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廣州白雲山医药集团股份有限公司

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: 00874)

VOLUNTARY ANNOUNCEMENT ENTERING INTO A LAND RESERVE COMPENSATION AGREEMENT

This announcement is made voluntarily by Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the “**Company**”, together with its subsidiaries, collectively referred to as the “**Group**”).

INTRODUCTION

Guanghua, a subsidiary of the Company, owns the land parcel and the fixed assets thereon located at No. 355 North Shatai Road, Baiyun District, Guangzhou, which has been included in the scope of land to be reserved under the “Implementation Plan for Land Reserve in Baiyun Tonghe Area”. On 27 November 2025, Guanghua entered into a Land Reserve Compensation Agreement with the Tonghe Sub-district Office. Pursuant to the Agreement, the compensation amount for the land reserve of the land parcel is RMB375,244,134. Upon the land parcel meeting certain conditions, including achieving the “clean land” standard, Guanghua will be entitled to an additional land handover incentive of approximately RMB73,323,768. The total amount of compensation and incentive is approximately RMB448,567,902.

LAND RESERVE COMPENSATION AGREEMENT

The principal terms of the Land Reserve Compensation Agreement are summarized as below:

- Parties:
1. Party A: Tonghe Sub-district Office of the People's Government of Baiyun District, Guangzhou
 2. Party B: Guangzhou Baiyunshan Guanghua Pharmaceutical Co., Ltd.

Land Reserve Compensation Amount: RMB375,244,134

Land Handover Incentive:	Where the land parcel is handed over upon meeting the “clean land” standard, Party B shall be entitled to a land handover incentive of RMB73,323,768, which shall be paid in full together with the final installment of the compensation amount.
Area and Location of the Land to be Reserved:	According to the records in the real estate ownership certificate provided by Party B, the land parcel to be reserved by Party A under the Agreement is located at No. 355 North Shatai Road, Baiyun District, Guangzhou, with a total area of 29,429.56 square meters. Of such area, 26,992 square meters have been included in the provincial “Three Olds” Renovation Land Parcel Database, while 2,437.56 square meters have not been included. The final area to be reserved shall be subject to confirmation by both parties.
Payment of Land Reserve Compensation:	Upon Party B completing the cancellation of the registration of ownership of the land, buildings (structures) and attachments subject to the Agreement, Party A shall pay the first installment of the land reserve compensation in the amount of RMB80,000,000 to Party B. Upon Party B delivering the land to Party A in accordance with the Agreement and signing the Land Handover Confirmation Letter, Party A shall pay the second instalment of the compensation of RMB80,000,000 to Party B. Party A shall pay the remaining compensation to Party B after the land under the Agreement has completed the procedures for land grant or allocation.
Land Handover:	Party B shall, within 730 days from the effective date of the Agreement, hand over the land parcel subject to the Agreement to Party A in accordance with the land handover conditions stipulated in the Agreement and shall sign the “Land Handover Confirmation Letter”.
Liability for Breach of Contract:	If Party A fails to fulfill its payment application obligations Agreement as stipulated in the Agreement, it shall pay liquidated damages to Party B in accordance with the Agreement. If Party B breaches the Agreement, it shall pay liquidated damages to Party A in accordance with the Agreement and continue to perform its obligations hereunder. If Party B refuses to perform its obligations, Party A shall have the right to apply to the relevant administrative authorities for public cancellation of the ownership registration or for making annotations on the ownership records.

If Party B fails to deliver the land to Party A within the time limit specified in the Agreement, it shall pay liquidated damages to Party A in accordance with the Agreement. As Party A delivers the land to the transferee on behalf of the transferor, if Party B's delay in land delivery results in the transferor being unable to deliver the land to the transferee on time and thereby incurring corresponding liabilities for breach of contract, Party A shall have the right to seek recovery from Party B, and Party B shall compensate the transferor for all losses arising therefrom.

BASIC INFORMATION OF THE TARGET ASSETS

Overview of the Target Assets

The Target Assets:	Land Parcel at No. 355 North Shatai Road, Baiyun District, Guangzhou and the fixed assets thereon
Basic Information of the Target Assets:	The target assets are the land parcel located at No. 355 North Shatai Road, Baiyun District, Guangzhou, together with the fixed assets, owned by Guanghai, with a site area of 29,429.56 square meters. The buildings and structures erected thereon include office buildings, workshops, warehouses, etc., with a total floor area recorded in the property certificate of 10,530.35 square meters.
Transaction Consideration:	Compensation amount: RMB375,244,134 Incentive amount: RMB73,323,768
Carrying Amount:	As of 8 August 2025, the carrying amount of the target assets was RMB5,363,871.52, comprising land use rights of RMB849,750.42 and fixed assets of RMB4,514, 121.10.
Premium of the Transaction Consideration over the Carrying Amount:	The transaction consideration represents a premium of RMB443,204,030.48 over the carrying amount.
Ownership Status of the Target Assets:	The ownership of the target assets is clear, with no mortgages, pledges or any other statutory restrictions on transfer. The land is not subject to any litigation or arbitration, nor is it subject to judicial measures such as seizure or freezing. There are also no other circumstances that would impede the transfer of ownership.
Operation Status of the Target Assets:	The target assets were acquired in 2002 through the transfer of state-owned land use right, with a land use right term of 50 years. Depreciation and amortization have been recognized for 23 years to date. The land is designated for factory purposes.

Key Financial Information of the Target Assets

The carrying amounts of the target assets as shown in the financial statements for the most recent financial year and the most recent nine-month period are as follows:

Item	As of 31 December 2024	As of 30 September 2025
	(RMB)	(RMB)
Gross Carrying Amount	27,921,571.85	28,268,733.75
Accumulated Depreciation and Amortization	22,599,839.17	22,929,492.30
Impairment Provisions	15,873.84	15,873.84
Net Carrying Amount	5,305,858.84	5,323,367.61

EVALUATION AND PRICING OF THE TARGET ASSETS

Pricing Basis and Methodology

- Pricing Methodology and Results of the Transaction:
- (1) The 26,992 square meters of land that are included in the provincial “Three Olds” renovation land parcel database and within the recorded scope of the property certificate shall be eligible for the “fixed- price” compensation standard. Specifically, where old factory buildings on state-owned land are repossessed by the government, the compensation amount shall be calculated at 50% of the market-assessed land value for commercial use with a gross floor area ratio (GFA ratio) of 2.5 in the same locality.

Taking 8 August 2025 as the valuation date:

- Pursuant to the land valuation report issued by Guangdong Nanyue Real Estate & Land Asset Appraisal and Planning Survey Co., Ltd., the total land value of the “Three Olds” portion is RMB718,796,960;
- Pursuant to the land valuation report issued by Guangdong Guozhonglianxing Asset Appraisal, Land & Real Estate Valuation, Planning and Consulting Co., Ltd., the total land value of the “Three Olds” portion is RMB747,678,400.

Taking the average of the land value appraisals in the above two valuation reports, being RMB733,237,680, as the reference, the compensation is ultimately calculated at 50% of such average land value, amounting to approximately RMB366,618,840.

(2) In addition, approximately 2,437.56 square meters of the recorded area in the property certificate are not included in the provincial “Three Olds” renovation land parcel database. Taking 8 August 2025 as the valuation date, and based on the real estate valuation report issued by Guangdong Nanyue Real Estate & Land Asset Appraisal and Planning Survey Co., Ltd., the valuation for this portion was conducted using the benchmark land price coefficient correction method and the income approach for the land, and the cost approach for the buildings, structures and other attachments. The assessed value of the non-” Three Olds” portion is RMB8,625,294. With reference to this assessed value, the final compensation for the non-” Three Olds” portion is determined to be approximately RMB8,625,294.

Detailed Evaluation and Pricing of the Target Assets

Target Assets:	Land at No. 355 North Shatai Road, Baiyun District, Guangzhou, together with the fixed assets erected thereon
Pricing Methodology:	Determined based on evaluation/valuation results
Transaction Consideration:	Compensation amount: RMB375,244,134 Incentive amount: RMB73,323,768
Evaluation Date:	8 August 2025
Evaluation Methods Adopted:	Residual Method, Benchmark Land Price Coefficient Correction Method, Income Approach, Cost Approach
Final Evaluation Conclusion:	Evaluation/valuation value: RMB448,567,902 Evaluation/valuation appreciation rate: 8,262.76%
Name of the Evaluation Institutions:	Guangdong Guozhonglianxing Asset Appraisal, Land & Real Estate Valuation, Planning and Consulting Co., Ltd. Guangdong Nanyue Real Estate & Land Asset Appraisal and Planning Survey Co., Ltd.
Analysis on the Reasonableness of Pricing:	The transaction consideration is determined through negotiations between the two parties based on the valuation results, which is fair and equitable and does not prejudice the interests of the Company and its shareholders.

IMPACT OF ENTERING INTO THE LAND RESERVE COMPENSATION AGREEMENT

The land reserve is conducive to activating the Company's existing assets and aligns with the Company's long-term development objectives. It does not prejudice the interests of the Company and all shareholders, particularly minority shareholders, nor does it violate any relevant laws and regulations. The Company and Guanghua will account for the aforementioned land compensation in accordance with the Accounting Standards for Business Enterprises and the provisions of relevant land reserve policies based on the actual land reserve progress. The gain or loss arising from the land reserve and its financial impact shall be subject to the final results as confirmed by the auditing firm.

INFORMATION OF THE PARTNERS

Tonghe Sub-district Office

Tonghe Sub-district Office is a dispatched agency of the People's Government of Baiyun District, Guangzhou, and has been entrusted by the land reserve institution of the People's Government of Guangzhou to handle the land reserve compensation matters under the Agreement. Based on all reasonable inquiries made by the Directors, to the best of their knowledge, information and belief, Tonghe Sub-district Office is a Chinese government authority, and both Tonghe Sub-district Office and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

The Company

The Group is principally engaged in: (1) the research and development(R&D), 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 R&D, production and sales of great health products; and (4) the health industry investment in medical care, health management, health maintenance and elderly care, etc.

Guanghua

Guanghua is a joint stock limited company incorporated in the PRC. As at the date of this announcement, Guanghua is a subsidiary of the Company. Its principal businesses include: the manufacture of chemical pharmaceutical APIs; the manufacture of chemical pharmaceutical preparations; the production of Chinese patent medicines; the manufacture of veterinary drugs; the manufacture of health food products; and the printing of packaging and decorative printed matters (limited to operation by its branches only).

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Transaction is less than 5%, the Transaction is exempt from the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“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 company established in the PRC with limited liability, the H Shares and A Shares of which are listed and traded on the Main Board of the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Director(s)”	director(s) of the Company
“Guanghua”	Guangzhou Baiyunshan Guanghua Pharmaceutical Co., Ltd., a subsidiary of the Company
“Land Reserve Compensation Agreement”, “Agreement”	the State-owned Land Use Right Reserve Compensation Agreement signed by Guanghua with the Tonghe Sub-district Office of the People’s Government of Baiyun District, Guangzhou on 27 November 2025
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Tonghe Sub-district Office”	the Tonghe Sub-district Office of the People’s Government of Baiyun District, Guangzhou
“Transaction”	the land reserve of the land parcel located at No. 355 North Shatai Road, Baiyun District, Guangzhou owned by Guanghua by the Tonghe Sub-district Office pursuant to the Land Reserve Compensation Agreement

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 27 November 2025

As at the date of this announcement, the Board comprises Mr. Li Xiaojun, Mr. Chen Jiehui, Ms. Cheng Ning, Mr. Cheng Hongjin, Mr. Tang Heping 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.