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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 FIRST EXTRAORDINARY GENERAL MEETING IN 2015

IMPORTANT NOTICE

- Date and time of the first extraordinary general meeting (the “EGM”) on-site: 13 March 2015 (Friday) at 10:00 a.m.
- The registration date of the EGM: 10 February 2015 (Tuesday)
- 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: the EGM will be held both on-site and by way of network voting (applicable to A shares)

I. INFORMATION REGARDING THE CONVENING OF THE EGM

1. The resolutions to convene the EGM were considered and passed at the 8th meeting of the sixth session of the board of directors of the Company (the “Board”);
2. Date and time of the EGM: Friday, 13 March 2015 at 10:00a.m.
3. Place of the EGM: Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.
4. The Convener of the meeting: the Board.
5. Manner of voting: the manner of voting in the EGM will be both on-site and by way of network voting (applicable to A shares).

6. The system, commence date, ending date and voting time of the network voting (applicable to A shares):

The Company shall offer a network voting system of The Shanghai Stock Exchange (the “SSE”), the time for casting votes via the voting platform of the trading system is the trading sessions on the date on which the EGM is held (13 March 2015) i.e. 9:15 to 9:25, 9:30 to 11:30, 13:00 to 15:00. The time for casting votes via network voting is 9:15 to 15:00 on the date on which the EGM is held.

7. The nominal holders, security companies who hold the customer credit guarantee securities account for margin trading, the securities finance companies who hold the refinancing guarantee securities account, qualified foreign institutional investors (QFII) and Hong Kong Securities Clearing Co. Ltd. who hold the stocks of SH Equities (“滬股通”), would exercise their voting rights should request for the voting comments from the actual holder. Investors should request for the voting comments to the EGM from the actual holder via EGM voting comment collecting system of SSE INFONET Ltd. (www.sseinfo.com). The time for collecting is 9:15 to 15:00 on one trading day before the first voting day of the EGM.

II. MATTERS TO BE CONSIDERED AT THE EGM

1. To be considered by way of ordinary resolutions:
 - (1) Resolution on the Company’s compliance with the conditions to the non-public issue of A Shares;
 - (2) Resolution on “Employee Stock Ownership Scheme (2015) (Draft) of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (By Way of Subscribing Non-public Issue of A Shares)”;
 - (3) Resolution on the connected transaction relating to the non-public issue of A Shares of the Company;
 - (4) Resolution on the feasibility report for the use of proceeds raised by the non-public issue of A Shares of the Company;
 - (5) Resolution on the report of use of proceeds raised in the previous fund raising of the Company;
 - (6) Resolution on the establishment of special saving account for proceeds raised by the Company;
 - (7) Resolution on formulation of management measures for proceeds raised by the Company;

- (8) Resolution on waiving the obligations of Guangzhou Pharmaceutical Holdings Limited and persons acting in concert from making an offer to increase their shareholdings in Company pursuant to the relevant PRC takeover laws and regulations;
- (9) Resolution on granting of the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers to the Guangzhou Pharmaceutical Holdings Limited and persons acting in concert from the obligation to make a general offer;

Subject to (i) the granting of the whitewash waiver (“Whitewash Waiver”) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any delegate of such Executive Director) pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers in respect of the obligation on Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司), Guangzhou State-owned Asset Development Holdings Limited (廣州國資發展控股有限公司) and Guangzhou China Life Insurance Urban Development Industry Investment Enterprises (Limited Partnership) (廣州國壽城市發展產業投資企業(有限合夥)) and the respective parties acting or presumed to be acting in concert with them to make a mandatory general offer to the Shareholders of the Company for all issued Shares not already owned by them under Rule 26 of the Hong Kong Code on Takeovers and Mergers as a result of the issue of the new A shares of the Company and the Whitewash Waiver not having been withdrawn or revoked and (ii) satisfaction of all conditions (if any) attached to the Whitewash Waiver by the Executive Director, the Whitewash Waiver be and is hereby approved.

- (10) Resolution on conferring full powers on the Board and persons authorised by the Board to handle matters relating to the non-public issue of A Shares with full authorization;
- (11) Resolution on conferring full powers on the Board and persons authorised by the Board to handle matters relating to Employee Stock Ownership Scheme (2015);
- (12) Resolution on nominating independent non-executive director candidate of the Board of Directors;

Nomination of Mr. Jiang Wenqi as a candidate for election as an independent non-executive director of the sixth session of the Board (the profile of whom was set out in the announcement made on The Stock Exchange of Hong Kong Limited, pursuant to an overseas regulatory announcement dated 12 January 2015 in relation to resolutions passed at the 8th meeting of the sixth session of the Board), whose term of office will be ended on the date on which the members of the new session of the Board are elected.

Voting on this resolution will be by way of cumulative voting.

- (13) Resolution on amendments to The Rules of Procedures of the General Meetings of the Shareholders of the Company.

2. To be considered by way of special resolutions:

(1) Resolution on the proposal of non-public issue of A Shares of the Company;

1.01 Class and par value

1.02 Method and time

1.03 Subscribers

1.04 Method of subscription

1.05 Price and pricing principle

1.06 Number of Shares to be issued

1.07 Lock-up Period

1.08 Fund raising size and use of proceeds

1.09 Arrangement of the accumulated undistributed profit

1.10 Effective period of the shareholders' resolutions

1.11 Place of listing

(2) Resolution on the plan of non-public issue of A Shares of the Company;

(3) Resolutions on the conditional subscription agreements between the Company and specific investors relating to the non-public issue of A Shares;

3.01 Resolution on approving the subscription agreement dated 12 January 2015 entered between the Company and Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司) in relation to (i) the subscription of a maximum of 146,596,236 new A Shares of the Company by Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司) at the subscription price of RMB23.84 each; (ii) the undertaking by Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司) to subscribe for all the under-subscribed A shares under the subscription agreement mentioned in 3.02 below and the transactions contemplated thereunder.

3.02 Resolution on approving the subscription agreement dated 12 January 2015 entered between the Company and China Universal Asset Management Company Limited (匯添富基金管理股份有限公司) in relation to the subscription of a maximum of 21,189,000 new A Shares of the Company by the funds in the special investment account of the asset management scheme named China Universal Asset-Private Placement Prosperous Age Exclusive Account No. 66 Asset Management Scheme (添富一定增盛世專戶 66號資產管理計劃) entrusted to China Universal Asset Management Company Limited (匯添富基金管理股份有限公司) for its management at the subscription price of RMB23.84 each and the transactions contemplated thereunder.

- 3.03 Resolution on approving the subscription agreement dated 12 January 2015 entered between the Company and Guangzhou China Life Insurance Urban Development Industry Investment Enterprises (Limited Partnership) (廣州國壽城市發展產業投資企業(有限合夥)) in relation to the subscription of a maximum of 104,865,771 new A Shares of the Company by Guangzhou China Life Insurance Urban Development Industry Investment Enterprises (Limited Partnership) (廣州國壽城市發展產業投資企業(有限合夥)) at the subscription price of RMB23.84 each and the transactions contemplated thereunder.
- 3.04 Resolution on approving the subscription agreement dated 12 January 2015 entered between the Company and Guangzhou State-owned Asset Development Holdings Limited (廣州國資發展控股有限公司) in relation to the subscription of a maximum of 125,838,926 new A Shares of the Company by Guangzhou State-owned Asset Development Holdings Limited (廣州國資發展控股有限公司) at the subscription price of RMB23.84 each and the transactions contemplated thereunder.
- 3.05 Resolution on approving the subscription agreement dated 12 January 2015 entered between the Company and Shanghai Yunfeng Xinchuang Investment Management Company Limited (上海雲鋒新創投資管理有限公司) in relation to the subscription of a maximum of 20,973,154 new A Shares of the Company by the special investment vehicle established and managed by Shanghai Yunfeng Xinchuang Investment Management Company Limited (上海雲鋒新創投資管理有限公司) at the subscription price of RMB23.84 each and the transactions contemplated thereunder.
- (4) Resolution on granting general mandate to the Board for issuing additional H Shares of the Company:

Approving the grant to the board of directors of the Company a general and unconditional approval to exercise all powers of the Company to allot, issue and deal with the new H Shares of the Company (not exceeding 20% of the aggregate number of H Shares of the Company in issue at the date of passing this special resolution) during the period from the date of passing this special resolution until the earliest of the following: (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the 12-month period from the date of passing of this special resolution; or (iii) the date on which the authority granted to the board of directors of the Company set out in this special resolution is revoked or varied by a special resolution of the Shareholders of the Company in a general meeting and the authorisation to the board of directors of the Company to increase the registered capital of the Company to reflect the issue of new H Shares in the Company and to make such appropriate and necessary amendments to the articles of association of the Company to reflect such changes in the registered capital and shareholding structure of the Company, to fulfill relevant approval, registration and filing procedures pursuant to domestic and foreign legal requirements and to take any other necessary action and complete any formality required to effect the issue of new H Shares pursuant and the increase of the registered capital of the Company.

- (5) Resolution on amending the period of the performance of the undertaking of Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司) in relation to the injection of, inter alia, the “Wang Lao Ji” trademarks;
- (6) Resolution on amendments to the articles of association of the Company.

The above resolutions were approved at the 8th meeting of the sixth session of the Board held on 12 January 2015.

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 in the afternoon on Tuesday, 10 February 2015 (including those holders of H shares who have already successfully submitted documents of shareholding transfer applications on or before Tuesday, 10 February 2015) are entitled to attend the EGM. The register of members of the Company will be closed from 11 February 2015 (Wednesday) to 13 March 2015 (Friday) (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 4:00 p.m. on Tuesday, 10 February 2015.
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 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 or other documents of authorization (if any) must be delivered to the Company’s office address no 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 17 February 2015 (Tuesday).
4. The directors, supervisors and senior management of the Company.
5. The lawyers of the Company.

IV. REGISTRATION FOR THE EGM

A. Methods of registration

1. On-site registration

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 for registration purpose. A legal person shareholder shall 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. Shareholders outside Guangzhou can register by mail, telephone or fax.

2. Registration for network voting (applicable to A Shares)

Securities investments funds voting at the EGM via network voting shall make filings at the network voting shareholders' accounts of the SSE Infonet Company Limited within two working days after the shareholding registration date of the EGM.

B. Place and time of registration:

Registration date and time: 09:30a.m.-11:30a.m., 1:00p.m.-3:00p.m. on 17 February 2015 (Tuesday)

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 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: Chen Jing/Huang Ruimei

Tel: (8620)-6628 1217/6628 1220/6628 1218

Fax: (8620)-6628 1229

Email: sec@gybys.com.cn/chenj@gybys.com.cn

2. Address of Shanghai Branch Company of China Securities Depository and Clearing Corporation Limited: 3/F., China Insurance Building, No. 166 Lujiazui Road East, Shanghai, the PRC
- Address of Hong Kong Registrars Limited: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
3. The EGM is expected to last for one day. Shareholders attending the meeting shall be responsible for their own travelling and accommodation expenses.
4. Reporters attending the EGM shall register in advance during the shareholder registration time.

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions and announcement of resolutions passed at the 8th meeting of the sixth session of the Board of the Company.
2. Resolutions and announcement of resolutions passed at the 6th meeting of the sixth session of the Supervisory Committee of the Company.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 19 January 2015

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. Fang Shuting and Mr. Chu Xiaoping as independent non-executive directors.

Attachment

Procedures for Network Voting by A Shareholders

Voting date: Friday, 13 March 2015 from 9:15a.m.-9:25a.m., 9:30a.m.-11:30a.m.. 1:00p.m.-3:00p.m.
Total resolutions to be proposed: 19

A. Voting Procedures

1. Voting code

Voting code on Shanghai Stock Exchange	Voting abbreviation on Shanghai Stock Exchange	Number of Resolutions to be voted	Descriptions
738332	BAIYUNSHAN	19	A share

2. Voting Method

(1) One-off voting

In case a one-off voting for all matters is required, please vote in the following manner:

Serial number of voting	Content	Voting code	Quoted price	For	Against	Abstain
1-19	All 19 resolutions to be proposed in the general meeting	738332	99.00	1 share	2 shares	3 shares

(2) Separate voting on each resolution

In case a separate vote is required for each resolution, please vote in the following manner:

	Resolutions	Voting code	Quoted price	For	Against	Abstain
	Total resolutions (to vote for the 1 to 19 resolutions)	738332	99.00			
1	Resolution on the proposal of non-public issue of A Shares of the Company		1.00			
1.01	Class and par value		1.01			
1.02	Method and time		1.02			
1.03	Subscribers		1.03			
1.04	Method of subscription		1.04			
1.05	Price and pricing principle		1.05			
1.06	Number of Shares to be issued		1.06			
1.07	Lock-up Period		1.07			
1.08	Fund raising size and use of proceeds		1.08			
1.09	Arrangement of the accumulated undistributed profit		1.09			
1.10	Effective period of the shareholders' resolutions		1.10			
1.11	Place of listing		1.11			
2	Resolution on the plan of non-public issue of A Shares of the Company		2.00			
3	Resolution on the Company's compliance with the conditions to the non-public issue of A Shares		3.00			
4	Resolution on "2015 Employees Shares Ownership Scheme (Draft) of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (By Way of Subscribing Non-public Issue of A Shares)"		4.00			
5	Resolution on the connected transaction relating to the non-public issue of A Shares of the Company		5.00			

	Resolutions	Voting code	Quoted price	For	Against	Abstain
6	Resolution on the conditional subscription agreements between the Company and specific investors relating to the non-public issue of A Shares		6.00			
6.01	Resolution on approving the subscription agreement entered into between the Company and Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司)		6.01			
6.02	Resolution on approving the subscription agreement entered into between the Company and China Universal Asset Management Company Limited (匯添富基金管理股份有限公司)		6.02			
6.03	Resolution on approving the subscription agreement entered into between the Company and Guangzhou China Life Insurance Urban Development Industry Investment Enterprises (Limited Partnership) (廣州國壽城市發展產業投資企業(有限合夥))		6.03			
6.04	Resolution on approving the subscription agreement entered into between the Company and Guangzhou State-owned Asset Development Holdings Limited (廣州國資發展控股有限公司)		6.04			
6.05	Resolution on approving the subscription agreement entered into between the Company and Shanghai Yunfeng Xinchuang Investment Management Company Limited (上海雲鋒新創投資管理有限公司)		6.05			
7	Resolution on the feasibility report for the use of proceeds raised by the non-public issue of A Shares of the Company		7.00			

	Resolutions	Voting code	Quoted price	For	Against	Abstain
8	Resolution on the report of use of proceeds raised in the previous fund raising of the Company		8.00			
9	Resolution on the establishment of special saving account for proceeds raised by the Company		9.00			
10	Resolution on formulation of management measures for proceeds raised by the Company		10.00			
11	Resolution on waiving the obligations of Guangzhou Pharmaceutical Holdings Limited and persons acting in concert from making an offer to increase their shareholdings in the Company pursuant to the relevant PRC takeover laws and regulations		11.00			
12	Resolution on granting of the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers to the Guangzhou Pharmaceutical Holdings Limited and persons acting in concert from the obligation to make a general offer		12.00			
13	Resolution on conferring full powers on the Board and persons authorised by the Board to handle matters relating to the non-public issue of A Shares		13.00			
14	Resolution on conferring full powers on the Board and persons authorised by the Board to handle matters relating to Employee Stock Ownership Scheme (2015)		14.00			
15	Resolution on granting general mandate to the Board for issuing additional H Shares of the Company		15.00			

	Resolutions	Voting code	Quoted price	For	Against	Abstain
16	Resolution on amending the period of the performance of the undertaking of Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司) in relation of the injection of, inter alia, the “Wang Lao Ji” trademarks		16.00			
17	Resolution on amendments to the articles of association of the Company		17.00			
18	Resolution on amendment of The Rules of Procedure of the General Meeting of Shareholders of the Company		18.00			
19	Resolution on nomination of Mr. Jiang Wenqi as a candidate for election as a non-executive director of the sixth session of the Board, whose term of office will be ended on the date on which the members of the new session of the Board are elected.		19.00			

3. To fill in the intention of the vote for the “number of shares to be voted”

Intention	Number of shares to be voted
For	1
Against	2
Abstain	3

B. Examples For Voting

1. Following the closing of trading of the A shares on 10 February 2015, which is the registration date for entitlements, any holder of A shares of a company shall fill in “99.00” and “1 share” under the quoted price and the number of shares to be voted if they intend to vote in favor of all resolutions to be proposed during the network voting, and shall vote in the following manner:

Voting code	Buy or Sell	Trading price	Number of shares to be traded
738332	Buy	99.00	1 share

2. If any holder of A shares would like to vote separately for the resolutions to be proposed in the extraordinary general meeting with the intention to vote in favor of the proposed Resolution 1, “Resolution on the proposal of non-public issue of A Shares of the Company”, during the network voting, he shall vote in the following manner:

Voting code	Buy or Sell	Trading price	Number of shares to be traded
738332	Buy	1.00	1 share

3. If any holder of A shares would like to vote separately for the resolutions to be proposed in the extraordinary general meeting with the intention to vote against the proposed Resolution 1, “Resolution on the proposal of non-public issue of A Shares of the Company”, during the network voting, he shall vote in the following manner:

Voting code	Buy or Sell	Trading price	Number of shares to be traded
738332	Buy	99.00	2 shares

4. If any holder of A shares would like to vote separately for the resolutions to be proposed in the extraordinary general meeting with the intention to abstain from voting to the proposed Resolution 1, “Resolution on the proposal of non-public issue of A Shares of the Company”, during the network voting, he shall vote in the following manner:

Voting code	Buy or Sell	Trading price	Number of shares to be traded
738332	Buy	99.00	3 shares

C. Matters need to be brought to attention for voting

1. In view of the massive number of resolutions to be voted, it is suggested that a holder of A shares shall take a vote by proxy directly with quoted price of \$99.00 if he would like to vote for or against or abstain from voting to all resolutions. The holder of A shares may decide the sequence of voting for various resolutions to be voted in the extraordinary general meeting. Any vote shall not be withdrawn.
2. Each shareholder shall only vote once for each resolution. If more than one vote (including votes made in person, by proxy or through network voting) is taken, the vote which was first made shall be counted.
3. During the network voting period, if the network voting system is affected by a major event, the extraordinary general meeting will be convened according to the notice on the day.
4. In case that various matters are to be voted in the extraordinary general meeting, the A shareholder who takes a vote on an individual or several resolution(s) online would be deemed as having been present at the extraordinary general meeting and the number of votes held by him would be counted in the quorum of the extraordinary general meeting. The shareholders who have not voted or where their voting failed to satisfy the requirement of “The Implementation Rules for the Online Voting in the General Meeting for Listed Companies on the Shanghai Stock Exchange (《上海證券交易所上市公司股東大會網絡投票實施細則》)” would be deemed as having abstained from voting.