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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 2016 ANNUAL GENERAL MEETING

IMPORTANT NOTICE

- Date and time of the 2016 annual general meeting (the “AGM”) to be held on-site: 23 June 2017 (Friday) at 10:00 a.m.
- Registration date of the AGM: 23 May 2017 (Tuesday)
- Place at which the AGM will be held: 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 the voting at the AGM: the manner of the voting at the AGM will be both on-site and by way of network voting (applicable to A shares).

I. INFORMATION REGARDING THE CONVENING OF THE AGM

1. The resolution to convene the AGM was considered and passed at the 29th meeting of the sixth session of the board of directors of the Company (the “**Board**”).
2. Date and time of the AGM: 23 June 2017 (Friday) at 10:00 a.m.
3. Place at which the AGM will be held: 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 the voting for the AGM will be both on-site and by way of network voting (applicable to A shares).

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

The Company shall utilize the network voting system of The Shanghai Stock Exchange. The time for casting votes via the voting platform of the trading system is the trading sessions on the date on which the AGM will be held (23 June 2017) i.e. 9:15 to 9:25, 9:30 to 11:30 and 13:00 to 15:00. The time for casting votes via network voting will be from 9:15 to 15:00 on the date on which the AGM will be held.

7. The voting procedure of accounts in respect of margin trading and securities lending, refinancing, buy-back agreement business and investors of the Northbound Trading Link

The voting procedure of accounts in respect of margin trading and securities lending, refinancing, buy-back agreement business and investors of the Northbound Trading Link shall be conducted in accordance with, among others, the relevant provisions of the Detailed Rules of the Shanghai Stock Exchange for Online Voting at Shareholders' General Meetings of Listed Companies.

8. Solicitation of shareholders' voting rights

Not applicable.

II. MATTERS TO BE CONSIDERED AT THE AGM

1. To be considered and passed by way of ordinary resolutions:

- (1) Report of the Board for year 2016;
- (2) Report of the supervisory committee of the Company for year 2016;
- (3) Financial report of the Company for year 2016;
- (4) Auditors' report of the Company for year 2016;
- (5) Proposal on profit distribution and dividend payment of the Company for year 2016;
- (6) Proposal on the operational targets and financial budget of the Company for year 2017;
- (7) Resolution on the total service emoluments to be paid to the directors of the Company for year 2017;
- (8) Resolution on the total service emoluments to be paid to the supervisors of the Company for year 2017;

- (9) Resolution on the amounts of guarantees to be provided by the Company to secure bank loans for some of its subsidiaries;
- (10) Resolution on the application by the Company for general banking facilities not exceeding RMB2 billion;
- (11) Resolution on the entrusted loans business between the Company and its subsidiaries;
- (12) Resolution on the proposed cash management of part of the temporary idle proceeds from fund raising of the Company;
- (13) Resolution on the proposed cash management of part of the temporary internal idle funds of the Company and its subsidiaries;
- (14) Resolution on the anticipated amounts of the ordinary and usual connected transactions for year 2017;
- (15) Resolution on the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the auditors of the Company for year 2017;
- (16) Resolution on the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP as the auditors for the internal control of the Company for year 2017.

The above resolutions were approved at the 29th meeting of the sixth session of the Board and the 16th meeting of the sixth session of the supervisory committee of the Company held on 15 March 2017, the 30th meeting of the sixth session of the Board and the 17th meeting of the sixth session of the supervisory committee of the Company held on 26 April 2017.

2. To be considered by way of special resolution:

- (17) Resolution on granting general mandate to the Board for issuing new shares of the Company
 - (1) Subject to the satisfaction of the conditions set out in paragraphs (a), (b) and (c) below, an unconditional general mandate be granted to the Board to allot, issue and deal with the A shares (the “**A Shares**”) and/or the H shares (the “**H Shares**”) of the Company during the Relevant Period (as defined below) and to make or grant offers, agreements and options in this connection:

- (a) save and except that the Board may make or grant offers, agreements and options pursuant to the unconditional general mandate during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period, the unconditional general mandate may exercise only during the Relevant Period;
 - (b) the aggregate number of the A Shares and/or H Shares allotted, issued and dealt whether conditionally or unconditionally (whether pursuant to an option or otherwise) by the Board during the Relevant Period, other than the shares issued pursuant to a rights issue or the right to purchase the shares of the Company under any option scheme or similar arrangement, shall not exceed 20% of each of the A Shares and/or H Shares in issue as at the date of passing this resolution; and;
 - (c) in exercising the mandate granted above, the Board must comply with the Companies Law of the PRC, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other applicable laws, rules and regulations of governments or regulatory authorities and have obtained approvals from the China Securities Regulatory Commission and/or other relevant PRC government departments.
- (2) For the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
- (a) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (b) the expiration of a period of twelve months following the passing of this special resolution; and
 - (c) the date on which the authority granted to the Board as set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting.
- (3) Subject to paragraph (1), the Board be and is hereby authorised to approve the increase in the registered capital of the Company to reflect the number of shares issued pursuant to the general mandate granted under paragraph (1) of this special resolution and to make such corresponding amendments to the articles of association of the Company to reflect the increase in the registered capital of the Company and to take such necessary actions and to complete such necessary procedures to reflect the issue of shares and the increase in the registered capital of the Company in connection with paragraph (1) of this special resolution.

The above resolution was approved at the 29th meeting of the sixth session of the Board held on 15 March 2017.

3. Election of the members of the seventh session of the Board and the seventh session of the Supervisory Committee by way of cumulative poll:

(18) Election of the executive directors of the seventh session of the Board by way of cumulative poll:

18.1 Elect Mr. Li Chuyuan as an executive director of the Company;

18.2 Elect Mr. Chen Mao as an executive director of the Company;

18.3 Elect Ms. Liu Juyan as an executive director of the Company;

18.4 Elect Ms. Cheng Ning as an executive director of the Company;

18.5 Elect Mr. Ni Yidong as an executive director of the Company;

18.6 Elect Mr. Wu Changhai as an executive director of the Company;

18.7 Elect Mr. Wang Wenchu as an executive director of the Company;

(19) Election of the independent non-executive directors of the Board by way of cumulative poll:

19.1 Elect Mr. Chu Xiaoping as an independent non-executive director of the Company;

19.2 Elect Mr. Jiang Wenqi as an independent non-executive director of the Company;

19.3 Elect Mr. Wong Hin Wing as an independent non-executive director of the Company;

19.4 Elect Ms. Wang Weihong as an independent non-executive director of the Company;

(20) Election of the members of the seventh session of the Supervisory Committee by way of cumulative poll:

20.1 Elect Mr. Xian Jiaxiong as a supervisor of the Company;

20.2 Elect Ms. Gao Yanzhu as a supervisor of the Company.

The above resolutions were approved at the 30th meeting of the sixth session of the Board and the 17th meeting of the sixth session of the supervisory committee of the Company held on 26 April 2017 respectively.

Details of the cumulative poll are set out in the proxy form in relation to the AGM.

III. ATTENDEES OF THE AGM AND BOOK CLOSURE PERIOD FOR HOLDERS OF H SHARES

1. Holders of domestic shares (A shares) and overseas listed foreign shares (H shares) whose names appeared on the register of members of the Company after the end of the trading hours on 23 May 2017 (Tuesday) (including those holders of H shares who have submitted verified application documents for the transfer of shares on or before 23 May 2017 (Tuesday)) are entitled to attend the AGM. The register of members of the Company will be closed from 24 May 2017 (Wednesday) to 23 June 2017 (Friday) (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 not later than 4:00 p.m. on 23 May 2017 (Tuesday).
2. 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.
3. Shareholders who intend to attend the AGM 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 2 June 2017 (Friday).
4. The directors, supervisors and senior management of the Company.
5. The lawyers and the auditors of the Company.

IV. REGISTRATION FOR THE AGM

1. Methods of registration

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 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.

2. Place and time of registration:

Registration date and time: 09:30 a.m.-11:30 a.m. and 2:30 p.m.-4:30 p.m. on 2 June 2017 (Friday)

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

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: Huang Ruimei/Tan Yanli

Telephone: (8620) 6628 1217/6628 1220/6628 1219

Fax: (8620) 6628 1229

Email: sec@gybys.com.cn

2. Address of the Shanghai Branch of China Securities Depository and Clearing Corporation Limited: 3/F, China Insurance Building, No. 166 Lujiazui Road East, Shanghai, the PRC

3. Shareholders attending the AGM shall be responsible for their own travelling and accommodation expenses.

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

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions passed at the 29th meeting of the sixth session of the Board and the relevant announcement.
2. Resolutions passed at the 30th meeting of the sixth session of the Board and the relevant announcement.
3. Resolutions passed at the 16th meeting of the sixth session of the supervisory committee of the Company and the relevant announcement.
4. Resolutions passed at the 17th meeting of the sixth session of the supervisory committee of the Company and the relevant announcement.

Note: all times stated refer to Hong Kong time.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 9 May 2017

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. Chu Xiaoping and Mr. Jiang Wenqi as independent non-executive directors.