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廣州白雲山醫葯集團股份有限公司
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO., LTD.

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

(H Share Stock Code: 0874)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING IN 2018

IMPORTANT NOTICE

- Date and time of the first extraordinary general meeting in 2018 (the “EGM”) to be held on-site: 29 March 2018 (Thursday) at 10:00 a.m.
- Registration date of the EGM: 26 February 2018 (Monday)
- Venue of the EGM: Conference Room of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “Company”), 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People’s Republic of China (the “PRC”)
- Manner of the voting at the EGM: the manner of voting at the EGM will be both on-site and by way of network voting (applicable to A shares)

I. INFORMATION REGARDING THE CONVENING OF THE EGM

1. The resolution on convening the EGM was considered and passed at the 5th meeting of the seventh session of the board of directors of the Company (the “Board”).
2. Date and time of the EGM: 29 March 2018 (Thursday) at 10:00 a.m.
3. Place at which the EGM 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 voting at the EGM 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 will utilise 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 EGM will be held (29 March 2018) 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 9:15 to 15:00 on the date on which the EGM 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 EGM

- (1) To be considered and approved by way of ordinary resolutions:

1. Resolution on the conformity of the significant transaction with the provisions of the relevant laws, regulations and policies;

Note: The significant transaction refers to the transactions contemplated under the equity interest transfer agreement and the joint venture contract entered into between the Company, Alliance BMP Limited and Guangzhou Pharmaceuticals Corporation ("GP Corp.") both dated 21 December 2017, in respect of, among other things, the purchase of 30% equity interest in GP Corp. by the Company from Alliance BMP Limited and the grant of put options to Alliance BMP Limited to sell 20% equity interest in GP Corp.

2. Resolution on the significant transaction not constituting a connected transaction;
3. Resolution on the conformity of the significant transaction with Rule 4 of the Regulations on standardising several issues concerning the significant transactions of listed companies (《關於規範上市公司重大資產重組若干問題的規定》);
4. Resolution on the implementation of the legal procedures, compliance, and the validity of the submission of legal documents regarding the significant transaction;
5. Resolution on the independence of the valuer, the reasonableness of the appraisal assumptions, the relevance between the appraisal method and the purposes of the appraisal and the opinions on the fairness of the appraised value;

6. Resolution on confirmation of the Audit Report and the Valuation Report for the significant transaction; and
 7. Resolution on the current (the same period in which completion of the significant transaction occurs) earnings per share of the Company will not be diluted as a result of completion of the transactions in relation to the significant transaction.
- (2) To be considered and approved by way of special resolutions:
8. Resolution on the significant transaction proposal on an item-by-item basis;
 - 8.1 The overall proposal for the significant transaction
 - 8.2 The specific proposal for the significant transaction
 - 8.2.1 The base date for valuation
 - 8.2.2 Transaction manner and counterparties
 - 8.2.3 The valuation of the target assets
 - 8.2.4 Payment of the consideration for the acquisition
 - 8.2.5 Put options
 - 8.2.6 The allocation arrangement of the profit and loss of the target assets from the base date for valuation to completion date
 - 8.2.7 Employees
 - 8.3 Compensation scheme for earnings forecast

Note: After the completion of the transaction, the labour relationship between GP Corp. and its employees and the rights and obligations of each other will not be changed as a result of the significant transaction.
 - 8.4 Validity period of the resolutions

9. Resolution on entering into the agreements relevant to the significant transaction;
10. Resolution on the Report on the Material Acquisition of Assets of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited and its summary; and
11. Resolution on granting full authority to the Board to deal with matters concerning the significant transaction.

The above resolutions were approved at the 5th meeting of the seventh session of the Board held on 21 December 2017 and the 5th meeting of the seventh session of the supervisory committee of the Company held on 21 December 2017, respectively.

III. ATTENDEES OF THE EGM 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 appear on the register of members of the Company after the end of the trading hours on 26 February 2018 (Monday) (including those holders of H shares who have submitted verified application documents for the transfer of shares on or before 26 February 2018) are entitled to attend the EGM. The register of members of the Company will be closed from 27 February 2018 (Tuesday) to 29 March 2018 (Thursday) (both days inclusive) during which no transfer of H shares will be effected. In order to determine who are entitled to attend the EGM, all share transfer documents of H shares together with the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, namely Hong Kong Registrars Limited, 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 26 February 2018 (Monday).
2. Any shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (whether or not he/she is a shareholder) to attend and vote at the meeting on his/her behalf. If any shareholder appoints more than one proxy, the proxies can only vote by poll. To be valid, the proxy form and the notarially certified power of attorney and/or other documents of authorisation (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 EGM or any adjournment thereof.
3. Shareholders who intend to attend the EGM in person or by proxy should complete and return the attached reply slip by hand, by mail or by fax in accordance with the instructions printed thereon before 9 March 2018 (Friday).
4. The directors, supervisors and senior management of the Company.
5. The lawyers of the Company.

IV. REGISTRATION FOR THE EGM

1. Methods of registration

To attend the EGM, 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 appointer and the shareholder account card for registration purpose. The representative of the legal person shareholder who attends the meeting 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 2:00 p.m.— 4:30 p.m. on 9 March 2018 (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

Tel: (8620) 6628 1217/6628 1220

Fax: (8620) 6628 1229

Email: sec@gybys.com.cn

2. 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: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong

3. The EGM is expected to last for a day. Shareholders attending the EGM shall be responsible for their own travelling and accommodation expenses.

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

VI. DOCUMENTS AVAILABLE FOR INSPECTION

1. Resolutions passed at the 5th meeting of the seventh session of the Board and the relevant announcement.
2. Resolutions passed at the 5th meeting of the seventh session of the supervisory committee of the Company and the relevant announcement.

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

Guangzhou, the PRC, 9 February 2018

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 and Mr. Wu Changhai as executive directors, and Mr. Chu Xiaoping, Mr. Jiang Wenqi, Mr. Wong Hin Wing and Ms. Wang Weihong as independent non-executive directors.