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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)

INSIDE INFORMATION

TERMINATION OF SPIN-OFF AND OVERSEAS LISTING AND PROPOSED QUOTATION ON NEEQ OF GP CORP.

This announcement is made by Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. (the “**Company**”) pursuant to Rule 13.09(2) (a) of the Rules Governing the Listing of Securities (the “**Hong Kong Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**HKEX**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the respective announcements of the Company (the latest one being dated 23 June 2022) and the circular of the Company dated 9 October 2020 in relation to the proposed spin-off (“**Proposed Spin-off**”) and overseas listing of Guangzhou Pharmaceuticals Co., Ltd (“**GP Corp.**”), a subsidiary of the Company.

The board of directors of the Company (the “**Board**”) hereby announces that on its meeting held on 19 December 2023, it has considered and approved, among others, termination of the Proposed Spin-off, and the proposed quotation on the National Equities Exchange and Quotations (the “**NEEQ**”) of GP Corp. Additionally, GP Corp. will seek a listing of its shares on the Beijing Stock Exchange in the People’s Republic of China (the “**PRC**”) as and when appropriate, taking into consideration the future capital market environment and strategic development needs.

TERMINATION OF THE PROPOSED SPIN-OFF

In view of the expiry of the Approval on the Issuance of Overseas Listed Foreign Invested Shares of Guangzhou Pharmaceuticals Co., Ltd. (issued by the China Securities Regulatory Commission) on 23 June 2022 and having considered the current changes in the capital market environment, in conjunction with the development plan of the Company and GP Corp., the Company and GP Corp. have decided to terminate the Proposed Spin-off after due and careful consideration.

The termination of the Proposed Spin-off will not affect the interests of the Company and all shareholders, will not have adverse effects on the normal production and operation activities of the Company and GP Corp., and will not affect the overall strategic planning of the Company.

PROPOSED THE QUOTATION ON THE NEEQ

Subject to compliance with relevant laws, regulations and policies and the maturity of conditions, GP Corp. intends to engage qualified agencies such as lead securities firms, accountants and lawyers to apply for the quotation and open transfer of GP Corp.'s shares on the NEEQ (the "Quotation"). After the completion of the Quotation, GP Corp., based on the capital market environment and strategic development needs, will seek a listing of its shares on the Beijing Stock Exchange at the appropriate time in the future. No new share will be issued in connection with the Quotation.

The key financial information of GP Corp. for the financial year ended 31 December 2022 and the nine months ended 30 September 2023 is set out below:

Items	For the nine months ended 30 September 2023 (Unaudited) (RMB'000)	For the year ended 31 December 2022 (Audited) (RMB'000)
	Total assets	31,892,106.28
Total liabilities	25,358,243.38	23,135,230.16
Net Assets	6,533,862.91	6,104,609.16

Items	1 January 2023 – 30 September 2023 (Unaudited) (RMB'000)	2022 (Audited) (RMB'000)
	Operating revenue	38,882,421.93
Net profit	423,944.12	618,588.53

GP Corp. is a subsidiary of the Company that focuses on pharmaceutical wholesale and retail business. GP Corp. maintains a high degree of independence from the Company in terms of personnel, institutions, business, finance, assets, research and development, production, and sales systems, etc. After the Quotation, GP Corp. remains a subsidiary within the scope of the Company's consolidated financial statements. The Quotation will not affect the control over GP Corp. or the independent listing status of the Company, nor will have a significant impact on the financial condition, operating results, and going concern of the Company. After the completion of the Quotation, GP Corp., based on the capital market environment and strategic development needs, will seek a listing of its shares on the Beijing Stock Exchange at the appropriate time in the future.

AUTHORIZATION MATTERS

The Board intends to authorize the management team of the Company to be responsible for the planning work of the Quotation and subsequent listing on the Beijing Stock Exchange and capital operation, including communicating with relevant stock exchanges and securities regulatory authorities to seek their opinions, submitting application documents to relevant stock exchanges and obtaining the consent (if necessary), preparing the Quotation plan, and timely publishing relevant announcements in accordance with the requirements of securities regulatory authorities.

The Quotation will constitute a spin-off within the meaning of Practice Note 15 of the Hong Kong Listing Rules and will be subject to the approval of the HKEX. An application for the Quotation will be submitted to the HKEX by the Company at an appropriate time.

The Quotation can only be implemented after obtaining the consent letter from the HKEX regarding the Practice Note 15 of the Hong Kong Listing Rules, and being reviewed and approved by general meeting of the Company, the board of directors and general meeting of GP Corp. There is still uncertainty about whether it can obtain the approval of the HKEX, the general meeting of the Company and the board of directors and general meeting of GP Corp. The Quotation still requires the consent of National Equities Exchange and Quotations Co., Ltd, and there is uncertainty regarding of the preparation and application for the Quotation, as well as the application results. The company will issue announcements regarding the Quotation in accordance with the Hong Kong Listing Rules and relevant regulatory authorities when appropriate or necessary.

Shareholders and potential investors of the Company should exercise caution when dealing in or investing in the shares or other securities of the Company. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 19 December 2023

As at the date of this announcement, the Board comprises Mr. Li Chuyuan, Mr. Yang Jun, Ms. Cheng Ning, Ms. Liu Juyan, Mr. Zhang Chunbo, Mr. Wu Changhai and Mr. Li Hong as executive Directors, and Mr. Chen Yajin, Mr. Huang Min, Mr. Wong Lung Tak Patrick and Ms. Sun Baoqing as independent non-executive Directors.