
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Supplemental 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 Supplemental Circular accompanying with the Second Form of Proxy (AGM) 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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廣州白雲山医药集团股份有限公司

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)

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO SHAREHOLDERS
DATED 13 MAY 2020**

- (1) PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS;
(2) PROPOSED ELECTION AND RE-ELECTION OF SUPERVISORS;
AND
(3) SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING**
-

Capitalised terms used in this cover page have the same meanings as those defined in this Supplemental Circular.

This Supplemental Circular should be read in conjunction with the First Circular.

A notice convening the AGM was set out in the First Circular. A Supplemental Notice of the AGM is set out on pages 25 to 30 of this Supplemental Circular. Notice of the Class Meeting of the Holders of H Shares was set out on pages 21 to 24 of the First Circular.

11 additional resolutions for the proposed election of Directors and relevant emoluments payable and two additional resolutions for the proposed election of Supervisors and relevant emoluments payable will be proposed at the AGM, details of which are set out in this Supplemental Circular. There will also be one resolution on the emoluments payable to the Supervisor representing the employees to be proposed at the AGM. The Second Form of Proxy (AGM) for the use at the AGM which contains the additional resolutions to be proposed at the AGM is enclosed herewith. The Second Form of Proxy (AGM) enclosed with this Supplemental Circular shall supersede the First Form of Proxy (AGM) enclosed with the First Circular. Whether or not you intend to attend the AGM, please complete and return the Second Form of Proxy (AGM) 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) 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 the AGM. Completion and return of the Second Form of Proxy (AGM) will not preclude you from attending and voting in person at the AGM should you so wish and in such event, the Second Form of Proxy (AGM) shall be deemed to have been revoked.

12 June 2020

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Appendix I – Information on the Directors Candidates	13
Appendix II – Information on the Supervisors Candidates	22
Supplemental notice of the AGM	25

DEFINITIONS

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

“A Shares”	RMB-denominated domestic shares in the share capital of the Company with a nominal value of RMB1.00 each and are listed on the SSE
“AGM”	the annual general meeting of the Company for year 2019 to be held on Monday, 29 June 2020 at 10:00 a.m., including any adjournment thereof
“Appraisal Measures”	Compensation and Performance Appraisal Measures for Senior Management of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited* (《廣州白雲山醫藥集團股份有限公司高級管理人員的薪酬及績效考核辦法》)
“Articles of Association”	the articles of association of the Company
“associate”	as defined under the HKLR
“Baiyunshan”	Guangzhou Baiyunshan Pharmaceutical Co., Ltd. (廣州白雲山製藥股份有限公司)
“Baiyunshan Chinese Medicine Factory”	Guangzhou Baiyunshan Chinese Medicine Factory (廣州白雲山中藥廠)
“Baiyunshan Enterprise”	Guangzhou Baiyunshan Enterprise Group Co., Ltd. (廣州白雲山企業集團有限公司)
“Baiyunshan General Factory”	Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. Baiyunshan Pharmaceutical General Factory (廣州白雲山醫藥集團股份有限公司白雲山製藥總廠)
“Baiyunshan Medical and Healthcare Industry Company”	Guangzhou Baiyunshan Medical and Healthcare Industry Investment Co., Ltd. (廣州白雲山醫療健康產業投資有限公司)
“Board”	the board of Directors
“Cai Zhi Lin”	Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd. (廣州采芝林藥業有限公司)
“Class Meeting of the Holders of A Shares”	the first class meeting of the holders of the A Shares in 2020 to be held on Monday, 29 June 2020, including any adjournment thereof, for the purpose of considering the Proposed Amendment

DEFINITIONS

“Class Meeting of the Holders of H Shares”	the first class meeting of the holders of the H Shares in 2020 to be held on Monday, 29 June 2020, including any adjournment thereof, for the purpose of considering the Proposed Amendment
“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 HKEX and the SSE respectively
“controlling shareholder”	as defined under the HKLR
“Directors”	the directors of the Company from time to time
“Directors Candidate”	a candidate proposed to be elected as a Director at the AGM
“First Circular”	the circular of the Company dated 13 May 2020 in relation to, among other things, the AGM and the Class Meeting of the Holders of H Shares
“First Form of Proxy (AGM)”	the form of proxy for the AGM accompanying the First Circular
“First Form of Proxy (H Shares Class Meeting)”	the form of proxy for the Class Meeting of the Holders of H Shares accompanying the First Circular
“First Notice (AGM)”	the notice of the AGM dated 12 May 2020 set out in the First Circular
“GP Corp.”	Guangzhou Pharmaceuticals Company Limited (廣州醫藥股份有限公司)
“GPC”	Guangzhou Pharmaceutical Company Limited (廣州藥業股份有限公司)
“GPHL”	Guangzhou Pharmaceutical Holdings Limited (廣州醫藥集團有限公司)
“Group”	the Company and its subsidiaries
“Guang Hua”	Guangzhou Baiyunshan Guang Hua Pharmaceutical Co., Ltd. (廣州白雲山光華製藥股份有限公司)
“Guangxi Ying Kang”	Guangxi Baiyunshan Yingkang Pharmaceutical Company Limited (廣西白雲山盈康藥業有限公司)

DEFINITIONS

“Guangyao Baiyunshan Hong Kong Company”	Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited (廣藥白雲山香港有限公司)
“Guangyao General Institute”	Guangzhou Pharmaceutical Research General Institute (廣州醫藥研究總院有限公司)
“Guangyao Group (Macau)”	Guangyao Group (Macau) International Development Industry Co., Ltd. (廣藥集團(澳門)國際發展產業有限公司)
“Guangyao (Zhuhai Hengqin)”	Guangyao (Zhuhai Hengqin) Pharmaceutical Industry Park Co., Ltd. (廣藥(珠海橫琴)醫藥產業園有限公司)
“Guangyao International (Zhuhai Hengqin)”	Guangyao International (Zhuhai Hengqin) Traditional Chinese Medicine Industry Co., Ltd. (廣藥國際(珠海橫琴)中醫藥產業有限公司)
“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)
“H Shares”	overseas listed foreign shares in the share capital of the Company with a nominal value of RMB1.00 each and are listed on the HKEX
“Haima Company”	Guangzhou Haima Pharmaceutical Advertising Co., Ltd. (廣州醫藥海馬品牌整合傳播有限公司)
“HKEX”	The Stock Exchange of Hong Kong Limited
“HKLR”	The Rules Governing the Listing of Securities on the HKEX
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HWBYS”	Hutchison Whampoa Guangzhou Baiyunshan Chinese Medicine Company Limited (廣州白雲山和記黃埔中藥有限公司)
“Jing Xiu Tang”	Guangzhou Baiyunshan Jing Xiu Tang Pharmaceutical Co., Ltd. (廣州白雲山敬修堂藥業股份有限公司)
“LPD”	8 June 2020, being the latest practicable date prior the printing of this Supplemental Circular for the purpose of ascertaining certain information contained in this Supplemental Circular
“Medical Instrument Investment Company”	Guangzhou Baiyunshan Medical Instrument Investment Company (廣州白雲山醫療器械投資有限公司)
“Ming Xing”	Guangzhou Baiyunshan Ming Xing Pharmaceutical Co., Ltd. (廣州白雲山明興製藥有限公司)

DEFINITIONS

“Nomination and Remuneration Committee”	the nomination and remuneration committee of the Company
“Nuo Cheng”	Guangzhou Nuo Cheng Biological Products Co., Ltd. (廣州諾誠生物製品股份有限公司)
“Placing Circular”	the circular of the Company dated 26 February 2015
“PRC”	the People’s Republic of China, which for the purposes of this Supplemental Circular, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Proposed Amendment”	as defined in the First Circular
“Qi Xing”	Guangzhou Baiyunshan Qi Xing Pharmaceutical Co., Ltd. (廣州白雲山奇星藥業有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Second Form of Proxy (AGM)”	the form of proxy in relation to the AGM accompanying this Supplemental Circular
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shareholder”	a holder of the A Share and/or H Share
“Shareholders Meeting Rules”	the rules of procedures of the shareholders meetings (股東大會事規則) of the Company
“SSE”	Shanghai Stock Exchange
“Supervisor”	a supervisor of the Company from time to time
“Supervisors Candidate”	a candidate proposed to be elected as a Supervisor at the AGM
“Supervisory Committee”	the supervisory committee of the Company
“Supplemental Circular”	this supplemental circular
“Supplemental Notice (AGM)”	the supplemental notice convening the AGM as set out on pages 25 to 30 of this Supplemental Circular
“Tian Xin”	Guangzhou Baiyunshan Tian Xin Pharmaceutical Co., Ltd. (廣州白雲山天心製藥股份有限公司)

DEFINITIONS

“WLJ Great Health”	Guangzhou WLJ Great Health Industry Co., Ltd. (廣州王老吉大健康產業有限公司)
“WLJ Ya’an Company”	Wang Lao Ji Great Health Industry (Ya’an) Co., Ltd. (王老吉大健康產業(雅安)有限公司)
“Xing Qun”	Guangzhou Baiyunshan Xing Qun Pharmaceutical Co., Ltd. (廣州白雲山星群(藥業)股份有限公司)
“Xing Zhu”	Guangzhou Baiyunshan Xing Zhu Pharmaceutical Co., Ltd. (廣州白雲山星珠藥業有限公司)
“Yi Gan”	Guangzhou Guangyao Yigan Biological Products Co., Ltd. (廣州廣藥益甘生物製品股份有限公司)
“Zhong Yi”	Guangzhou Baiyunshan Zhong Yi Pharmaceutical Company Limited (廣州白雲山中一藥業有限公司)
“%”	per cent

- * *For ease of reference, the names of the PRC established companies or entities (if any) and the PRC laws and regulations (if any) have generally been included in this Supplemental Circular in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.*
- ^ *Where the context so permits or requires, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders and vice versa.*
- # *All times stated in this Supplemental 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
Ms. Cheng Ning
Mr. Yang Jun
Ms. Liu Juyan
Mr. Li Hong
Mr. Wu Changhai
Mr. Zhang Chunbo

Independent non-executive Directors:

Mr. Chu Xiaoping
Mr. Jiang Wenqi
Mr. Wong Hin Wing
Ms. Wang Weihong

*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

12 June 2020

To the Shareholders

Dear Sir or Madam

**SUPPLEMENTAL CIRCULAR TO THE CIRCULAR TO SHAREHOLDERS
DATED 13 MAY 2020**

**(1) PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS;
(2) PROPOSED ELECTION AND RE-ELECTION OF SUPERVISORS;**

AND

(3) SUPPLEMENTAL NOTICE OF THE ANNUAL GENERAL MEETING

1. INTRODUCTION

This Supplemental Circular should be read in conjunction with the First Circular which contained information relating to the matters to be transacted at the AGM and the Class Meeting of the Holders of H Shares, including (among other things) the proposed amendments to the Articles of Association and the Shareholders Meeting Rules. The purpose of this Supplemental Circular is to provide you with the information of the additional resolutions to be proposed at the AGM regarding the proposed election of Directors and Supervisors and relevant emoluments payable and to provide Shareholders with the Supplemental Notice (AGM) and the Second Form of Proxy (AGM).

LETTER FROM THE BOARD

2. PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS

2.1 Nomination of Directors Candidates

The current Board is the 7th 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 8th session) at the AGM. The 8th 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 33rd meeting of the 7th session of the Board held on 2 June 2020, the Board approved the nomination of the Directors Candidates set out in the table below as members of the 8th session of the Board:

No.	Name the Directors Candidate	Current designation	Proposed designation
1	Li Chuyuan (李楚源) ("Mr. Li")	Executive Director	Executive Director
2	Yang Jun (楊軍) ("Mr. Yang")	Executive Director	Executive Director
3	Cheng Ning (程寧) ("Ms. Cheng")	Executive Director	Executive Director
4	Liu Juyan (劉菊妍) ("Ms. Liu")	Executive Director	Executive Director
5	Li Hong (黎洪) ("Mr. Li Hong")	Executive Director	Executive Director
6	Wu Changhai (吳長海) ("Mr. Wu")	Executive Director	Executive Director
7	Zhang Chunbo (張春波) ("Mr. Zhang")	Executive Director	Executive Director
8	Wong Hin Wing (黃顯榮) ("Mr. Wong")	Independent non-executive Director	Independent non-executive Director
9	Wang Weihong (王衛紅) ("Ms. Wang")	Independent non-executive Director	Independent non-executive Director

LETTER FROM THE BOARD

No.	Name the Directors Candidate	Current designation	Proposed designation
10	Chen Yajin (陳亞進) ("Mr. Chen")	N/A	Independent non-executive Director
11	Huang Min (黃民) ("Mr. Huang Min")	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 HKLR are set out in Appendix I to this Supplemental 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 and the Company's nomination policy with due regard for the benefit of diversity, the Nomination and Remuneration Committee has:

- (a) evaluated the performance and the contribution of each of the retiring Directors, namely Mr. Li, Mr. Yang, Ms. Cheng, Ms. Liu, Mr. Li Hong, Mr. Wu, Mr. Zhang, Mr. Wong and Ms. Wang during the last financial year of the Company and the period thereafter up to the date of evaluation;
- (b) made reference to objective criteria including but not limited to educational background, industry experience, technical and professional skills, qualifications and knowledge of the Directors Candidates;
- (c) assessed the independence of the independent non-executive Directors proposed to be re-elected, namely Mr. Wong and Ms. Wang; and
- (d) assessed the independence of the candidates proposed to be elected as independent non-executive Directors, namely Mr. Chen and Mr. Huang Min.

The Nomination and Remuneration Committee is of the opinion that:

- (a) the performance of each of Mr. Li, Mr. Yang, Ms. Cheng, Ms. Liu, Mr. Li Hong, Mr. Wu, Mr. Zhang, Mr. Wong and Ms. Wang was satisfactory;
- (b) each of Mr. Wong and Ms. Wang continue to bring relevant experience and knowledge to the Board;
- (c) each of Mr. Wong and Ms. Wang maintains an independent view on the Company's affairs;

LETTER FROM THE BOARD

- (d) based on the information available to the Nomination and Remuneration Committee, the Nomination and Remuneration Committee considered each of Mr. Wong, Ms. Wang, Mr. Chen and Mr. Huang Min is independent to the Company;
- (e) having taken into account the independence confirmation, all the members of the Nomination and Remuneration Committee were satisfied that each of Mr. Wong, Ms. Wang, Mr. Chen and Mr. Huang Min (i) met the criteria set out in Rule 3.13 of the HKLR; (ii) is 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;
- (f) each of Mr. Wong, Ms. Wang, Mr. Chen and Mr. Huang Min can bring different perspectives, skills and experience to the Board, such as accounting (in the case of Mr. Wong), marketing management and brand operation (in the case of Ms. Wang), medical (in the case of Mr. Chen) and pharmaceutical research (in the case of Mr. Huang Min); and
- (g) each of Mr. Wong, Ms. Wang, Mr. Chen and Mr. Huang Min can contribute to diversity of the Board by virtue of the diversity in, among other things, gender, professional qualifications, careers, academic background that they have as more particularly set out in Appendix I to this Supplemental Circular.

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

Notwithstanding Mr. Wong's directorships in six other listed companies as at the LPD in addition to his directorship in the Company, the Board noted from the announcement dated 14 May 2020 and the circular dated 15 May 2020 of AEON Credit Service (Asia) Company Limited (stock code: 900), for which Mr. Wong was serving as an independent non-executive director as at the LPD, that Mr. Wong will not stand for re-election at its annual general meeting for year 2020 and will retire from the position as its independent non-executive director with effect from 23 June 2020. It is therefore anticipated that Mr. Wong will hold directorships in five other listed companies (excluding the Company) as at the date of the AGM. In any event, the Board is satisfied with Mr. Wong's contribution to the Company as evidenced by his high attendance rate at Board meetings, committee meetings and general meetings of the Company since his appointment as an independent non-executive Director. On this basis, the Board is of the view that Mr. Wong can devote sufficient time to the Board despite his directorships in other listed companies. In addition, the Board is of the view that Mr. Wong's management experience and positions in various listed companies and public bodies has contributed, and will continue to contribute, to the management and internal governance of the Company. On that basis, the Board supports the re-election of Mr. Wong and recommends Shareholders to vote in favour of the relevant resolution at the upcoming AGM.

LETTER FROM THE BOARD

Each of Mr. Wong and Ms. Wang has given to the Company an annual confirmation of his/her independence. Each of Mr. Chen and Mr. Huang Min has given a confirmation of 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. Chu Xiaoping and Mr. Jiang Wenqi as independent non-executive Directors

Mr. Chu Xiaoping (“**Mr. Chu**”) and Mr. Jiang Wenqi (“**Mr. Jiang**”) has been an independent non-executive Director since January 2014 and March 2016, respectively and each has served as an independent non-executive Director for two successive sessions. 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. Chu and Mr. Jiang will retire at the conclusion of the AGM and will not offer himself for re-election.

Each of Mr. Chu and Mr. Jiang 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 7th 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 Association, the Company shall elect members of the new session of the Supervisory Committee (i.e. the 8th session) representing the Shareholders at the AGM. It is proposed that the 8th 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 Candidate representing the employees was Mr. Cai Ruiyu (蔡銳育). The Supervisor representing the employees is elected at the enlarged meeting of the Labour Union Committee instead of at the general meetings of the Company, which will be held in advance of the AGM.

At the 25th meeting of the 7th session of the Supervisory Committee held on 2 June 2020, the Supervisory Committee approved the nomination of each of (i) Ms. Gao Yanzh (高燕珠) (“**Ms. Gao**”) and (ii) Mr. Cheng Jinyuan (程金元) (“**Mr. Cheng**”), both being the existing Supervisors representing the Shareholders, 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 HKLR are set out in Appendix II to this Supplemental Circular.

LETTER FROM THE BOARD

4. AGM, CLASS MEETING OF THE HOLDERS OF A SHARES AND CLASS MEETING OF THE HOLDERS OF H SHARES

The AGM will be held as originally scheduled at the Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Monday, 29 June 2020 at 10:00 a.m. The Supplemental Notice (AGM) is set out on pages 25 to 30 to this Supplemental Circular. The Supplemental Notice (AGM) should be read in conjunction with the First Notice (AGM).

As disclosed in the First Circular, (i) the Class Meeting of the Holders of A Shares will be held on Monday, 29 June 2020 immediately after the conclusion of the AGM at the same venue; and (ii) resolutions on the Proposed Amendment and the amendments to the Shareholders Meeting Rules will be proposed at the Class Meeting of the Holders of A Shares for the consideration of those Shareholders holding A Shares.

As disclosed in the First Circular, (i) the Class Meeting of the Holders of H Shares will be held on Monday, 29 June 2020 immediately after the conclusion of the Class Meeting of the Holders of A Shares at the same venue; and (ii) resolutions on the Proposed Amendment and the amendments to the Shareholders Meeting Rules will be proposed at the Class Meeting of the Holders of H Shares for the consideration of those Shareholders holding H Shares.

The First Form of Proxy (AGM) and the First Form of Proxy (H Shares Class Meeting) were despatched to the Shareholders on Wednesday, 13 May 2020 and have also been published on the website of the HKEX (www.hkexnews.hk). Since the First Form of Proxy (AGM) has not contained the resolutions in relation to the proposed election of Directors and Supervisors and the resolution on the emoluments payable to the Supervisor representing the employees as set out in the Supplemental Notice (AGM), the Company has prepared the Second Form of Proxy (AGM) for despatch together with this Supplemental Circular.

Whether or not you intend to attend the AGM, please complete and return the Second Form of Proxy (AGM) 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) 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 the AGM. Completion and return of the Second Form of Proxy (AGM) will not preclude you from attending and voting in person at the AGM should you so wish and in such event, the Second Form of Proxy (AGM) shall be deemed to have been revoked.

All the votes of the Shareholders at each of the AGM, the Class Meeting of the Holders of A Shares and the Class Meeting of the Holders of H Shares will be taken by poll.

In accordance with the Articles of Association, the resolutions on the election of Directors and Supervisors as described in this Supplemental Circular will be taken by way of cumulative poll. Further information in this regard is set out in the Second Form of Proxy (AGM).

Holders of H Shares who have lodged the First Form of Proxy (AGM) should note that:

- (a) if the Second Form of Proxy (AGM) is lodged with the office of the Company's H Share Registrar 24 hours prior to the time designated for convening the AGM (the "**Closing Time**"), the Second Form of Proxy (AGM) will revoke and supersede the First Form of Proxy (AGM)

LETTER FROM THE BOARD

previously lodged by him/her. The Second Form of Proxy (AGM) will be treated as a valid form of proxy lodged by the holders of H Shares if correctly completed and signed and returned in accordance with the instructions printed thereon; and

- (b) if no Second Form of Proxy (AGM) is lodged with the office of the Company's H Share registrar as at the Closing Time, the First Form of Proxy (AGM) will be treated as a valid form of proxy lodged by the holders of H Shares if correctly completed. The proxy so appointed by the holders of H Shares will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM including the resolutions in relation to the proposed election of Directors and Supervisors and the resolution on the emoluments payable to the Supervisor representing the employees as set out in the Supplemental Notice (AGM).

Shareholders are reminded that completion and return of the First Form of Proxy (AGM) and/or the Second Form of Proxy (AGM) will not preclude you from attending and voting in person at the AGM should you so wish.

5. RECOMMENDATIONS

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

6. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Supplemental 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 Chuyuan, aged 55, completed postgraduate education and holds an EMBA degree and is a senior economist as well as a senior engineer of professor grade. Mr. Li is entitled to the special allowances granted by the State Council. He received the “National Model Workers Award”, was selected for the “List of Chinese Good Fellows (中國好人榜)”, and was awarded the “Top Ten Economic Figures of China”, the person of “China Double Embrace”, “Guangdong Top 10 Innovative Persons”, “Guangdong Top 10 Most Influential Persons in Economy” and “Guangzhou Top 10 Outstanding Youth”. He is a member of Guangzhou Municipal People’s Congress, the representative of Guangzhou Communist Party, Guangzhou Outstanding Management Expert, the deputy officer of the Science and Education, Sanitation and Sport Committee of Guangdong Political Consultative Conference and a member of the Guangdong Provincial People’s Congress. Since Mr. Li began his career in July 1988, Mr. Li had successively served as the Deputy Director of operation department of Baiyunshan General Factory, Deputy General Manager, Secretary of the Communist Party and Chairperson of Baiyunshan, director and Secretary of the Communist Party of Baiyunshan Chinese Medicine Factory, the General Manager, Vice Chairperson and Secretary of the Communist Party of HWBYS, General Manager, Vice Chairperson, Deputy Secretary of the Communist Party of GPHL, the Vice Chairperson of the Company and the Vice Chairperson of GP Corp. Mr. Li has served as the Chairperson of the Company since 8 August 2013, and now is the Secretary of the Communist Party and Chairperson of GPHL, the Secretary of the Communist Party of the Company and the Secretary of the Communist Party and Vice Chairperson of HWBYS. Mr. Li has extensive experience in the fields of corporate management and marketing.

1.2 Yang Jun (楊軍)

Mr. Yang Jun, aged 51, holds a master degree in business administration and an economist title. Mr. Yang began his career in July 1992 and served successively as secretary of the board of directors, director, deputy secretary of the party committee, secretary of the discipline inspection commission and convenor of the board of supervisors of Baiyunshan; secretary of the party committee and director of Jing Xiu Tang; deputy secretary of the party committee and standing deputy general manager of Guangzhou International Group Co., Ltd* (廣州國際集團有限公司); chairperson of Guangzhou Rubber Enterprises Group Co., Ltd* (廣州橡膠企業集團有限公司); deputy secretary of the party committee, standing deputy general manager, trade union chairperson, staff director of Guangzhou Vanlead Group Co., Ltd.* (廣州萬力集團有限公司); deputy secretary of the party committee and director of Guangzhou Public Transport Group Co., Ltd.* (廣州市公共交通集團有限公司); secretary of the party committee of Guangzhou First Bus Co., Ltd.* (廣州市一汽巴士有限公司). Mr. Yang is currently the deputy secretary of the party committee, vice chairperson and general manager of GPHL, and the chairperson of Guangyao Group (Macau). Mr. Yang has rich experience in party construction and innovation and enterprise management.

1.3 Cheng Ning (程寧)

Ms. Cheng Ning, aged 54, completed tertiary education and is an accountant. Ms. Cheng possesses several professional qualifications, including PRC certified public accountant and PRC certified tax consultant. Ms. Cheng began her career in August 1986 and had been an officer of the finance department of 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, the acting manager and manager of the financial resources department and the head of the finance department of Baiyunshan Enterprise, the deputy head and the head of the finance department of GPHL, a director of each of Zhong Yi, Cai Zhi Lin, Qi Xing, Guangxi Ying Kang, Guangzhou WLJ Investment Company Limited* (廣州王老吉投資有限公司), Guangzhou WLJ Catering Management Development Co., Ltd.* (廣州王老吉餐飲管理發展有限公司) and GP Corp. and the chairperson of the supervisory committee of WLJ Great Health. Ms. Cheng has been a Director since 19 September 2012 and the vice chairperson of the Company since 3 June 2019, and is also currently the standing deputy general manager, the financial controller and a member of the party committee of GPHL, the convenor of the board of directors of Guangyao Baiyunshan Hong Kong Company, the chairperson of Guangyao (Zhuhai Hengqin) and Guangyao International (Zhuhai Hengqin), and a director of Guangyao Group (Macau). Ms. Cheng has extensive experience in finance management and internal control management.

1.4 Liu Juyan (劉菊妍)

Ms. Liu Juyan, aged 55, completed postgraduate education and holds a doctorate degree in medicine and is a senior engineer of professor grade. She is also an expert who enjoys special allowances from the State Council. Ms. Liu was awarded the “March 8th Flag Bearer” of China and is a member of the Guangzhou Provincial People’s Progress. She was an “Outstanding City Management Expert” of Guangzhou and also was a Guangzhou “121” reserved talent. Ms. Liu began her career in July 1990 and had been the chairperson and general manager of Guangzhou Han Fang, the head of the technology and quality department of GPHL, the chairperson of Yi Gan, the chairperson of the Guangyao General Institute and the chairperson of Nuo Cheng. 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 GPHL. Ms. Liu has been the vice chairperson of Nuo Cheng since April 2017 and has been a Director of the Company since December 2013. She is currently a director of Guangyao (Zhuhai Hengqin) and a director of Guangyao International (Zhuhai Hengqin). Ms. Liu has extensive experience in scientific research and development, technological research and quality management.

1.5 Li Hong (黎洪)

Mr. Li Hong, aged 53, holds a bachelor degree and a MBA degree. Mr. Li Hong also holds the titles of engineer and senior political work engineer and possesses the qualification of practising pharmacist. Mr. Li Hong is a specially appointed committee member of the 11th Chinese People’s Political Consultative Conference of Guangdong Province. Mr. Li Hong started his career in July

1990. He had served as a director and the chairperson of the board of Guangzhou Baiyunshan Qiao Guang Pharmaceutical Co., Ltd.* (廣州白雲山僑光製藥有限公司), a director and the general manager of Tian Xin, a general manager, chairperson and secretary of the party committee of Ming Xing, a director of Baiyunshan and an assistant to the general manager of GPHL. Mr. Li Hong has been the general manager of the Company since 23 June 2017 and a Director since 22 June 2018, and is currently a member of the party committee of GPHL, the party branch secretary of Haima Company, the managing director of Guangyao Group (Macau), the general manager of Guangyao (Zhuhai Hengqin) and Guangyao International (Zhuhai Hengqin), and a member of the party committee of the Company.

1.6 Wu Changhai (吳長海)

Mr. Wu Changhai, aged 54, holds a bachelor degree and EMBA degree, and is a senior economist. Mr. Wu began his career in August 1989 and had been the Deputy General Manager of Guangxi Ying Kang, the Deputy General Manager, General Manager, director, Chairperson and Secretary of the Communist Party of Zhong Yi, the chairperson of Qi Xing, the chairperson of Xing Qun, the chairperson of WLJ Great Health, the chairperson of WLJ Ya'an, the chairperson of Wang Lao Ji Great Health Industry (Mei Zhou) Co., Ltd.* (王老吉大健康產業(梅州)有限公司), and the managing director of GPC. Mr. Wu has served as a Director of the Company since 28 June 2010, and is currently a member of the party committee of GPHL, a member of the party committee, a Director and the standing deputy general manager of the Company, the chairperson and general manager of Medical Instrument Investment Company, a member of the party committee and a director of WLJ Great Health, a director of Xing Zhu and a director of Baiyunshan Medical and Healthcare Industry Company. Mr. Wu has extensive experience in the operation and management, marketing and scientific research, development of listed companies and pharmaceuticals, food and beverage, healthcare, and medical devices businesses.

1.7 Zhang Chunbo (張春波)

Mr. Zhang Chunbo, aged 43, holds a bachelor degree and a master degree of EMBA, and is a druggist. Mr. Zhang graduated from the China Pharmaceutical University in July 2000 and began his career in the same year. In December 2010, he obtained a master degree of EMBA from the Lingnan (University) College of the Sun Yat-Sen University. He had served as the vice manager of the second zone, the assistant to the manager of sales department, the vice general manager of operation department, the manager of sales department and the vice director of marketing department of HWBYS, the vice general manager, standing vice general manager, general manager and chairperson of Zhong Yi, and the general manager and chairperson of Qi Xing. Mr. Zhang has been as the vice general manager of the Company since January 2015 and a Director of the Company since 28 June 2019, and is currently a member of the party committee of the Company, a director of GP Corp., and the Secretary of the Communist Party and chairperson of each of Zhong Yi and Qi Xing. Mr. Zhang 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 Wong Hin Wing (黃顯榮)**

Mr. Wong Hin Wing, aged 57, holds a Master's degree in Executive Business Administration from The Chinese University of Hong Kong. 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 Administrators. He is also a member of the American Institute of Certified Public Accountants and a chartered member of the Chartered Institute for Securities & Investment. He is an independent non-executive director of AEON Credit Service (Asia) Co. Ltd. (a public company listed on the HKEX), Dongjiang Environmental Company Limited (a public company with A shares listed on the Small and Medium Enterprise Board of the Shenzhen Stock Exchange and H shares listed on the HKEX), CRCC High-Tech Equipment Corporation Limited (a public company with H shares listed on the HKEX), Inner Mongolia Yitai Coal Co., Ltd. (a public company with B shares listed on the SSE and H shares listed on the HKEX), the Company (a public company with A shares listed on the SSE and H shares listed on the HKEX), Wine's Link International Holdings Limited (a public company listed on the HKEX) and Jiangxi Bank Co., Ltd. (a public company with H shares listed on the HKEX). Mr. Wong was an independent non-executive director of China Agri-Products Exchange Limited (a public company listed on the HKEX) from December 2016 to November 2018. He is a member of the Anhui Provincial Committee of the Chinese People's Political Consultative Conference, a panel member of the Securities and Futures Appeals Tribunal and the Public Interest Entities Auditors Review Tribunal, a member of the Construction Industry Council as well as the Betting and Lotteries Commission. He is the managing partner and a responsible officer of Hermitage Capital HK Limited, a licensed corporation under the SFO. Prior to this, he had worked with an international audit firm for 4 years and then a listed company as Chief Financial Officer for 7 years. He has 36 years of experience in accounting, finance, investment management and advisory.

2.2 Wang Weihong (王衛紅)

Ms. Wang Weihong, aged 57, completed postgraduate education and holds a master degree in management. Ms. Wang is a professor in management, a member of each of the ninth, tenth and eleventh session of the Chinese People's Political Consultative Conference of Guangdong Province, a member of the twelfth session of the Counsellor Consultative Committee of the Chinese People's Political Consultative Conference and a Counsellor of the Counsellors' office of the People's Government 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 lecturer of the Department of Trade and Economics and an officer of the teaching and research office of the Hunan Institute of Finance and Economics, and an associate professor of the Department of Marketing and Sale of the Business Faculty of the Hunan University. Since 1999, Ms. Wang has been the head of the Market and Enterprises Research Center of the Business College and a professor of the Guangdong University of Foreign Studies. In recent years, Ms. Wang has become a member of the Guangdong Provincial Business Administration Teaching and Guidance Committee, 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) and an evaluation expert of the Guangdong Association for Science and Technology 's Science

and Technology Progress Award. Ms. Wang is also a standing director of the China Marketing Association, the deputy general secretary of China Business Administration Association of University (中國高校商務管理研究會), and a standing director of China Marketing Association of University (中國高校市場學研究會). Ms. Wang has extensive experience in strategy management, science and technology innovation management, marketing management and brand planning and operation.

2.3 Chen Yajin (陳亞進)

Mr. Chen Yajin, aged 57, holds a doctorate degree, and is a professor and chief physician. Mr. Chen is the vice-officer of the Biliary Surgery Expert Committee of the Capacity Building and Continuing Education Committee of the National Health Commission of the PRC, officer of the Hepatobiliary and Pancreatic ERAS Expert Committee and vice-officer of the Biliary Oncology Expert Committee of the Chinese Chapter of the International Hepato-Pancreato-Biliary Association, officer of the Hepatobiliary Surgery Branch of Guangdong Medical Doctor Association, a standing committee member of the Bile Duct Expert Committee of the Surgery Branch of Chinese Medical Doctor Association, the vice-officer of the Digestive Oncology Branch of Chinese Research Hospital Association, a member of the Biliary Surgery Group of the Surgery Branch of Chinese Medical Association, a member and the vice-officer of the China Branch of Asian-Pacific Laparoscopic Hepatectomy Promotion Committee (亞太腹腔鏡肝臟手術推廣委員會), and a standing committee member of the International Laparoscopic Liver Society (ILLS). Mr. Chen began his career in July 1986, and successively held various positions such as the officer of hepatobiliary surgery and deputy officer of the Southern Hospital District Management Committee of Sun Yat-Sen Memorial Hospital of Sun Yat-Sen University. Mr. Chen is currently the officer of hepatobiliary surgery and officer of the Southern Hospital District Management Committee of Sun Yat-Sen Memorial Hospital of Sun Yat-Sen University. Mr. Chen has extensive experience in scientific research and development and technical research.

2.4 Huang Min (黃民)

Mr. Huang Min, aged 56, holds a postgraduate degree and a doctorate degree in pharmacology, and is a professor (Grade II). Mr. Huang is a member of the Pharmacopoeia Commission of the PRC, a member of the Seventh Session of the Pharmacy Academic Appraisal Group of the Academic Degree Committee of the State Council, the officer of the Clinical Pharmacology Expert Committee of Chinese Pharmacological Society, the vice-officer of the Drug Metabolism Expert Committee, a standing committee member of Guangdong Provincial Association for Science and Technology and the president of Guangdong Provincial Assessment & Accreditation Federation of Technology. Mr. Huang began his career in June 1983, and successively held various positions such as a lecturer and an associate professor of the Department of Clinical Pharmacology, Zhongshan Medical University, and executive vice-dean and dean of School of Pharmaceutical Sciences, Sun Yat-Sen University. Mr. Huang is currently a professor and the director of the Institute of Clinical Pharmacology, Sun Yat-sen University. Mr. Huang has extensive experience in the teaching, scientific research and scientific and technological development in the field of pharmacy.

3. FURTHER INFORMATION

3.1 Term of office

If elected, the term of office of each Directors Candidate as a member of the 8th session of the Board will commence from the date on which he is elected at the AGM up to the date on which the members of the new session of the Board (i.e. the 9th session) are elected. On this basis, it is expected that the term of office of each Directors Candidate as a member of the 8th 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

Since Mr. Li, Ms. Cheng, Mr. Yang and Ms. Liu, all being members of the senior management of GPHL (being the controlling shareholder of the Company), received their respective emoluments from GPHL, if elected, each of them is estimated to receive nil emoluments from the Company (from the date on which he is elected at the AGM up to the date on which the members of the new session of the Board are elected). The aforesaid emoluments shall be proposed by the Board and be approved and determined by the general meetings of the Company.

Since Mr. Li Hong, a candidate for executive Director, was also acting as the general manager of the Company as at the LPD, the emoluments payable to him for year 2020 are estimated to be not exceeding RMB1,800,000, including but not limited to the basic salary, welfare benefits as well as settlement of annual salary for the previous year, etc. The actual emoluments shall also be assessed and adjusted in accordance with the Appraisal Measures. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the Company. The term of office of each Directors Candidate as a member of the 8th session of the Board is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Mr. Li Hong for year 2020 shall be determined with reference to his actual term of office and employment status.

Since Mr. Wu, a candidate for executive Director, was also acting as the standing deputy general manager of the Company as at the LPD, the emoluments payable to him for year 2020 are estimated to be not exceeding RMB1,700,000, including but not limited to the basic salary, welfare benefits as well as settlement of annual salary for the previous year, etc. The actual emoluments shall also be assessed and adjusted in accordance with the Appraisal Measures. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the Company. The term of office of each Directors Candidate as a member of the 8th session of the Board is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Mr. Wu for year 2020 shall be determined with reference to his actual term of office and employment status.

Since Mr. Zhang, a candidate for executive Director, was also acting as the vice general manager of the Company as at the LPD, the emoluments payable to him for year 2020 are estimated to be not exceeding RMB1,600,000, including but not limited to the basic salary, welfare benefits as well as settlement of annual salary for the previous year, etc. The actual emoluments shall also be

assessed and adjusted in accordance with the Appraisal Measures. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the Company. The term of office of each Directors Candidate as a member of the 8th session of the Board is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Mr. Zhang for year 2020 shall be determined with reference to his actual term of office and employment status.

The emoluments payable to Mr. Wong, a candidate for independent non-executive Director, for year 2020 are estimated to be in the amount of RMB100,000. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the Company. The term of office of each Directors Candidate as a member of the 8th session of the Board is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Mr. Wong for year 2020 shall be determined with reference to his actual term of office.

The emoluments payable to Ms. Wang, a candidate for independent non-executive Director, for year 2020 are estimated to be in the amount of RMB100,000. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the Company. The term of office of each Directors Candidate as a member of the 8th session of the Board is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Ms. Wang for year 2020 shall be determined with reference to her actual term of office.

The emoluments payable to Mr. Chen, a candidate for independent non-executive Director, for year 2020 are estimated to be in the amount of RMB100,000. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the Company. The term of office of each Directors Candidate as a member of the 8th session of the Board is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Mr. Chen for year 2020 shall be determined with reference to his actual term of office.

The emoluments payable to Mr. Huang Min, a candidate for independent non-executive Director, for year 2020 are estimated to be in the amount of RMB100,000. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the Company. The term of office of each Directors Candidate as a member of the 8th session of the Board is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Mr. Huang Min for year 2020 shall be determined with reference to his actual term of office.

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	50,008	0.0031
Mr. Yang	N/A	Nil	Nil
Ms. Cheng	Beneficial owner	10,752	0.0007
Ms. Liu	Beneficial owner	6,501	0.0004
Mr. Li Hong	Beneficial owner	5,001	0.0003
Mr. Wu	Beneficial owner	6,501	0.0004
Mr. Zhang	Beneficial owner	5,001	0.0003
Mr. Wong	N/A	Nil	N/A
Ms. Wang	N/A	Nil	N/A
Mr. Chen	N/A	Nil	N/A
Mr. Huang Min	N/A	Nil	N/A

Save as disclosed above, none of the Directors Candidates or his associates had 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 in the above are held by the asset manager of the Employee Stock Ownership Scheme (2015) for the benefits of the relevant Directors 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.

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 had any relationship with any other existing Directors, any other Directors Candidates, existing Supervisors, Supervisors Candidates, senior management or substantial or controlling shareholders of the Company;
- (b) none of the Directors Candidates had 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 was no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the HKLR.

1. PARTICULARS OF THE SUPERVISORS CANDIDATES

1.1 Gao Yanzh (高燕珠)

Ms. Gao Yanzhu, aged 54, holds a bachelor degree and a MBA degree. She is a senior economist, auditor and an engineer and a member of the 16th session of Guangzhou City Liwan District People's Congress. Ms. Gao started her career in July 1988 and had served successively as the deputy officer of the operation and management office of the enterprise management department of Baiyunshan Enterprise, representative of securities affairs and company's legal adviser of Baiyunshan, deputy department head of the audit department and the deputy officer of the risk control office of GPHL and the deputy department head of the audit department and the deputy officer of the risk control office of the Company. Ms. Gao has been the Supervisor of the Company since June 2017 and currently serves as the department head of the audit department and the officer of the risk control office of the Company. Ms. Gao has extensive experience in audit, risk control and securities affairs.

1.2 Cheng Jinyuan (程金元)

Mr. Cheng Jinyuan, aged 47, has a bachelor degree and a master degree of EMBA. Mr. Cheng started his career in December 1991. He served successively as a cashier of the retired cadre office of the National Defense University, an accountant of the Administration of the General Office of the Central Military Commission of the PRC, provincial manager of HWBYS, deputy director of sales department of Guang Hua, deputy officer of discipline inspection office of GPHL, and deputy officer of discipline inspection office of the Company. Mr. Cheng currently serves as the officer of discipline inspection office of the Company. Mr. Cheng has rich experience in discipline inspection, financial management and marketing.

2. FURTHER INFORMATION

2.1 Term of office

If elected, the term of office of each Supervisors Candidate as a member of the 8th session of the Supervisory Committee shall commence from the date on which he is elected up to the date on which the members of the new session of the Supervisory Committee (i.e. the 9th session) are elected. On this basis, it is expected that the term of office of each Supervisors Candidate as a member of the 8th 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

Since Ms. Gao, a Supervisors Candidate, was also acting as the department head of the audit department of the Company as at the LPD, the emoluments payable to her for year 2020 are estimated to be not exceeding RMB1,000,000, including but not limited to the basic salary, welfare benefits as well as settlement of annual salary for the previous year, etc. The actual emoluments shall also be assessed and adjusted in accordance with the Appraisal Measures. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the

Company. The term of office of each Supervisors Candidate as a member of the 8th session of the Supervisory Committee is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Ms. Gao for year 2020 shall be determined with reference to her actual term of office and employment status.

Since Mr. Cheng, a Supervisors Candidate, was also acting as the officer of discipline inspection office of the Company as at the LPD, the emoluments payable to him for year 2020 are estimated to be not exceeding RMB1,000,000, including but not limited to the basic salary, welfare benefits as well as settlement of annual salary for the previous year, etc. The actual emoluments shall also be assessed and adjusted in accordance with the Appraisal Measures. The said emoluments are emoluments before tax and the individual income tax payable shall be withheld and paid by the Company. The term of office of each Supervisors Candidate as a member of the 8th session of the Supervisory Committee is expected to commence from the date on which he is elected at the AGM, and the emoluments payable to Mr. Cheng for year 2020 shall be determined with reference to his actual term of office and employment status.

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
Ms. Gao	Beneficial owner	2,500	0.0002
Mr. Cheng	Beneficial owner	7,001	0.0004

Save as disclosed above, none of the Supervisors Candidates or his associates had 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 had any relationship with any existing Directors, any Directors Candidates, any other existing Supervisors, any other existing Supervisors Candidates, senior management or substantial or controlling shareholders of the Company;

- (b) none of the Supervisors Candidates had 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 had 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 was no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the HKLR.

SUPPLEMENTAL NOTICE OF THE AGM

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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)

SUPPLEMENTAL NOTICE OF THE 2019 ANNUAL GENERAL MEETING

Reference is made to the notice of the 2019 annual general meeting (the “AGM”) of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “Company”) dated 12 May 2020 (the “First Notice”), which set out the time and place of the AGM and contained the relevant resolutions to be proposed to the Shareholders at the AGM for their consideration. Unless otherwise indicated, capitalized terms used herein shall have the same meaning as those defined in the supplemental circular of the Company dated 12 June 2020 (the “Supplemental Circular”).

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held as originally scheduled at the Conference Room of the Company, 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Monday, 29 June 2020 at 10:00 a.m., for the purpose of considering the following additional resolutions, together with the other resolutions set out in the First Notice:

- (2) To be considered and approved by way of ordinary resolutions:
17. Resolution in relation to the emoluments to be paid to Mr. Cai Ruiyu, a supervisor representing the employees of the 8th session of the Supervisory Committee of the Company, for year 2020;
- (3) Election of the members of the 8th session of the Board and the 8th session of the Supervisory Committee by way of cumulative poll:
18. Resolution on the election of executive directors of the 8th session of the Board of the Company and the emoluments to be paid for year 2020:
 - 18.1 Resolution on the election of Mr. Li Chuyuan as an executive director of the 8th session of the Board of the Company and the emoluments to be paid to him for year 2020;
 - 18.2 Resolution on the election of Mr. Yang Jun as an executive director of the 8th session of the Board of the Company and the emoluments to be paid to him for year 2020;

SUPPLEMENTAL NOTICE OF THE AGM

- 18.3 Resolution on the election of Ms. Cheng Ning as an executive director of the 8th session of the Board of the Company and the emoluments to be paid to her for year 2020;
- 18.4 Resolution on the election of Ms. Liu Juyan as an executive director of the 8th session of the Board of the Company and the emoluments to be paid to her for year 2020;
- 18.5 Resolution on the election of Mr. Li Hong as an executive director of the 8th session of the Board of the Company and the emoluments to be paid to him for year 2020;
- 18.6 Resolution on the election of Mr. Wu Changhai as an executive director of the 8th session of the Board of the Company and the emoluments to be paid to him for year 2020;
- 18.7 Resolution on the election of Mr. Zhang Chunbo as an executive director of the 8th session of the Board of the Company and the emoluments to be paid to him for year 2020;
- 19. Resolution on the election of independent non-executive directors of the 8th session of the Board of the Company and the emoluments to be paid for year 2020:
 - 19.1 Resolution on the election of Mr. Wong Hin Wing as an independent non-executive director of the 8th session of the Board of the Company and the emoluments to be paid to him for year 2020;
 - 19.2 Resolution on the election of Ms. Wang Weihong as an independent non-executive director of the 8th session of the Board of the Company and the emoluments to be paid to her for year 2020;
 - 19.3 Resolution on the election of Mr. Chen Yajin as an independent non-executive director of the 8th session of the Board of the Company and the emoluments to be paid to him for year 2020;
 - 19.4 Resolution on the election of Mr. Huang Min as an independent non-executive director of the 8th session of the Board of the Company and the emoluments to be paid to him for year 2020;
- 20. Resolution on the election of the 8th session of the Supervisory Committee of the Company and the emoluments to be paid for year 2020:
 - 20.1 Resolution on the election of Ms. Gao Yanzhu as a supervisor representing the shareholders of the 8th session of the Supervisory Committee of the Company and the emoluments to be paid to her for year 2020;

SUPPLEMENTAL NOTICE OF THE AGM

- 20.2 Resolution on the election of Mr. Cheng Jinyuan as a supervisor representing the shareholders of the 8th session of the Supervisory Committee of the Company and the emoluments to be paid to him for year 2020;

The above proposed resolutions were approved at the 33rd meeting of the 7th session of the Board and the 25th meeting of the 7th session of the Supervisory Committee of the Company held on 2 June 2020, respectively.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 11 June 2020

Notes:

1. All times stated in this supplemental notice refer to Hong Kong time.
2. Application of cumulative voting method in the election of directors and supervisors

Resolutions Nos. 18.1 to 18.7 are the sub-resolutions under resolution No. 18 (“Resolution on the election of executive directors of the 8th session of the Board of the Company and the emoluments to be paid for year 2020”), resolutions Nos. 19.1 to 19.4 are the sub-resolutions under resolution No. 19 (“Resolution on the election of independent non-executive directors of the 8th session of the Board of the Company and the emoluments to be paid for year 2020”) and resolutions 20.1 to 20.2 are the sub-resolutions under resolution No. 20 (“Resolution on the election of the 8th session of the Supervisory Committee of the Company and the emoluments to be paid for year 2020”). In relation to both the election of directors and supervisors, the Company adopts a way of election under which the number of candidates is equal to the seats available and, in accordance with the articles of association of the Company, adopts cumulative poll in counting the votes and determining the poll results.

In respect of sub-resolutions Nos.18.1 to 18.7, each share held by you shall have the number of votes equal to the number of the executive directors to be elected (i.e. seven). In respect of sub-resolutions Nos.19.1 to 19.4, each share held by you shall have the number of votes equal to the number of the independent non-executive directors to be elected (i.e. four). For instance, if you hold one million shares of the Company and the number of the executive directors to be elected is seven, the total number of voting shares held by you in respect of sub-resolutions Nos. 18.1 to 18.7 is seven million shares (i.e. one million shares x 7 = seven million shares), and the total number of voting shares in respect of sub-resolutions Nos. 19.1 to 19.4 is four million shares (i.e. one million shares x 4 = four million shares).

Please note that you may cast the number of votes which equals to the number of shares held by you for each candidate for executive directors; you may also cast the total number of votes represented by each share held by you which equals to the number of candidates to be elected for one candidate; or you may cast some of the votes represented by each share held by you which equals to the number of directors to be elected for certain candidates (but not all), respectively. The above explanation applies to the election of independent non-executive directors and the election of supervisors.

After you have cast the total number of votes represented by each share held by you on one or more candidates, you shall no longer have any voting rights.

Please pay particular attention to the following:

- (a) if the total number of votes that you cast equals to, or less than, the voting rights represented by all the shares held by you, the relevant voting is valid;

SUPPLEMENTAL NOTICE OF THE AGM

- (b) if total number of votes that you cast is less than the voting rights represented by all the shares held by you, then in respect of the difference in the number of votes that you are entitled to cast and the number of votes cast, you will be deemed to have abstained from voting. The shares which have been abstained will be counted in the calculation of the majority required for the passing of a sub-resolution; and
- (c) if the total number of votes that you cast on one or more candidate(s) is more than the voting rights represented by all the shares held by you, the relevant voting is invalid and you will be deemed to have abstained from voting in respect of all your shares and such shares will not be counted in the calculation of the majority required.

The voting method adopted for electing executive directors under resolution No. 18 shall also apply to the election of independent non-executive directors under resolution No. 19 and the election of supervisors under resolution No. 20. In respect of the election of each of the executive directors, the independent non-executive directors and supervisors, a sub-resolution is passed if the votes cast “for” the relevant sub-resolution exceeded half of the number of shares (on the basis of non-cumulative number of shares) held by the shareholders (including their proxies) attending the AGM.

- 3. This supplemental notice should be read in conjunction with the First Notice, the First Circular and the Supplemental Circular.
- 4. Save for the inclusion of the newly proposed resolutions, there are no other changes to the resolutions set out in the First Notice. Please refer to the First Notice and the First Circular for details of other resolutions to be proposed at the AGM, closure of register of members, eligibility for attending the AGM, registration procedures for attending the AGM, the voting arrangements, the poll procedure and other relevant matters.
- 5. Form of Proxy

Since the First Form of Proxy (AGM) does not contain the additional resolutions as set out in this supplemental notice, the Second Form of Proxy (AGM) has been prepared and is enclosed with this supplemental notice.

- (i) Holders of domestic shares (A shares) and overseas listed foreign shares (H shares) whose names appear on the register of members of the Company after the end of the trading hours in the afternoon on Friday, 29 May 2020 (including those holders of H shares who have submitted verified application documents for the transfer of shares on or before Friday, 29 May 2020) are entitled to attend the AGM. The register of members of the Company will be closed from Saturday, 30 May 2020 to Monday, 29 June 2020 (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 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 no later than 4:00 p.m. on Friday, 29 May 2020.
- (ii) 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.
- (iii) Holders of H Shares who have lodged the First Form of Proxy (AGM) with the Company should note that:
 - (a) If the Second Form of Proxy (AGM) is lodged with the office of the Company’s H Share Registrar 24 hours prior to the time designated for convening the AGM (the “**Closing Time**”), the Second Form of Proxy (AGM) will revoke and supersede the First Form of Proxy (AGM) previously lodged by him/her.

SUPPLEMENTAL NOTICE OF THE AGM

The Second Form of Proxy (AGM) will be treated as a valid form of proxy lodged by the holder of H Share(s) if correctly completed and signed and returned in accordance with the instructions printed thereon.

- (b) If no Second Form of Proxy (AGM) is lodged with the office of the Company's H Share registrar as at the Closing Time, the First Form of Proxy (AGM) will be treated as a valid form of proxy lodged by the holder of H Share(s) if correctly completed. The proxy so appointed by the holder of H Share(s) will be entitled to vote at his/her discretion or to abstain from voting on any resolution properly put to the AGM including the resolutions(s) set out in this supplemental notice.
- (c) Completion and return of the First Form of Proxy (AGM) and/or the Second Form of Proxy (AGM) applicable to the AGM will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish. In such event, the appointment of the original proxy(ies) will be void.
6. 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 of the principal 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.
7. Place and time of registration:
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|-----------------------------|--|
| Registration date and time: | 09:30 a.m.-11:30 a.m. and 2:00 p.m.- 4:30 p.m. on Tuesday, 9 June 2020 |
| 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 |
8. 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 |
| Tel: | (8620) 6628 1216/6628 1220 |
| Fax: | (8620) 6628 1229 |
| Email: | sec@gybys.com.cn |
- | | |
|---|---|
| Address of 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: | Shops 1712-1716, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong |
9. The AGM is expected to last for half a day. Shareholders attending the AGM shall be responsible for their own travelling and accommodation expenses.
10. In order to cooperate with the relevant arrangements in relation to the prevention of COVID-19 coronavirus epidemic, the Company proposes to the shareholders and proxies to attend the AGM through network voting (applicable to A shares) or casting their votes by submitting the proxy form to appoint the Chairman of the AGM or Company Secretary of the Company as their proxies to vote according to their indicated voting instructions as an alternative to attending the AGM in person. Non-registered shareholders whose shares are held through the Hong Kong Securities Clearing

SUPPLEMENTAL NOTICE OF THE AGM

Company Limited, banks, brokers or other custodians are advised to consult with them directly to assist in the appointment of proxy. Shareholders who intend to attend the AGM in person should pay attention to the following in addition to bringing along the relevant identification documents and materials for the meeting:

- (i) during the journey to reach, and at, the venue of the AGM, please keep a good personal protection.
- (ii) after arriving at the venue, please follow the staff's arrangement to register attendance, check body temperature and coordinate with other precautionary measures. Those with normal body temperature will be admitted to the venue and must wear facial mask during the entire AGM.

11. Reporters attending the AGM shall register before the registration time for the shareholders.

As at the date of this supplemental notice, the Board comprises Mr. Li Chuyuan, Ms. Cheng Ning, Mr. Yang Jun, Ms. Liu Juyan, Mr. Li Hong, Mr. Wu Changhai and Mr. Zhang Chunbo as executive directors, and Mr. Chu Xiaoping, Mr. Jiang Wenqi, Mr. Wong Hin Wing and Ms. Wang Weihong as independent non-executive directors.