

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



廣州白雲山醫葯集團股份有限公司

GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.

(a joint stock company with limited liability established in the People's Republic of China)

(H Share Stock Code: 0874)

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

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

The proposed amendments to the Articles of Association are subject to the Shareholders' approval at the next general meeting of the Company. After the date of the general meeting has been determined, the Company will issue further announcement.

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

1. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Scope of amendments

Original Article 53 will be amended as follows:

Article 53 The controlling shareholders and/or the actual controlling party of the Company shall not use their relationship to cause damage to the Company's interests and shall be liable for indemnity in case of violation of such requirements.

The controlling shareholders and the actual controlling party of the Company own duties to the Company and to public shareholders. The controlling shareholders shall exercise their rights as investors in strict compliance with laws. The controlling shareholders may not cause damage to the lawful interests of the Company and the public shareholders by way of connected transactions, profit distribution, assets restructuring, foreign investment, capital appropriation and guarantee for loans etc. and shall not cause damage to the interests of the Company and the public shareholders by taking advantage of its controlling status or grant any approval on any resolutions on election of personnel at general meetings and any resolutions on the appointment of any personnel by the Board of Directors or appoint

or remove any senior management members of the Company without the approval at the general meeting and the Board of Directors or intervene directly or indirectly any decisions on production and operation of the Company or intervene the finance and accounting related activities of the Company or impose any operation plans or give any orders to the Company or carry out any business activities which are the same or similar to those of the Company or influence the independence of the Company's operation and management or damage the legal interests of the Company by any other means.

The directors, supervisors and senior officers of the Company have the obligation to protect the capital of the Company from being appropriated by the controlling shareholder. In the case that either the directors or senior management of the Company assists or connives the controlling shareholder or his subsidiaries in misappropriating the assets of the Company, the Board has the power to take disciplinary action against the directly responsible person and remove the director who holds serious responsibilities depending on the security of the case. In the case that the controlling shareholder of the Company misappropriates the assets of the Company, including but not limited to, the capital of the Company, the Board has the power to immediately apply to the People's Court in the name of the Company to legally freeze the assets of the Company so appropriated and the shares of the Company held by the controlling shareholder. In the case that the controlling shareholder is unable to make any restitution or cash compensation for any assets of the Company misappropriated by him, the Company is entitled to a compensation from the controlling shareholder for the misappropriated assets of the Company by realizing the shares of the Company held by him in accordance with the provisions and procedures of the relevant laws, rules and regulations.

The above proposed amendments to the Articles of Association will come into force after the Shareholders' approval at the general meeting.

Reasons for the proposed amendments to the Articles of Association

Pursuant to the "Guiding Opinion on Further Improvement of the Corporate Governance of the Listed Companies within Jurisdiction" issued by the *Guangdong Regulatory Authority (廣東監管局) of *China Securities Regulatory Commission (中國證券監督管理委員會) dated 25 November 2012 (Guangdong Zheng Jian [2012] No.206) (《關於進一步提高轄區上市公司治理水平的指導意見》的通知 (廣東證監[2012]206號)) and to improve the corporate governance of the Company, the Articles of Association are proposed to be amended by adding "or grant any approval on any resolutions on election of personnel at general meetings and any resolutions on the appointment of any personnel by the Board of Directors or appoint or remove any senior management members of the Company without the approval at general meeting and the Board of Directors or intervene directly or indirectly any decisions on production and operation of the Company or intervene the finance and accounting related activities of the Company or impose any operation plans or give any orders to the Company or carry out any business activities which are the same or similar to those of the Company or influence the independence of the Company's operation and management or damage the legal interests of the Company by any other means" to article 53 of the Articles of Association.

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

2. GENERAL MEETING

The proposed amendments to the Articles of Association are subject to the Shareholders' approval at the next general meeting of the Company. After the date of the general meeting has been determined, the Company will issue further announcement.

DEFINITIONS

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

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, a joint stock company with limited liability established in the the People's Republic of China, whose H shares and A shares are listed on The Stock Exchange of Hong Kong Limited and The Shanghai Stock Exchange respectively
“Directors”	the directors of the Company
“Shareholders”	holders of the shares of the Company

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 30 October 2013

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

* For Identification purpose only