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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)

## **PROPOSAL ON RE-APPOINTMENT OF BDO AS AUDITORS**

This is an announcement made by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “**Company**”) further to its announcement dated 7 June 2017 (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement have the same meanings given in the Announcement.

### **1. BACKGROUND**

In the Announcement, it was disclosed, among other things, that:

- (a) BDO had received two notices of administrative penalty (行政處罰通知書) issued by China Securities Regulatory Commission (“**CSRC**”);
- (b) BDO had already commenced the Rectification and will cease to accept new securities business during the rectification period, being the two months from the date of the second administrative penalty; and
- (c) 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.

## **2. PROPOSAL TO RE-APPOINT BDO AS THE COMPANY'S AUDITORS AND INTERNAL CONTROL AUDITORS**

Based on the “Notice in Relation to the Verification on Rectification of BDO China Shu Lun Pan Certified Public Accountants LLP and the Decision” (Cai Kuai Bian [2017] No. 38) issued by the Accounting Bureau of the Ministry of Finance and the Accounting Department of the CSRC, the Company understands that BDO is permitted to re-assume new securities business from 10 August 2017. Since BDO has re-assumed new securities business, the board of directors of the Company proposed to re-appoint BDO as the Company's auditors and internal auditors for year 2017, the relevant resolution of which has been passed at the third meeting of the board of directors of the Company held on 18 August 2017 and is subject to the consideration and approval at the extraordinary general meeting of 2017. The Company will issue the relevant notice of meeting after the date of the extraordinary general meeting of 2017 has been determined.

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.*