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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: 00874)

**CONNECTED TRANSACTION
PARTICIPATION IN THE ESTABLISHMENT OF
GP GUANGKAI FUND AND GP LIWAN FUND**

PARTNERSHIP AGREEMENT I

On 22 December 2025, the Board approved that GP Fund II, a subsidiary of the Company, enter into Partnership Agreement I with GP Capital and Guangkai Fund. Pursuant to the agreement, GP Fund II, GP Capital and Guangkai Fund agreed to contribute RMB97.50 million, RMB2.50 million and RMB100.00 million, respectively, to participate in the establishment of GP Guangkai Fund.

PARTNERSHIP AGREEMENT II

On the same date, the Board approved that GP Fund II enter into Partnership Agreement II with GP Capital, Angel Master Fund and Liwan Industrial Investment Fund. Pursuant to the agreement, GP Fund II, GP Capital, Angel Master Fund and Liwan Industrial Investment Fund agreed to contribute RMB99.50 million, RMB3.50 million, RMB98.50 million and RMB98.50 million, respectively, to participate in the establishment of GP Liwan Fund.

As at the date of this announcement, Partnership Agreement I and Partnership Agreement II have not yet been formally signed. The Company will issue a separate announcement upon the signing of Partnership Agreements in accordance with the Hong Kong Listing Rules. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Company's shares.

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. Therefore, GP Capital is an associate of a connected person of the Company as defined under the Hong Kong Listing Rules. Accordingly, such transactions contemplated under the Partnership Agreements constitute connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

Since the highest of all applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of such transactions contemplated under the Partnership Agreements, whether on a standalone or aggregated basis, is more than 0.1% but less than 5%, such transactions are subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempt from the independent shareholders' approval requirement.

INTRODUCTION

On 22 December 2025, the Board approved that GP Fund II, a subsidiary of the Company, enter into Partnership Agreement I with GP Capital and Guangkai Fund. Pursuant to the agreement, GP Fund II, GP Capital and Guangkai Fund agreed to contribute RMB97.50 million, RMB2.50 million and RMB100.00 million, respectively, to participate in the establishment of GP Guangkai Fund.

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As at the date of this announcement, Partnership Agreement I and Partnership Agreement II have not yet been formally signed. The Company will issue a separate announcement upon the signing of Partnership Agreements in accordance with the Hong Kong Listing Rules. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Company's shares.

PARTNERSHIP AGREEMENT I

The principal terms of the Partnership Agreement I, as reviewed and approved by the Board, are summarized as below:

- Parties:
1. GP Capital (as the Fund's general partner, executive partner and fund manager)
 2. Guangkai Fund (as the Fund's general partner and executive partner)
 3. GP Fund II (as the Fund's limited partner)

Fund Name: Guangzhou GP Guangkai Venture Capital Fund Partnership (Limited Partnership) (tentative title subject to the final approval of industrial and commercial registration authorities)

Fund Size: The target size is RMB300 million, with an initial fundraising size of RMB200 million

Details of the capital contributions subscribed by each partner are as follows:

Name of Partner	Nature of Partner	Form of Capital Contribution	Subscribed Capital Contribution (RMB10,000)	Subscription Ratio	Deadline for Capital Contribution
GP Capital	as general partner	Cash	250.00	1.25%	31 October 2035
Guangkai Fund	as general partner	Cash	10,000.00	50.00%	31 October 2035
GP Fund II	as limited partner	Cash	9,750.00	48.75%	31 October 2035
Total			20,000.00	100.00%	–

All partners shall contribute capital in two installments, with 60% in the first installment and 40% in the second, in proportion to their subscribed capital contribution.

All partners shall make capital contributions in cash. The subscribed capital contribution amount was determined by the contracting parties through arm's length negotiations with reference to their respective interests in GP Guangkai Fund and the investment objectives. GP Fund II will allocate its subscribed capital contribution from its own funds.

The financial results of GP Guangkai Fund will be accounted for using the equity method and classified as long-term equity investment in the Company's accounts.

Fund Duration: The duration of the Fund is 9 years, including a 5-year investment period and a 4-year exit period. Upon proposal by the executive partner and with the unanimous consent of all partners, the duration of the Fund may be extended.

Fund Investment Direction: The Fund will focus on investments in the biomedical sector, including but not limited to biomedicine, medical devices, medical services, etc.

Recycling Investment: During the Fund's duration, distributable funds shall not be used for recycling investment. However, funds recovered from temporary investments and funds recovered due to unsuccessful investment attempts for any reason may still be utilized.

Management Fee:

1. During the Fund's investment period, the annual management fee shall be charged at 1.00% of the total paid-in capital;
2. During the Fund's exit period, the annual management fee shall be charged at 1.00% of the unrecovered investment amount;
3. No management fee shall be charged during the Fund's extension period.

Remuneration of the Executive Partner:	<p>As remuneration for performing the relevant duties of the executive partner, the Partnership shall pay the executive partner remuneration to Guangkai Fund as follows:</p> <ol style="list-style-type: none"> 1. During the Fund’s investment period, the annual remuneration for the executive partner shall be charged at 1.00% of the total paid-in capital; 2. During the Fund’s exit period, the annual remuneration for the executive partner shall be charged at 1.00% of the unrecovered investment amount; 3. During the Fund’s extension period, no compensation will be paid to the executing partner.
Return Investment Requirements:	<p>Return Investment Requirement of Guangkai Fund</p> <p>The amount invested by the Partnership in enterprises operating in the key strategic emerging industries of Guangzhou Development Zone (Huangpu District) shall not be less than 1 time the paid-in capital of Guangkai Fund.</p>
Profit Distribution:	<p>The Fund shall distribute distributable income in the following order:</p> <ol style="list-style-type: none"> 1. Distributions shall be made to all partners in proportion to their paid-in capital to the Partnership until the cumulative distributed amount received by all partners equals their respective paid-in capital to the Partnership; 2. After the completion of the foregoing distribution, if there is any remaining amount, threshold returns shall be distributed until all partners have achieved an annual threshold return rate of 6.00% (simple interest) calculated based on their paid-in capital; 3. After the completion of the foregoing distributions, any remaining amount shall be regarded as excess returns. 80.00% of the excess returns shall be distributed to all partners in proportion to their paid-in capital to the Partnership; 10% of the excess returns shall be distributed to GP Capital; and 10% of the excess returns shall be distributed to Guangkai Fund.
Fund Decision-Making Mechanism:	<p>The Fund shall establish an Investment Decision Committee (the “IDC”), which shall be responsible for making decisions on specific investment projects. The IDC shall consist of 3 members: 1 recommended by GP Capital, 1 recommended by GP Fund II, and 1 recommended by Guangkai Fund. The chairman of the IDC shall be the member recommended by GP Capital. All fund investment decisions shall require the unanimous approval from all IDC members to be valid.</p>

- Fund Custody: After the establishment of the Fund, the fund manager shall entrust a commercial bank, which has been approved and recognized by the relevant national authorities as qualified for fund custody, to carry out the custody.
- Fund Exit: Exit methods include but are not limited to the following: initial public offering (IPO) of the portfolio company; merger and acquisition exit; equity transfer exit prior to listing; repurchase by the major shareholder or actual controller of the portfolio company; capital reduction exit; and other compliant exit methods.

PARTNERSHIP AGREEMENT II

The principal terms of the Partnership Agreement II, as reviewed and approved by the Board, are summarized as below:

- Parties:
1. GP Capital (as the Fund's general partner, executive partner and fund manager)
 2. GP Fund II (as the Fund's limited partner)
 3. Angel Master Fund (as the Fund's limited partner)
 4. Liwan Industrial Investment Fund (as the Fund's limited partner)
- Fund Name: Guangzhou Liwan GP Venture Capital Fund Partnership (Limited Partnership) (tentative title subject to the final approval of industrial and commercial registration authorities)
- Fund Size: RMB300 million

Details of the capital contributions subscribed by each partner are as follows:

Name of Partner	Nature of Partner	Subscribed Capital Contribution (RMB10,000)	Subscription Ratio	Deadline for Capital Contribution
GP Capital	as general partner	350.00	1.17%	16 January 2030
GP Fund II	as limited partner	9,950.00	33.17%	16 January 2030
Angel Master Fund	as limited partner	9,850.00	32.83%	16 January 2030
Liwan Industrial Investment Fund	as limited partner	9,850.00	32.83%	16 January 2030
Total		30,000.00	100.00%	-

All partners shall make capital contributions in three installments in the proportion of 40%, 30% and 30% of the total subscribed capital contribution, respectively, and each partner shall contribute in proportion to their subscribed capital contribution. In principle, the fund manager may issue a payment notice for the subsequent installment of capital contribution only after 70% or more of the cumulative paid-in capital of the Partnership has been actually used (including for investment, payment of Partnership expenses, performance of other obligations stipulated in the Partnership Agreement II, or reasonable reservation for the aforementioned purposes), provided that the first external investment project of the Partnership is the Liwan District return investment project stipulated in the Partnership Agreement II, and the Liwan District return investment target has been completed in the same proportion as stipulated in the Partnership Agreement II.

All partners shall make capital contributions in cash. The subscribed capital contribution amount was determined by the contracting parties through arm's length negotiations with reference to their respective interests in GP Liwan Fund and the investment objectives. GP Fund II will allocate its subscribed capital contribution from its own funds.

The financial results of GP Liwan Fund will be accounted for using the equity method and classified as long-term equity investment in the Company's accounts.

Fund Duration: The duration of the Fund is 8 years, consisting of a 4-year investment period and a 4-year exit period. With the unanimous consent of all partners, the exit period of the Fund may be extended once, for one year at a time. Subsequently, if necessary based on the actual investment progress of the projects, the specific extension period may be adjusted accordingly with the unanimous consent of all partners, and each partner shall cooperate in completing the relevant modification procedures.

Fund Investment Direction: The Fund will mainly invest in high-quality equity projects in the biomedical sector such as high-end medical devices and modern traditional Chinese medicine. The proportion of the Fund's investment in the aforementioned agreed industrial sectors shall not be less than 60% of the total paid-in capital of the Fund.

Management Fee:

1. During the Fund's investment period, the annual management fee shall be charged at 2.00% of the total paid-in capital;
2. During the Fund's exit period, the annual management fee shall be charged at 1.00% of the unrecovered investment amount;
3. No management fee shall be charged during the Fund's extension period.

Return Investment Requirements:	<p>Return Investment Requirements of Angel Master Fund</p> <p>The Fund shall focus on investing in Guangzhou’s strategic emerging industries and future industries. In principle, the proportion of the Fund’s investment in seed-stage and angel-stage projects within Guangzhou shall not be less than 1 time the capital contribution of the Angel Master Fund.</p>
	<p>Return Investment Requirements of Liwan Industrial Investment Fund</p> <p>The proportion of funds invested in enterprises in the biomedical sector such as modern traditional Chinese medicine and high-end medical devices in Liwan District shall not be less than 1.2 times the capital contribution of the Liwan Industrial Investment Fund.</p>
Profit Distribution:	<p>The Fund shall distribute distributable income in the following order:</p> <ol style="list-style-type: none"> 1. Distributions shall be made to all partners in proportion to their paid-in capital to the Partnership until the cumulative distributed amount received by all partners equals their respective paid-in capital to the Partnership; 2. After the completion of the foregoing distribution, if there is any remaining amount, threshold returns shall be distributed until all partners have achieved an annual threshold return rate of 6.00% (simple interest) calculated based on their paid-in capital; 3. After the completion of the foregoing distributions, any remaining amount shall be regarded as excess returns. 80.00% of the excess returns shall be distributed to all limited partners in proportion to their paid-in capital to the Partnership; 20.00% of the excess returns shall be distributed to GP Capital, the general partner.
Fund Decision-Making Mechanism:	<p>The Fund shall establish an Investment Decision Committee (the “IDC”), which shall be responsible for making decisions on specific investment projects. The IDC shall consist of 3 members: 2 recommended by GP Capital and 1 recommended by GP Fund II. The chairman of the IDC shall be the member recommended by GP Capital. All fund investment decisions shall require the unanimous approval from all IDC members to be valid.</p>
Fund Custody:	<p>After the establishment of the Fund, the fund manager shall entrust a commercial bank, which has been approved and recognized by the relevant national authorities as qualified for fund custody, to carry out the custody.</p>

Fund Exit: Exit methods include but are not limited to: initial public offering (IPO) of the portfolio company; merger and acquisition exit; equity transfer exit prior to listing; repurchase by the major shareholder or actual controller of the portfolio company; capital reduction exit; and other compliant exit methods.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENTS

This investment is in line with the investment direction of GP Fund II. It is conducive to expanding the investment scale of GP Fund II, diversifying investment risks, accelerating the investment pace, and improving investment efficiency. It will strengthen the Company's layout in cutting-edge biomedical fields such as innovative drugs, modern traditional Chinese medicine, and high-end medical devices. By adhering to the strategy of "investing early, investing in small enterprises, and investing in the future", the Company will proactively engage in high-quality enterprise resources at the source, cultivate and incubate potential enterprises, accelerate technological upgrading and value chain extension, and promote the transformation of the Company from a traditional business model to a development model driven by technological innovation, laying a solid foundation for high-quality development.

This investment will be made using the internal funds of GP Fund II. This investment will not affect the Company's normal production and operation activities, nor will it have a significant impact on the Company's current financial condition.

VIEWS OF THE BOARD

The Partnership Agreements have been approved by the Board. The connected Directors, namely Mr. Li Xiaojun, Mr. Chen Jiehui, Ms. Cheng Ning, Mr. Cheng Hongjin and Mr. Tang Heping had abstained from voting on the relevant Board resolutions approving the Partnership Agreements at the Board meeting. Save as disclosed above, none of the Directors is, or is deemed to be, materially interested in the Partnership Agreements and therefore was required to abstain from voting on the relevant Board resolutions approving the Partnership Agreements.

The Directors (including independent non-executive Directors) consider that the transactions contemplated under the Partnership Agreements are on normal commercial terms in the ordinary course of business of the Company, and the terms of the Partnership Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

GP Capital

GP Capital is a company established in the PRC with limited liability on 25 January 2022. It is principally engaged in equity investment business in the biomedical and health sector, with 80% of its equity ultimately and actually owned by GPHL, the controlling shareholder of the Company. GPHL is principally engaged in the manufacturing, processing, wholesale and retail of Chinese and Western patent medicines, chemical raw materials, Chinese herbal pieces and health food, as well as the manufacturing of medical equipment, sanitary materials and pharmaceutical supplies, etc.

Guangkai Fund

Guangkai Fund is a limited liability company established in the PRC. It is principally engaged in investment consulting services, enterprise management consulting services, enterprise financial consulting services, entrusted management of equity investment funds and equity investment management. The ultimate beneficial owner of Guangkai Fund is the Administrative Committee of Guangzhou Economic and Technological Development District. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Guangkai Fund and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

GP Fund II

GP Fund II is a limited partnership established in the PRC with a size of RMB1.5 billion. The Company holds a 99.9% interest in it, and GP Capital holds a 0.1% interest and acts as its general partner. The financial results of GP Fund II are consolidated into the Company's consolidated financial statements. Centering on the Company's strategic planning, GP Fund II mainly invests in biomedical and health sectors such as pharmaceuticals, medical devices and medical services through sub-fund investments and direct project investments.

Angel Master Fund

Angel Master Fund is a limited partnership established in the PRC. It is principally engaged in venture capital (limited to investing in unlisted enterprises); equity investment, investment management, asset management and other activities through private equity funds (business operations may only be conducted after completing the filing and registration with the Asset Management Association of China). Guangzhou Financial Holdings Fund Management Co., Ltd. holds a 0.10% interest and acts as its general partner. The ultimate beneficial owner of Angel Master Fund is the People's Government of Guangzhou Municipality. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Angel Master Fund and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Liwan Industrial Investment Fund

Liwan Industrial Investment Fund is a limited partnership established in the PRC. It is principally engaged in equity investment, investment management, asset management and other activities through private equity funds (business operations may only be conducted after completing the filing and registration with the Asset Management Association of China); private equity investment fund management and venture capital fund management services (business operations may only be conducted after completing the registration and filing with the Asset Management Association of China). Guangzhou Baietan Private Equity Fund Management Co., Ltd. holds a 2.00% interest and acts as its general partner. The ultimate beneficial owner of Liwan Industrial Investment Fund is the State-owned Assets Supervision and Administration Bureau of Liwan District, Guangzhou Municipality. As at the date of this announcement, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Liwan Industrial Investment 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 at the date of this announcement, GPLH, the controlling shareholder of the Company, holds an 80% interest in GP Capital. Therefore, GP Capital is an associate of a connected person of the Company as defined under the Hong Kong Listing Rules. Accordingly, such transactions contemplated under the Partnership Agreements constitute connected transactions of the Company pursuant to Chapter 14A of the Hong Kong Listing Rules.

Since the highest of all applicable percentage ratios (as defined under Rule 14.07 of the Hong Kong Listing Rules) in respect of such transactions contemplated under the Partnership Agreements, whether on a standalone or aggregated basis, is more than 0.1% but less than 5%, such transactions are subject to the reporting and announcement requirements under Chapter 14A of the Hong Kong Listing Rules, but are exempt from the independent shareholders' approval requirement.

DEFINITIONS

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

“Angel Master Fund”	Guangzhou Angel Investment Master Fund Venture Capital Partnership (Limited Partnership)
“Board”	the board of Directors of the Company
“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
“connected person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	The director(s) of the Company
“Fund” or “Partnership”	GP Guangkai Fund under Partnership Agreement I and GP Liwan Fund under Partnership Agreement II
“GP Capital”	Guangzhou GP Capital Private Equity Fund Management Co., Ltd.* (廣州廣藥資本私募基金管理有限公司), 80% equity interest is owned by GPLH, a controlling shareholder of the Company
“GP Fund II”	Guangzhou GP Fund II Equity Investment Partnership (Limited Partnership)* (廣州廣藥基金二期股權投資合夥企業(有限合夥)), a subsidiary of the Company

“GP Guangkai Fund”	Guangzhou GP Guangkai Venture Capital Fund Partnership (Limited Partnership) (tentative title subject to the final approval of industrial and commercial registration authorities)
“GP Liwan Fund”	Guangzhou Liwan GP Venture Capital Fund Partnership (Limited Partnership) (tentative title subject to the final approval of industrial and commercial registration authorities)
“Guangkai Fund”	Guangzhou Development Zone Investment Fund Management Co., Ltd.
“GPHL”	Guangzhou Pharmaceutical Holdings Limited* (廣州醫藥集團有限公司), a company established in the PRC with limited liability, holding 45.04% equity interest in the Company and is the controlling shareholder of the Company
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Liwan Industrial Investment Fund”	Guangzhou Liwan District Industrial Investment Fund Partnership (Limited Partnership)
“Partner(s)”	any or all of the parties participating in the establishment of GP Guangkai Fund and GP Liwan Fund pursuant to Partnership Agreement I and Partnership Agreement II, respectively, including GP Fund II, GP Capital, Guangkai Fund, Angel Master Fund and Liwan Industrial Investment Fund. References to “Partner” shall be construed to include “Partners” where the context so requires and vice versa
“Partnership Agreement I”	the partnership agreement to be entered into by GP Fund II as the limited partner, and GP Capital and Guangkai Fund as the general partners, in relation to the establishment of GP Guangkai Fund
“Partnership Agreement II”	the partnership agreement to be entered into by GP Fund II as the limited partner, GP Capital as the general partner, and Angel Master Fund and Liwan Industrial Investment Fund as the limited partners, in relation to the establishment of GP Liwan Fund
“Partnership Agreements”	the collective term for Partnership Agreement I and Partnership Agreement II
“PRC”	the People’s Republic of China

“such transactions”	the establishment of GP Guangkai Fund and GP Liwan Fund
“This investment”	GP Fund II’s commitment to contribute capital for the participation in the establishment of the GP Guangkai Fund and the GP Liwan Fund under the Partnership Agreements
“%”	percent

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 22 December 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.