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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)

## **TERMINATION OF AMERICAN DEPOSITARY RECEIPTS FACILITY**

The Company, the Depositary and the Owners entered into the Deposit Agreement on 3 June 2002 to establish the Facility. The Facility is expected to be terminated in or about November 2017.

### **THE DEPOSIT AGREEMENT**

The Company, the Depositary and the Owners entered into the Deposit Agreement to establish the Facility.

### **TERMINATION OF THE FACILITY**

Pursuant to the Deposit Agreement, the Depositary may at any time notify the Company in writing of its resignation. Such resignation will take effect upon the appointment by the Company of a successor depositary and its acceptance of such appointment pursuant to the Deposit Agreement. The Depositary tendered its resignation dated 22 May 2017 to the Company.

Pursuant to the Deposit Agreement, if a successor depositary has not been appointed and such appointment has not been accepted as provided under the Deposit Agreement after 90 days have expired since the Depositary's delivery of its written resignation to the Company, the Depositary shall terminate the Depositary Agreement by mailing notice of such termination to the owners of all the Depositary Receipts then outstanding at least 90 days prior to the Depositary's fixed termination date, which is anticipated to be a date in or about November 2017.

There are not many underlying H Shares deposited under the Facility and there is minimal Depositary Receipts trading activities in the over-the-counter (OTC) market in the United States of America. Due to the lack of activity in the Facility, the Company believes it is not necessary to continue maintaining the Facility, and is not prepared to appoint a successor depositary. The Company believes the termination of the Facility will not have any adverse effect on the price or trading volume of the H Shares traded on the Hong Kong Stock Exchange.

## **ARRANGEMENTS AFTER TERMINATION OF THE FACILITY**

The Company understands that the Depositary expects to issue a notice to all the Owners before the end of August 2017 regarding the termination of the Deposit Agreement. On or after the date of the termination notice under the Deposit Agreement, the Owners may continue to surrender their American Depositary Shares (“ADSs”) to the Depositary for delivery of the Company’s deposited H Shares represented by the ADSs. At any time after the expiration of one year from the termination date fixed in the termination notice, should any deposited shares underlying the ADSs remain, the Depositary may sell the deposited shares, and the net proceeds of such sale will be distributed to the Owners upon the surrender of the ADSs.

## **DEFINITIONS**

Unless the context otherwise requires, the following terms used herein have the following meanings:

“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 Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Depositary”	The Bank of New York Mellon (formerly known as The Bank of New York)
“Deposit Agreement”	the deposit agreement dated 3 June 2002 and entered into among the Company, the Depositary and the Owners for the establishment of the Facility
“Depositary Receipt”	the American Depositary Receipts representing the H Shares issued under the Deposit Agreement
“Facility”	the Depositary Receipt program established pursuant to the Deposit Agreement
“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 Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Owners”	owners of the Depositary Receipts

“PRC”

the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)

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

Guangzhou, the PRC, 18 August 2017

*As at the date of this announcement, 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. Chu Xiaoping, Mr. Jiang Wenqi, Mr. Wong Hin Wing and Ms. Wang Weihong as independent non-executive directors.*