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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)

ANNOUNCEMENT ON THE SUBMISSION OF LISTING APPLICATION BY GUANGZHOU PHARMACEUTICALS CO., LTD. TO THE HONG KONG STOCK EXCHANGE

The Company is pleased to announce that, on 31 March 2021, GP Corp., through its Sole Sponsor, submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and the permission to deal in, the GP Corp. H Shares on the Main Board of the Stock Exchange. GP Corp. proposes to conduct an offering of the GP Corp. H Shares by way of a Global Offering after obtaining the listing approval. Subject to certain conditions, Qualifying Shareholders will be provided with an Assured Entitlement. The Company will make further announcement(s) with regards to the details of such Assured Entitlement as and when appropriate.

Upon completion of the Listing, GP Corp. is intended to remain as a subsidiary of the Company.

The Spin-off Group is engaged in the distribution and retail of a wide range of pharmaceutical products and dedicated to providing supply chain services to its upstream and downstream partners along the pharmaceutical industry value chain.

As the Listing is conditional upon the approval of the Listing Committee, CSRC and other relevant authorities, the final decision of the Company and GP Corp., market conditions and other considerations, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Rule 13.09(2) of the Listing Rules and Practice Note 15 of the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 10 September 2019, 29 April 2020 and 17 March 2021, and the circular dated 9 October 2020 in relation to, among other things, the Proposed Spin-off and overseas listing of GP Corp., a subsidiary of the Company by the Company. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Company proposes to spin-off and separately list the H shares of GP Corp., a non wholly-owned subsidiary of the Company, on the Main Board of the Hong Kong Stock Exchange. The separate listing of the GP Corp. H Shares on the Main Board of the Hong Kong Stock Exchange constitutes a spin-off of GP Corp. by the Company under Practice Note 15 of the Listing Rules. The Hong Kong Stock Exchange has confirmed that the Company may proceed with the Proposed Spin-off.

On 31 March 2021, GP Corp., through its Sole Sponsor, submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and the permission to deal in, the GP Corp. H Shares on the Main Board of the Stock Exchange.

THE PROPOSED SPIN-OFF

GP Corp. proposes to conduct an offering of the GP Corp. H Shares by way of a Global Offering after obtaining the listing approval. The details of the Global Offering have yet to be finalised. As at the date of this announcement, GP Corp. is owned as to approximately 72.74% by the Company. It is intended that upon completion of the Listing, GP Corp. will remain as a subsidiary of the Company.

THE SPIN-OFF GROUP

The Spin-off Group is engaged in the distribution and retail of a wide range of pharmaceutical products and dedicated to providing supply chain services to its upstream and downstream partners along the pharmaceutical industry value chain.

RATIONALE AND BENEFITS OF THE PROPOSED SPIN-OFF

- (i) the Spin-off will create separate platforms for the Remaining Group and the GP Corp. that further develop their respective businesses;
- (ii) a separate listing status on the Hong Kong Stock Exchange will enhance the GP Corp's profile and image amongst its customers, suppliers and other business partners, as well as its ability to recruit and retain talents available;
- (iii) a separate listing status on the Hong Kong Stock Exchange is expected to facilitate direct access by the GP Corp. to the equity and debt securities markets, as well as the bank credit market;

- (iv) the Spin-off will allow investors to separately value the Remaining Group and the GP Corp. based on their distinct investment identities as well as the respective operational performance and financial results of the Remaining Group and the GP Corp's on a standalone basis; and
- (v) the Spin-off will lead to a more direct alignment of the GP Corp's management responsibilities and accountability with its operating and financial performance.

ASSURED ENTITLEMENT AND FURTHER ANNOUNCEMENT

Subject to the below, the Company will give due regard to the interests of the Shareholders by providing the Qualifying Shareholders with an Assured Entitlement, subject to certain conditions, if the Company and GP Corp. decide to proceed with the Proposed Spin-off and the Global Offering, and the Listing Committee has approved the Listing.

Due to the restrictions under the relevant laws and regulations of the PRC, there are restrictions in the provision of the Assured Entitlement to all of the existing A Share Shareholders of the Company. In order to comply with the requirements under Practice Note 15 of the Listing Rules, such Assured Entitlement can only be provided to the existing H Share Shareholders of the Company, and these arrangements have been approved at the general meeting, the A Share Shareholders class meeting and the H Share Shareholders class meeting held by the Company on 23 November 2020.

The Company will make further announcement(s) with regards to the details of the Assured Entitlement as and when appropriate.

INFORMATION OF THE COMPANY

The Company is principally engaged in: (1) the research, development and manufacturing of Chinese patent medicine, Western medicine, chemical raw materials, natural medicine, biological medicine and chemical raw materials intermediates and the sales of the abovementioned to pharmaceutical distributors; (2) the research, development, production and sale of great health products, which mainly involve great health products; and (3) the health industry investment in medical care, health management, health maintenance and elderly care.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Spin-off exceeds 5% but is less than 25%, the Proposed Spin-off is subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under Chapter 14 of the Listing Rules.

GENERAL

The Application Proof is expected to be available for reviewing and downloading on the Hong Kong Stock Exchange's website at <http://www.hkexnews.hk/APP/SEHKAPPMainIndex.htm>. The Application Proof contains, among other things, certain business and financial information relating to the Spin-off Group. Shareholders should note that the Application Proof is in draft form and the information contained in it is subject to change which may be material.

The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate.

As the Listing is conditional upon the approval of the Listing Committee, CSRC and other relevant authorities, the final decision of the Company and GP Corp., market conditions and other considerations, Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“A Share(s)”	A shares in the Company
“A Share Shareholder(s)”	holder(s) of A Share(s)
“Application Proof”	a redacted form of the application proof of the listing document of GP Corp.
“Assured Entitlement”	assured entitlement of Qualifying Shareholder(s) to GP Corp. H Shares under the Global Offering
“Board”	the board of Directors
“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 limited liability company established in the PRC, the H shares of which are listed on the Hong Kong Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company

“Global Offering”	the offering for public subscription in Hong Kong and the conditional international placing (including the preferential offering to the Qualifying Shareholder(s)) of the GP Corp.
“GP Corp.”	Guangzhou Pharmaceuticals Co., Ltd.* (廣州醫藥股份有限公司), formerly known as Guangzhou Pharmaceuticals Company Limited* (廣州醫藥有限公司), a joint stock limited liability company established in the PRC in 1951
“GP Corp. H Shares”	H shares in GP Corp.
“H Share(s)”	H shares in the Company
“H Share Shareholder(s)”	holder(s) of H Share(s)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the GP Corp. H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Non-qualifying Shareholders”	Shareholders whose name appear in the register of members of the Company on the Record Date and whose address as shown in such register is in any of the specified territories and any Shareholders or beneficial Shareholders at that time who is otherwise known by the Company to be resident in any of the specified territories
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Proposed Spin-off”	the proposed spin-off and separate listing of the GP Corp. H Shares on the Main Board of the Hong Kong Stock Exchange
“Qualifying Shareholders”	Shareholders whose name appear in the register of members of the Company on the Record Date, other than the Non-qualifying Shareholders

“Record Date”	the record date for ascertaining the Qualifying Shareholders who shall be entitled to Assured Entitlement
“Remaining Group”	the Company and its subsidiaries, but excluding the Spin-off Group
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the A Share(s) and/or H Share(s)
“Sole Sponsor”	Guotai Junan Capital Limited
“Spin-off Group”	GP Corp. and its subsidiaries
“%”	per cent.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 31 March 2021

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