needs, cash flow and returns to the shareholders of the Company. The Board should fully and widely listen to the opinions of the independent directors and minority shareholders with respect to the profit distribution proposal through multiple channels and propose detailed annual or interim profit distribution plans which are scientific and reasonable. The independent directors shall fully express their independent opinions with respect to such profit distribution plan(s).

When the profit distribution plan(s) is being considered by the Board, it shall be approved by the majority of all directors and approved by more than one half of the independent directors who are also required to express their explicit independent opinions. When the profit distribution plan(s) is being considered by the supervisory committee, it shall be approved by the majority of all supervisors. The profit distribution plan(s) should only be submitted to the shareholders' meeting for consideration and approval after it has been considered and approved by the Board and the supervisory committee and the plan(s) shall be approved by shareholders present at the general meeting and who hold more than two-thirds of the voting rights.

(IV) The Company shall expressly disclose the details about the formulation and implementation of the cash dividend policy in its annual report, and state the details of the following matters:

1. Whether the policy is in compliance with the requirements of the Articles of Association or the resolutions passed at the general meeting;
2. Whether the basis and ratio of the distribution of dividends are specific and clear;
3. Whether the relevant decision making procedure and system are sound;
4. Whether the independent directors have duly performed their duties and functions;
5. Whether there are enough opportunities for minority shareholders to express their views and concerns, and whether their legal interests are sufficiently protected, etc.

If the cash dividend policy is to be adjusted or changed, the Company shall disclose the details of such policy, such as whether the conditions and procedures for the adjustments or changes are in compliance with the regulations and are transparent.

**Proposed amendments:**

The original Article 55 is partially amended as follows:

Article 60

- (2) to elect and replace directors who are not the employees' representatives and to decide matters relating to the remuneration of directors;
- (3) to elect and replace supervisors who are not the employees' representatives and to decide matters relating to the remuneration of supervisors;

The original Article 58 is partially amended as follows:

Article 63

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

The original Article 66(2) is amended as follows:

Article 73(2)

Shareholders(s) who individually or jointly hold 3% or more of the shares of the Company, and if any such shares carry voting rights of the Company, is/are entitled to proposed additional resolutions in writing to the convener ten days before the shareholders' meeting is held. The convener shall issue a supplemental notice of meeting with two days after receiving such proposal specifying the contents of such proposal, and, if such proposals are within the scope of the meeting, include such proposals in the agenda of the meeting.

The original Article 81 is partially amended as follows:

Article 88

Such registration shall be ceased prior to the announcement by the chairman of the general meeting of the number of shareholders and their proxies present at the meeting and the total number of their respective voting shares.

The original Article 82 is amended as follows:

Article 89

The Company shall, on the condition that the shareholders' meeting is legally and validly held, use all means and methods as far as the conditions permit, give first priority to the use of modern information technology to provide a network voting platforms to domestic shareholders in order to increase participation of public shareholders at general meetings.

The original Article 84 is amended as follows:

#### Article 91

The Board, independent directors and eligible shareholders are entitled to solicit proxy from shareholders publicly. While soliciting proxy of shareholders, sufficient disclosure of information such as the specific voting preference shall be made to the shareholders from whom proxy is being solicited. No consideration or other form of actual consideration shall be involved in the solicitation of proxy from shareholders. The Company shall not impose any limitation related to the minimum shareholding ratio on the solicitation of proxy.

The original Article 86 is amended as follows:

#### Article 93

For the purpose of voting at a general meeting, a shareholder (including proxy) exercises his/her voting rights in accordance with the number of shares carrying voting rights represented by him. Each share has one vote.

Where material issues considered at a general meeting affect the interests of minority investors, the votes of minority investors shall be counted separately. The results of the separate votes shall be disclosed publicly in a timely manner.

No voting rights shall attach to the Company shares held by the Company, and such shares shall not be counted among the total number of shares with voting rights present at a general meeting.

#### **Remove Article 97**

**Upon this revision, the Articles of Association and the serial number referring to the original provisions will be reordered according to the amendments made.**

#### **Reasons for the proposed amendments to the Articles of Association**

Pursuant to the relevant requirements under the “Guidelines for the Articles of Association of Listed Companies (2014 revision)”(《上市公司章程指引(2014年修訂)》), the “Listed Companies Regulatory Guidelines No.3 — Cash Dividends Distribution of Listed Companies (the Announcement of China Securities Regulatory Commission [2013] No. 43)”(《上市公司監管指引第3號——上市公司現金分紅(中國證券監督管理委員會公告[2013]43號)》) and the “Rules Governing the Procedures for the General Meeting of Shareholders for Listed Companies (2014 Revision)”(《上市公司股東大會規則(2014年修訂)》) issued by the China Securities Regulatory Commission, and taking into consideration of the actual circumstances of the Company, the amendments as described above are proposed to be made to certain provisions of the Article of Association of the Company.

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.

## 2. EGM

The proposed amendments to the Articles of Association are subject to the Shareholders' approval at the EGM. Please refer to the relevant circular and notice of the EGM to be issued by the Company for details.

## DEFINITIONS

Unless the context otherwise requires, the following terms have the following meaning when used in this announcement:

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Company”	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (廣州白雲山醫藥集團股份有限公司), a joint stock company with limited liability established in the People's Republic of China, whose H shares and A shares are listed on The Stock Exchange of Hong Kong Limited and The Shanghai Stock Exchange respectively
“Directors”	the directors of the Company
“Supervisors”	the supervisors of the Company
“EGM”	the first extraordinary general meeting of the Company in 2015 to be held for the purpose of inter alia, for the Shareholders to consider and, if thought fit, approve the proposed amendments to the Articles of Association described in this announcement
“Shareholders”	holders of the shares of the Company

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

Guangzhou, the PRC, 12 January 2015

*As at the date of this announcement, the board of directors 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. Fang Shuting and Mr. Chu Xiaoping as independent non-executive Directors.*