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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)

## **WITHDRAWALS OF RESOLUTIONS TO BE CONSIDERED AT THE ANNUAL GENERAL MEETING**

This is an announcement made by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “**Company**”) in relation to the withdrawals of certain resolutions proposed to be considered by the Shareholders at the AGM. Unless otherwise defined, capitalised terms used in this announcement have the meanings given to them in the circular of the Company dated 9 May 2017 (the “**Circular**”).

### **1. BACKGROUND**

- (a) The Company had issued (i) the Circular; (ii) a notice of the AGM (the “**AGM Notice**”); (iii) a proxy form (the “**Proxy Form**”); and (iv) a reply slip respectively in relation to the AGM.
- (b) The AGM is scheduled to be held on 23 June 2017.
- (c) As set out in the AGM Notice, the following resolutions, among others, will be proposed at the AGM for the Shareholders to consider and, if thought fit, pass at the AGM:
  - (i) resolution on the re-appointment of BDO China Shu Lun Pan Certified Public Accountants LLP (“**BDO**”) as the auditors of the Company for year 2017 (being ordinary resolution No. 15 set out in the AGM Notice); and
  - (ii) resolution on the re-appointment of BDO as the auditors for the internal control of the Company for year 2017 (being ordinary resolution No. 16 set out in the AGM Notice, and together with the resolution set out in (i) above shall together referred to as the “**Auditors Resolutions**” in this announcement).

## 2. WITHDRAWALS OF THE AUDITORS RESOLUTIONS

The Company became aware on or around 31 May 2017, that BDO had received two notices of administrative penalty (行政處罰書) issued by China Securities Regulatory Commission. The relevant administrative penalties are in relation to BDO's work not related to the Company. The Company understands that BDO has already commenced the rectification work in relation to the administrative penalties (“**Rectification**”) and will cease to accept new securities business (i.e. audit of the financial statements of securities and futures organisations and internal control and audit etc.) during the rectification period, being the two months from the date of the second administrative penalty.

After taking into account the relevant information (including BDO would still be within the rectification period on the date on which the AGM is scheduled to be held) and the PRC laws and regulations relevant to the said administrative penalties, the Company is of the view that since BDO has ceased to accept new securities business and there is uncertainty on whether the Rectification can satisfy the relevant authorities, the Company decided to withdraw the Auditors Resolutions and, as such, the Auditors Resolutions will not be proposed for the consideration and voting by the Shareholders at the AGM. The Proxy Forms already lodged shall remain valid although the voting instructions given in the Proxy Forms in relation to the Auditors Resolutions will be ignored. Save and except for the withdrawals of the Auditors Resolutions, all the information contained in the Circular, the AGM Notice, the Proxy Form and the reply slip remain unchanged.

The terms of office of BDO as the auditors of the Company for year 2016 and the auditors for the internal control of the Company for year 2016 will expire at the conclusion of the AGM. The Board will consider and propose the appropriate firm to be appointed as the auditors of the Company for year 2017 and the auditors for the internal control of the Company for year 2017 for the consideration of the Shareholders as soon as possible. Further announcement(s) in this regard will be issued by the Company as and when appropriate.

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

Guangzhou, the PRC, 7 June 2017

*As at the date of this announcement, the board of directors 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. JiangWenqi as independent non-executive directors.*