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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 ENTERED INTO NEW PARTNERSHIP AGREEMENT**

### **NEW PARTNERSHIP AGREEMENT**

On 26 June 2024, the Original Partners of WBA GP Fund entered into New Partnership Agreement with Nansha Science and Technology Innovation Master Fund, pursuant to which, the Original Partners agreed to introduce Nansha Science and Technology Innovation Master Fund as New Partners of WBA GP Fund and revise the Original Partnership Agreement accordingly. The core provisions in terms of GP Fund's amount and method of contribution to WBA GP Fund remain unchanged under the New Partnership Agreement.

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

As disclosed in the Announcements, GPHL, the controlling shareholder of the Company, holds 80% interests of GP Capital. As such, GP Capital is an associate of GPHL and a connected person of the Company under the Hong Kong Listing Rules. Therefore, the transaction under the Cooperation Agreement constitutes a connected transaction of the Company. The Board has approved the Cooperation Agreement and the transaction contemplated thereunder on 2 March 2023 and complied with the relevant reporting and announcement requirements under the Hong Kong 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 New Partnership Agreement constitutes a material variation of the terms of the Original Partnership Agreement ancillary to the Cooperation Agreement, the New Partnership Agreement is required to comply with the announcement requirement under Rule 14A.35 of the Hong Kong Listing Rules.

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

References are made to (i) the announcement of the Company dated 2 March 2023 in relation to the entering into Cooperation Agreement among GP Fund, GP Capital, ABMP and WBA Asia Investments, pursuant to which, the parties agreed to establish WBA GP Fund (the " **First Announcement**"); and (ii) the announcement dated 26 December 2023 in relation to the entering into the Partnership Agreement of WBA GP (Guangzhou) Equity Investment Partnership (Limited Partnership) (the " **Second Partnership Agreement**") among GP Fund, GP Capital, WBA Asia Investments, Emerging Fund and Industrial Fund Corporation (collectively known as " **Original Partners**"), pursuant to which, the parties agree to introduce Emerging Fund and Industrial Fund Corporation as partners of WBA GP Fund and revise the terms of the Partnership Agreement ancillary to the Cooperation Agreement (the " **First Partnership Agreement**, together with Second Partnership Agreement, collectively known as **Original Partnership Agreement**") by way of entering into Second Partnership Agreement (the " **Second Announcement**, together with First Announcement, collectively known as **Announcements**"). Capitalized terms used in this announcement have the same meanings as defined in the Announcements unless otherwise defined or the context otherwise requires.

On 26 June 2024, the Original Partners of WBA GP Fund entered into the Partnership Agreement of WBA GP (Guangzhou) Equity Investment Partnership (Limited Partnership) (the " **New Partnership Agreement**") with Guangzhou Nansha Science and Technology Venture Capital Fund Co., Ltd.\*(廣州南沙區科工創業投資基金有限公司) (the " **Nansha Science and Technology Innovation Master Fund**", or the " **New Partner**"), pursuant to which, the Original Partners agreed to introduce Nansha Science and Technology Innovation Master Fund as the New Partner of WBA GP Fund and revise the Original Partnership Agreement accordingly (the " **Variation**").

## ORIGINAL PARTNERSHIP AGREEMENT

The major terms of the Original Partnership Agreement subject to the Variation are set out as follows:

- Parties:
1. GP Capital (as the Fund's general partner, executive partner and fund manager)
  2. WBA Asia Investments Limited (as limited partner and overseas LP of the Fund)
  3. GP Fund (as limited partner of the Fund)
  4. Emerging Fund (as limited partner of the Fund)
  5. Industrial Fund Corporation (as limited partner of the Fund)

Fund Size: RMB900.00 million

The subscribed capital contribution of each of the Original Partners is as follows:

No.	Name of Partner	Nature of Partner	Subscribed Capital Contribution (RMB in ten thousand)	Form of Capital Contribution
1	GP Capital	as general partner	900.00	Cash
2	GP Fund	as limited partner	33,400.00	Cash
3	WBA Asia Investments Limited	as limited partner	33,400.00	Cash
4	Emerging Fund	as limited partner	18,000.00	Cash
5	Industrial Fund Corporation	as limited partner	<u>4,300.00</u>	Cash
		<b>Total</b>	<b><u><u>90,000.00</u></u></b>	-

Investment Method:	Direct investment or indirect investment in the equity of non-listed companies through special purpose vehicle (only for special purpose vehicle which are set up for a single investment project).
Reinvestment Requirements:	<p>Reinvestment requirements of Emerging Fund and Industrial Fund Corporation:</p> <p>In principle, the amount of the Fund invested in the enterprises in the administrative area of Guangzhou shall not be less than 1.5 times of the sum of the investment amount of the Emerging Fund and the Industrial Fund Corporation. Enterprises to be invested in the administrative area of Guangzhou shall be of the following types:</p> <ol style="list-style-type: none"> <li>(1) An enterprise domiciled in Guangzhou;</li> <li>(2) An enterprise who register or relocate its place of registration to Guangzhou or have its substantial subsidiaries primarily engaging in production and operation or main product research and development register or relocate place of registration to Guangzhou during the duration of the Fund after being invested and have been admitted to the statistical declaration of large-scale enterprises in Guangzhou. In case of a newly established or relocated subsidiary, the reinvestment amount shall be the lower of either its paid-in capital or the amount invested in the enterprise. In case of the parent company who relocated to Guangzhou, the reinvestment amount shall be calculated at 2 times of the investment amount;</li> <li>(3) An enterprise who has been acquired by another enterprise domiciled in Guangzhou and has been admitted to the statistical declaration of large-scale enterprises in Guangzhou during the duration of the Fund.</li> </ol>
Distribution Order of the Distributable Funds:	<p>The distributable funds of the Fund shall be distributed in the following order:</p> <ol style="list-style-type: none"> <li>(1) Repayment of capital contribution: Distribution shall be made to all partners in accordance with their respective paid-in capital contribution proportion until such distributed amount reaches their respective paid-in capital contribution in the Fund;</li> <li>(2) Preferred return: Threshold return is distributed to each partner until all partners achieve an annualized threshold rate of return of 7% at simple interest rate calculated based on their paid-in capital contribution and investment period;</li> </ol>

- (3) Catch-up distribution and excess profit: If there is any balance after the distribution above, each partner shall be distributed in accordance with the following formula;
- ① Each partner shall calculate the remaining distributable amount to which it is entitled in proportion to its paid-in capital contribution;
  - ② Of the remaining distributable amount due to Emerging Fund and Industrial Fund Corporation calculated pursuant to ①, 80% shall be distributed to Emerging Fund and Industrial Fund Corporation, and the remaining 20% shall be distributed between the general partner and the overseas LP in the ratio of 1:1;
  - ③ Of the remaining distributable amount due to the general partner, GP Fund and overseas LP calculated pursuant to ①, catch-up distribution shall be made to the general partner and overseas LP until the cumulative amount of distribution received by the general partner and overseas LP reaches the aggregate amount of preferred return of (2) above/ $0.8 * 0.1$  cumulatively received by GP Fund and overseas LP, and the balance shall be distributed to the general partner, GP Fund and overseas LP according to the ratio of 1:4:5.

Term of Operation:

The Partnership shall have a term of 10 years commencing from the date of establishment of the Partnership. The term of the Partnership as a private fund is 7 years, commencing from the date of establishment of the Fund. The duration of the Fund is divided into the investment period and the exit period. The investment period of the Fund is 2 years from the date of establishment of the Fund. The exit period is from the date of expiry of the investment period to the end of the term of the Fund. The Fund will no longer make external investment during the exit period. The project shall be fully exited during the exit period, and the Fund shall mature in advance.

Upon expiry of the investment period, where the external investment amount of the Fund does not reach 80% of the total paid-in capital of the Fund, the investment period of the Fund will be automatically extended for 1 year with a maximum of 2 extensions. After the extension of the investment period, the remaining term of the Fund is the exit period.

In the event that the Fund's investment projects have not fully exited three months prior to the expiry of the term of the Fund, the term of the Fund may be extended for one year for one time only, as proposed by the executive partner and agreed by the partners representing more than two-thirds of the total capital contribution of all partners. If the proposal to extend the term of the Fund is not approved, the fund manager shall actively realize the assets of the Fund based on the principle of maximizing the interests of the Fund and perform the corresponding approval procedures in accordance with the Original Partnership Agreement.

Withdrawal:

The formula for determining the transfer price of the interests of Emerging Fund upon withdrawing from the Fund are as follows:

- (1) If Emerging Fund's holding period of its paid-in capital contribution in the Fund is within 3 years (including 3 years), the transfer price shall be determined by reference to its original investment amount in the Fund;
- (2) If Emerging Fund's holding period of its paid-in capital contribution in the Fund is more than 3 years but is less than 5 years (including 5 years) and the annualised investment return, and calculated based on cumulative dividends entitled to Emerging Fund is higher than the benchmark income of savings treasury bonds in the same period during which the Partnership Agreement was entered into, the transfer price shall be determined with reference to the original investment amount of the Emerging Fund. Where the annualised investment calculated based on cumulative dividends entitled to Emerging Fund is lower than the benchmark income of savings treasury bonds for the same period during which the Partnership Agreement was entered into, the transfer price shall not be lower than the sum of the amount of original investment and difference between benchmark income of the savings treasury bonds and the accumulated dividend;
- (3) The transfer price shall be determined with reference to its market price according to the principles of public finance and the operation requirements of the Emerging Fund if its holding period of the paid-in capital contribution is more than five years.

Management Fee of the Fund:

1. During the investment period of the Fund, the annual management fee shall be withdrawn at 1% 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% of the outstanding investment amount;

3. No management fee is charged during the liquidation period of the Fund.

Investment Decision  
Committee:

- (1) The investment decision committee is composed of four members, of which, one appointed by GP Capital, one appointed by GP Fund as the limited partner, one appointed by overseas LP as the limited partner, and one appointed by Emerging Fund which has the right as the limited partner. The investment decision committee shall have one chairman, who is a member recommended by GP Capital.
- (2) On a poll, each person of the investment decision committee shall be entitled to one vote and can opt for abstention. Decision-making matters shall be approved by a simple majority of all committee members.
- (3) The investment plan shall be submitted to the Emerging Fund for compliance review seven days before submission to the investment decision committee for voting. The Emerging Fund shall, within seven days after receiving the investment plan, review the compliance requirements and submit written comments. The investment plan rejected by the Emerging Fund shall not be put on the agenda of the investment decision committee, be submitted to a vote, or be implemented. If the investment plan which is not rejected by the Emerging Fund in the compliance review process, the member appointed by the Emerging Fund shall vote for the investment plan, except for the situation where there are material differences in the investment plan between which submitted to the investment decision committee and be reviewed in the compliance review.

Liquidation and  
Distribution:

At the time of liquidation of the Fund, the income from any investment project and other fund assets and any assets distributed in physical form and other assets that can be distributed to the partners, shall be distributed among the partners according to the order of distribution of the distributable funds; and in the allocation of capital contribution, priority shall be given to the Emerging Fund and Industrial Fund Corporation until they recover all the original investment, and then the distribution shall be made to other partners in proportion to their paid-in capital contribution.

Please refer to the Announcements of the Company for other primary terms of the Original Partnership Agreement.

## NEW PARTNERSHIP AGREEMENT

The material variations to the terms of the Original Partnership Agreement in the New Partnership Agreement are as follows:

- Parties : 1. GP Capital (as the Fund's general partner, executive partner and fund manager)
2. WBA Asia Investments Limited (as limited partner and overseas LP of the Fund)
3. GP Fund (as limited partner of the Fund)
4. Emerging Fund (as limited partner of the Fund)
5. Industrial Fund Corporation (as limited partner of the Fund)
6. Nansha Science and Technology Innovation Master Fund (as limited partner of the Fund)

Fund Size : RMB1.00 billion

The subscribed capital of each partner is as follows:

No.	Name of Partner	Nature of Partner	Subscribed Capital Contribution (RMB in ten thousand)	Form of Capital Contribution
1	GP Capital	as general partner	1,000.00	Cash
2	GP Fund	as limited partner	33,400.00	Cash
3	WBA Asia Investments Limited	as limited partner	33,400.00	Cash
4	Emerging Fund	as limited partner	18,000.00	Cash
5	Industrial Fund Corporation	as limited partner	4,300.00	Cash
6	Nansha Science and Technology Innovation Master Fund	as limited partner	9,900.00	Cash
		<b>Total</b>	<b>100,000.00</b>	-



Investment Method : Investment in the equity of non-listed companies.

Reinvestment requirements : Reinvestment requirements of Emerging Fund and Industrial Fund Corporation:

Please refer to the section headed ORIGINAL PARTNERSHIP AGREEMENT in this announcement for details.

Reinvestment requirements of Nansha Science and Technology Innovation Master Fund (new provision):

In principle, the amount the Fund invested in the enterprises in the administrative area of Nansha District, Guangzhou shall not be less than 1.5 times the paid-in capital contribution of Nansha Science and Technology Innovation Master Fund. The following circumstances can be identified as funds invested in an enterprise in the administrative area of Nansha District, Guangzhou:

- (1) Direct investments in an enterprise registered in Nansha District;
- (2) An investee enterprise outside Guangzhou that has relocated the place of registration to Nansha District and conducted actual operation (with a commitment that it will not relocate out of Nansha District within five years), or has been acquired and thus controlled by a registered enterprise in Nansha District during the duration of the Fund;
- (3) If an investee enterprise outside Nansha District invested by the Fund invests in the existing enterprises in Nansha District by way of equity investment, the actual investment amount shall be counted towards the reinvestment amount to extend not exceeding the amount invested in it by the Fund;
- (4) If an investee enterprise outside Nansha District invested by the Fund sets up its main production or R&D bases in Nansha District through the establishment of subsidiaries and undertakes not to these subsidiaries relocate out of Nansha District within 5 years, its actual investment amount shall be counted towards the reinvestment amount to extend not exceeding the amount invested in it by the Fund;
- (5) Other funds actually funded and managed by the fund management institutions or their controlling shareholders (in the form of a corporation) or new investments from their own funds that meet the above circumstances, may also be included in the calculation scope of reinvestment.

Distribution Order of :  
the Distributable  
Funds

The distributable funds of the Fund shall be distributed in the following order:

- (1) Repayment of capital contribution: Distribution shall be made to all partners in accordance with their respective paid-in capital contribution proportions until such distributed amount reaches their respective paid-in capital contribution in the Fund;
- (2) Preferred return: Threshold return is distributed to each partner until all partners achieve an annualized threshold rate of return of 7% at simple interest rate calculated based on their paid-in capital contribution and investment period;
- (3) Catch-up distribution and excess profit: If there is any balance after the distribution above, each partner shall be distributed in accordance with the following formula;
  - ① Each partner shall calculate the remaining distributable amount to which it is entitled to proportion to its paid-in capital contribution;
  - ② Of the remaining distributable amount due to Emerging Fund, Industrial Fund Corporation and Nansha Science and Technology Innovation Master Fund calculated pursuant to ①, 80% shall be distributed to Emerging Fund, Industrial Fund Corporation and Nansha Science and Technology Innovation Master Fund, and the remaining 20% shall be distributed between the general partner and the overseas LP in the ratio of 1:1;
  - ③ Of the remaining distributable amount due to the general partner, GP Fund and overseas LP calculated pursuant to ①, catch-up distribution shall be made to the general partner and overseas LP until the cumulative amount of distribution received by the general partner and overseas LP reaches the aggregate amount of preferred return calculated pursuant to (2) above/ $0.8 * 0.1$  cumulatively received by GP Fund and overseas LP, and the balance shall be distributed to the general partner, GP Fund and overseas LP according to the ratio of 1:4:5.

Term of Operation : The Partnership shall have a term of 10 years commencing from the date of the establishment of the Partnership and expiring on 27 June 2033. The Partnership as a private fund shall have a duration of 7 years commencing from the date of the establishment of the Fund. The duration of the Fund is divided into the investment period and the exit period. The first 4 years commencing from the date of the establishment of the Fund shall be the investment period of the Fund. The exit period is from the date of expiry of the investment period to the end of the duration of the Fund. The Fund will no longer make external investment during the exit period. If projects invested by the Fund fully exit during the exit period, the Fund shall mature in advance.

In the event that the Fund's investment projects have not fully exited three months prior to the expiry of the term of the Fund, the term of the Fund may be extended for one year for one time only, as proposed by the executive partner and agreed by all partners. If the proposal to extend the term of the Fund is not approved, the fund manager shall actively realize the assets of the Fund based on the principle of maximizing the interests of the Fund and perform the corresponding approval procedures in accordance with the Original Partnership Agreement. Notwithstanding the foregoing, the duration of the Fund after the extension shall not exceed ten years.

Withdrawal : The withdrawal of Emerging Fund:

Please refer to the section headed ORIGINAL PARTNERSHIP AGREEMENT in this announcement for details.

The withdrawal of Nansha Science and Technology Innovation Master Fund (new provision):

Nansha Science and Technology Innovation Master Fund may opt to withdraw from the Partnership without the consent of other partners, other partners shall execute all documents or perform all procedures necessary to ensure the successful withdrawal of Nansha Science and Technology Innovation Master Fund, with the exit price of not less than the sum of balances of the investment principal and interests calculated at the loan prime rate (LPR) for the same period, and the risks and losses resulting from withdrawal of Nansha Science and Technology Innovation Master Fund will be borne by the management body of the Fund upon the occurrence of any of the following circumstances:

- (1) The procedures for industrial and commercial registration of the changes of the Partnership fails to be completed in accordance with the prescribed procedures and time frame when the investment plan subjects to Nansha Science and Technology Innovation Master Fund invest WBA GP Fund take effect more than one year (after 10 April 2025);
- (2) The Fund fails to conduct its investment business for more than one year after Nansha Science and Technology Innovation Master Fund contributes capital to the Fund's account;
- (3) The investment areas and directions of the Fund are not consistent with the governmental policies;
- (4) The Fund fails to invest according to the New Partnership Agreement and other legal documents;
- (5) Other circumstances that do not comply with the provisions of the New Partnership Agreement and other legal documents.

Nansha Science and Technology Innovation Master Fund shall be entitled to transfer part or all of its shares and partnership interests in the Fund to its related state-owned enterprises in Nansha District, or transfer those shares or partnership interest to the above-mentioned state-owned enterprises on the instruction of the governments, without the consent of other partners (including executive partners and fund managers) and not be subject to the terms of the New Partnership Agreement relating to the transfer of fund shares. Other partners shall execute all documents or perform all procedures necessary to ensure the above-mentioned rights of Nansha Science and Technology Innovation Master Fund.

- Management Fee of : (1) During the investment period of the Fund, the annual management fee  
the Fund shall be withdrawn at 1% of the total paid-in capital contribution;
- (2) During the exit period of the Fund, the annual management fee shall be withdrawn at 1% of the outstanding investment amount;
- (3) No management fee shall be charged during the extension period and liquidation period of the Fund.
- Investment Decision : (1) The investment decision committee is composed of four members, of  
Committee which, one appointed by GP Capital, one appointed by GP Fund as a limited partner, one appointed by overseas LP as a limited partner, and one appointed by Emerging Fund as a limited partner. The investment decision committee shall have one chairman, who is a member recommended by GP Capital.
- (2) On a poll, each member of the investment decision committee shall be entitled to one vote and can opt for abstention. Resolutions of the committee shall be approved by a simple majority of all committee members.
- (3) The investment plan shall be submitted to the Emerging Fund for compliance review seven days before submission to the investment decision committee for voting. The Emerging Fund shall, within seven days after receiving the investment plan, review the compliance requirements and submit written comments. The investment plan rejected by the Emerging Fund shall not be put on the agenda of the investment decision committee, be submitted to a vote, or be implemented. If the investment plan which is not rejected by the Emerging Fund in the compliance review process, the member appointed by the Emerging Fund shall vote in favor of the investment plan, unless the investment plan submitted to the investment decision committee differs materially and/or substantially from the one submitted for the compliance review.

Nansha Science and Technology Innovation Master Fund shall have the right to appoint an observer to attend meetings of the investment decision committee to express opinions on the compliance of the proposed investment projects.

Any investment plan in relation to the investment matters of the Fund which is required to be submitted to the investment decision committee under the New Partnership Agreement shall be delivered to Nansha Science and Technology Innovation Master Fund for compliance review seven days before the submission to the investment decision committee for voting. In principle, Nansha Science and Technology Innovation Master Fund shall, within seven days after receiving the materials sent by the fund manager, complete the compliance review of the proposed investment project of the Fund, and give feedback to the fund manager within two days after completing the review. The investment plans rejected by Nansha Science and Technology Innovation Master Fund in the compliance review process shall not be put on the agenda of the investment decision committee, be submitted to a vote, or be implemented.

Nansha Science and Technology Innovation Master Fund enjoys the same information right as members of the investment decision committee, and is entitled to obtain the same project information to be provided to the members of the investment decision committee by the fund manager and to make inquiries about the relevant issues. Nansha Science and Technology Innovation Master Fund is also entitled to review whether the proposals are in compliance with the applicable laws and the New Partnership Agreement and other matters, and has the right to reject the proposals under the following circumstances:

- (1) where it is of the view the relevant proposal violates laws and regulations, deviates from guidance of the government policies and breaches the provisions of the New Partnership Agreement;
- (2) where the Fund submits investment project proposal outside Nansha District to the investment decision committee when the Fund fails to satisfy the reinvestment requirements of Nansha Science and Technology Innovation Master Fund as agreed, and its investable balance is insufficient to satisfy the reinvestment requirements of Nansha District.

Once the investment resolution has been made by the investment decision committee, the fund manager shall send an electronic copy of the investment decision committee's resolution to Nansha Science and Technology Innovation Master Fund by email within 2 business days. After Nansha Science and Technology Innovation Master Fund has received the email from the investment decision committee regarding the approval of the proposed investment project of the Fund, the custodian institution of Nansha Science and Technology Innovation Master Fund shall issue the compliance review report in accordance with the procedures within no more than 3 business days. The fund manager shall give instructions to transfer the investment funds to the custodian bank in accordance with the compliance review report. After the investment funds have been allocated, the fund manager shall send the payment voucher to Nansha Science and Technology Innovation Master Fund by email within 2 business days. If the investment decision committee resolves to withdraw the investment project or the investment project is settled, the fund manager shall send the relevant information regarding the withdrawal of the investment project to Nansha Science and Technology Innovation Master Fund within 7 business days.

Liquidation and Distribution : At the time of liquidation of the Fund, any income realized from any investment project and other partnership assets, any assets distributable in kind or otherwise that can be distributed to the partners, shall be distributed among the partners according to the distribution order of the distributable funds; and in the distribution of refund of capital contribution, priority shall be given to the Emerging Fund, Industrial Fund Corporation, Nansha Science and Technology Innovation Master Fund until they recover all the original investment, and then the distribution shall be made to other partners in proportion to their respective paid-in capital contribution.

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

## **REASONS AND BENEFITS FOR ENTERING INTO THE NEW PARTNERSHIP AGREEMENT**

The addition of limited partner and the expansion of the scale of the WBA GP Fund are the subsequent fundraising activities carried out by the fund manager within the scope of its authorization to apply for the government-guided fund, and there is no harm to the interests of the Fund or the Original Partners. Additionally, as the amount and method of contribution from the GP Fund to WBA GP Fund remain unchanged, the entering into the New Partnership Agreement will not adversely affect the financial and operating conditions of the Company, nor harm the interests of the Company or its minority shareholders. The purpose of GP Fund's contribution to the establishment of the WBA GP Fund is to accelerate the Company's foreign investment and to discover and cultivate high-quality projects with market competitiveness. The expansion of the fund scale will help to achieve the above objectives.

## **VIEWS OF THE BOARD**

The Board has resolved to approve the Variation on 26 June 2024. 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 GPLH and had thus abstained from voting on the relevant resolution.

The Directors, including the independent non-executive Directors, consider that the transaction is on normal commercial terms in the ordinary course of business of the Company and the terms of the New Partnership Agreement are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE NEW PARTNER**

### **Nansha Science and Technology Innovation Master Fund**

Nansha Science and Technology Innovation Master Fund is a limited liability company established in the PRC on 5 September 2019, and its ultimate beneficial owner is Guangzhou Nansha Economic and Technological Development Zone Management Committee (a dispatched institution of the Guangzhou Municipal People's Government). Nansha Science and Technology Innovation Master Fund is mainly engaged in capital market service (businesses that are subject to approval in accordance with the law may only be carried out after the approval of the relevant departments). As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Nansha Science and Technology Innovation Master Fund and its ultimate beneficial owner are third parties independent of the Company and its connected persons.



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

As disclosed in the Announcements, GPHL, the controlling shareholder of the Company, holds 80% interests of GP Capital. As such, GP Capital is an associate of GPHL and a connected person of the Company under the Hong Kong Listing Rules. Therefore, the transaction under the Cooperation Agreement constitutes a connected transaction of the Company. The Board has approved the Cooperation Agreement and the transaction contemplated thereunder on 2 March 2023 and complied with the relevant reporting and announcement requirements under the Hong Kong 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 New Partnership Agreement constitutes a material variation of the terms of the Original Partnership Agreement ancillary to the Cooperation Agreement, the New Partnership Agreement is required to comply with the announcement requirement under Rule 14A.35 of the Hong Kong Listing Rules.

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

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

Guangzhou, the PRC, 26 June 2024

*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.*