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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)

## **CONNECTED TRANSACTION**

### **SUPPLEMENTAL PARTNERSHIP AGREEMENT FOR THE GP FUND**

#### **SUPPLEMENTAL PARTNERSHIP AGREEMENT**

On 19 December 2023, the Company entered into the Supplemental Partnership Agreement with GP Capital, pursuant to which, the Company and GP Capital agreed to change the duration of the Partnership and waive the management fees during the corresponding extended period. Save for the aforesaid amendments agreed in the Supplemental Partnership Agreement, all other terms and conditions of the Fund Partnership Agreement remain unchanged.

#### **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, GPHL, the controlling shareholder of the Company, holds an 80% interest in GP Capital. As such, GP Capital is an associate of a connected person of the Company under the Hong Kong Listing Rules. Therefore, the transaction contemplated under the Fund Partnership Agreement and Supplemental Partnership Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Note to Rule 14A.35 of the Hong Kong Listing Rules, if there is any material variation of the terms of a connected transaction, the listed issuer must announce the variation as soon as practicable and re-comply with all other applicable provisions under the Hong Kong Listing Rules. As the Supplemental Partnership Agreement constitutes a material variation of certain provisions of the Fund Partnership Agreement, the Supplemental Partnership Agreement is required to comply with the announcement requirements under Rule 14A.35 of the Hong Kong Listing Rules.

As the Company's subscribed capital contribution to the Partnership remain unchanged under the Supplemental Partnership Agreement, and the highest of all applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) exceeds 0.1% but is less than 5%, the transaction contemplated under the Supplemental Partnership Agreement is exempt from the independent shareholders' approval requirements, but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

References is made to the announcement of the Company dated 18 March 2022 in relation to the entering into Fund Partnership Agreement between the Company and GP Capital, pursuant to which, parties thereto agreed to establish the Partnership (the “**Announcement**”). Capitalized terms used in this announcement have the same meanings as defined in the Announcement unless the context otherwise requires.

## THE FUND PARTNERSHIP AGREEMENT

Parties: 1. GP Capital (as general partner)  
2. The Company (as limited partner)

Fund Name: Guangzhou GP Fund Equity Investment Partnership (Limited Partnership)

Fund Size: RMB1 billion.

The capital contribution subscribed by each partner is as follows:

No.	Name of Partner	Nature of Partner	Subscribed Capital Contribution (RMB in ten thousand)	Subscription Ratio	Form of Capital Contribution
1	GP Capital	as general partner	100.00	0.10%	Cash
2	The Company	as limited partner	99,900.00	99.90%	Cash
<b>Total</b>			<b>100,000.00</b>	<b>100.00%</b>	-

Organizational Form of the Fund: Limited partnership

Method of Capital Contribution to the Fund: The paid-up capital contributions made by each partner shall be paid in instalments in the same proportion, the initial capital contribution ratio is 18% of the capital contribution subscribed by each partner with a total of RMB180 million; and the subsequent capital contribution shall be paid-up by each partner according to the Demand Notice issued by the fund manager based on the need of the fund investment.

Duration: The duration shall be 7 years, including 5 years for investment and 2 years for exit. The partner meeting can extend the duration of the Fund according to business needs, up to 2 years.

Management Fee of the Fund: (1) During the investment period of the Fund, the annual management fee shall be withdrawn at 2% of the total paid-in capital contribution;

- (2) During the fund exit period and extension period, the annual management fee shall be withdrawn at 1.5% of the outstanding investment amount;
- (3) For the part of the management fee that GP Capital should receive from the sub-fund as the sub-fund manager, GP Capital will deduct the management fee which already collected from the fund to avoid repeated management fees.

The Company extracted those principal terms of the Fund Partnership Agreement which are more relevant to the Supplemental Partnership Agreement for shareholders' ease of reference. Please refer to the Announcement for the full text of the principal terms of the Fund Partnership Agreement.

## **SUPPLEMENTAL PARTNERSHIP AGREEMENT**

On 19 December 2023, the Company entered into the Supplemental Partnership Agreement with GP Capital, pursuant to which, the Company and GP Capital agreed to change the duration of the Partnership and waive the management fees during the corresponding extended period.

The material variations of the terms of the Fund Partnership Agreement made by the Supplemental Partnership Agreement are summarized as follows:

**Duration:** Pursuant to the Fund Partnership Agreement, the duration of the Partnership shall be 7 years, including 5 years for investment and 2 years for exit. The partner meeting can extend the duration of the Fund according to business needs, up to 2 years.

Pursuant to the Supplemental Partnership Agreement, the duration of the Partnership shall be 13 years, including 10 years for investment and 3 years for exit. The partner meeting can extend the duration of the Fund according to business needs, up to 2 years.

**Management Fee of the Fund:** Pursuant to the Fund Partnership Agreement, during the investment period of the Fund, the annual management fee shall be withdrawn at 2% of the total paid-in capital contribution; during the exit period and extension period of the Fund, the annual management fee shall be withdrawn at 1.5% of the outstanding investment amount.

Pursuant to the Supplemental Partnership Agreement, during the first 5 years of the Fund's investment period, the management fee shall be withdrawn (a) at 2% of the total paid-in capital contribution per annum for the first 5 years of the Fund's investment period and (b) at 1.5% of the Fund's unrecovered investment balance per annum for the first 2 years of the Fund's exit period and the whole of the extension period. No management fee shall be withdrawn for the last 5 years of the Fund's investment period and the last year of the Fund's exit period.

Save as disclosed above, all other terms of the Fund Partnership Agreement remain unchanged in all material respects.

## **REASONS AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL PARTNERSHIP AGREEMENT**

The Partnership mainly conducts external equity investments by establishing sub-funds. The Board is of the view that extending the duration of the Partnership to 13 years to align with the duration of the sub-funds established and reserve sufficient time for future new sub-funds, will be beneficial to the overall operation of the Partnership and the achievement of investment objective, thereby safeguarding the interests of its partners.

## **VIEWS OF THE BOARD**

The Board has resolved to approve the entering into of Supplemental Partnership Agreement on 19 December 2023. Among the Directors who attended the board meeting, connected Directors Mr. Li Chuyuan, Mr. Yang Jun, Ms. Cheng Ning, Ms. Liu Juyan, Mr. Zhang Chunbo and Mr. Wu Changhai were deemed to have material interests in the transaction by virtue of being employed by GPHL and had thus abstained from voting on the relevant resolution.

Having considered that the Supplemental Partnership Agreement extending the duration of the Partnership by six years and waiving the management fees during the corresponding extended period, which will not change existing interests of the Company under the Fund Partnership Agreement or have any impact on the financial position, operating results or cash flow of the Company for the year, the Directors (including the independent non-executive Directors) is of the view that the terms of the Supplemental Partnership Agreement are fair and reasonable; the transactions under the Partnership Agreements are on normal commercial terms and in the interests of the Company and the shareholders as a whole.

## **INFORMATION OF THE PARTIES TO THE SUPPLEMENTAL PARTNERSHIP AGREEMENT**

### **The Company**

The Company is principally engaged in (1) the research and development, manufacturing and sales of Chinese patent medicine, Western medicine, chemical raw materials, natural medicine, biological medicine and chemical raw materials intermediates; (2) the wholesale, retail and import and export business of Western medicine, Chinese medicine and medical equipment; (3) the research, production and sales of health product; and (4) the health industry investment in medical care, health management, health maintenance and elderly care.

### **GP Capital**

GP Capital is a company established in the PRC with limited liability on 25 January 2022, and 80% is ultimately and beneficially owned by GPHL, a controlling shareholder of the Company. It is principally engaged in sub-fund investments, equity investments, equity related investments and other investments in compliance with applicable laws.

## **IMPLICATIONS UNDER THE HONG KONG LISTING RULES**

As at the date of this announcement, GPHL, the controlling shareholder of the Company, holds an 80% interest in GP Capital. As such, GP Capital is an associate of a connected person of the Company under the Hong Kong Listing Rules. Therefore, the transaction contemplated under the Fund Partnership Agreement and Supplemental Partnership Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

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As the Company's subscribed capital contribution to the Partnership remain unchanged under the Supplemental Partnership Agreement, and the highest of all applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) exceeds 0.1% but is less than 5%, the transactions contemplated under the Supplemental Partnership Agreement is exempt from the independent shareholders' approval requirements, but subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

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.*