**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in the Company, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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廣州白雲山醫藥集团股份有限公司

**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)**

# (1) MAJOR TRANSACTION
# PROPOSED PUBLIC LISTING BY GP CORP. TO INTRODUCE STRATEGIC INVESTORS AND IMPLEMENT A PRIVATE PLACEMENT OF SHARES;
# AND
# (2) NOTICE OF THE EGM

Capitalized terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 34 of this circular. The notice convening the EGM, which is to be held on Tuesday, 1 December 2026 at 10:00 a.m., at the Conference Room of the Company, No. 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC, is set out on pages 118 to 121 of this circular.

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (whether or not they are Shareholders) as his/her proxy to attend, speak and vote at the EGM on his/her behalf. To be valid, the proxy form, along with any notarially certified power of attorney and/or other documents of authorization (if any), must be delivered to the office of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 10:00 a.m. on Monday, 30 November 2026 (or at least 24 hours before the time appointed for any adjournment thereof). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM.

15 November 2026

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

| | |
|---|---|
| "Angel Master Fund" | Guangzhou Angel Investment Master Fund Venture Capital Partnership (Limited Partnership) |
| "A Shares" | RMB-denominated domestic shares in the share capital of the Company with a nominal value of RMB1.00 each and are listed on the SSE |
| "Appraisal Benchmark Date" | 31 March 2026 |
| "Articles of Association" | the articles of association of the Company |
| "Asset Appraisal Report" | the Asset Appraisal Report on the Valuation of Entire Equity of the Shareholder of Guangzhou Pharmaceuticals Company Limited in connection with Its Proposed Capital Increase and Share Enlargement (《廣州醫藥股份有限公司擬實施增資擴股涉及其股東全部權益價值資產評估報告》) (Zhong Lian Guo Ji Ping Zi [2026] No. VYGQB0464), issued by Zhonglian International in respect of the valuation of entire equity of the shareholders of GP Corp. as of the Appraisal Benchmark Date |
| "Board" | the board of Directors of the Company |
| "connected person(s)" | has the meaning ascribed to it by the Listing Rules |
| "controlling shareholder" | as defined under the Listing Rules of HKEX |
| "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 with limited liability established in the PRC, the H Shares and A Shares of which are listed on HKEX and SSE respectively |
| "Company Law" | Company Law of the People's Republic of China |
| "Director(s)" | directors of the Company |
| "EGM" | the second extraordinary general meeting of the Company in year 2026 to be held on Tuesday, 1 December 2026 at 10:00 a.m., including any adjournment thereof |
| "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 |

| | |
|---|---|
| "GPHL PE" | Guangzhou GPHL Capital Private Equity Fund Management Co., Ltd.* (廣州廣藥資本私募基金管理有限公司), a subsidiary of GPHL |
| "GP Corp." | Guangzhou Pharmaceuticals Company Limited* (廣州醫藥股份有限公司), a subsidiary of the Company |
| "GP Fund II" | Guangzhou GP Fund II Equity Investment Partnership (Limited Partnership)* (廣州廣藥二期基金股權投資合夥企業 (有限合夥)), a subsidiary of the Company |
| "GP Guangkai Fund" | Guangzhou GP Guangkai Venture Capital Fund Partnership (Limited Partnership) |
| "GP Liwan Fund" | Guangzhou Liwan GP Venture Capital Fund Partnership (Limited Partnership) |
| "Guangkai Fund" | Guangzhou Development Zone Investment Fund Management Co., Ltd. |
| "Group" | the Company and its subsidiaries |
| "H Shares" | overseas listed foreign shares in the share capital of the Company, each with a nominal value of RMB1.00, and listed on the HKEX |
| "HKEX" | The Stock Exchange of Hong Kong Limited |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC |
| "Industrial Securities Asset Management" | Industrial Assets Management Co., Ltd. |
| "Listing Rules of HKEX" | the Rules Governing the Listing of Securities on HKEX |
| "LPD" | 15 November 2026, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained in this circular |
| "Liwan Industrial Investment Fund" | Guangzhou Liwan District Industrial Investment Fund Partnership(Limited Partnership) |
| "NEEQ" | National Equities Exchange and Quotations |
| "PRC" | the People's Republic of China and, for the purpose of this circular only, excludes Hong Kong, Macao Special Administrative Region and Taiwan |

| | |
|---|---|
| "Private Placement Statement" | the statement for private placement of shares of Guangzhou Pharmaceuticals Company Limited |
| "Profit Forecast" | the profit forecast under Rule 14.61 of the Listing Rules of HKEX, being the valuation of the entire shareholders' equity of GP Corp. using the income approach in the Asset Appraisal Report |
| "Proposed Capital Increase Implementation Plan" | the proposed capital increase and share expansion implementation plan of Guangzhou Pharmaceuticals Company Limited |
| "Proposed Mandate" | the prior mandate proposed to be pre-granted by Shareholders to GP Corp. at the Shareholders' meeting for the introduction of strategic investors by way of public listing and the implementation of the private placement of shares |
| "RMB" | Renminbi, the lawful currency of the PRC |
| "SFO" | Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong |
| "Shareholder(s)" | holders of the A Shares and/or H Shares of the Company |
| "Share Subscription Agreement" | the Share Subscription Agreement of Guangzhou Pharmaceuticals Company Limited in relation to the private issuance |
| "SSE" | Shanghai Stock Exchange |
| "Underlying Assets" | The underlying assets of GP Corp. |
| "WUYIGE" | WUYIGE Certified Public Accountants LLP |
| "Zhejiang Yigong" | Zhejiang Pharmaceutical Industry Co., Ltd.*（浙江省醫藥工業有限公司）, a subsidiary of GP Corp. |
| "Zhonglian International" or "Independent Valuer" | Zhonglian International Real Estate Land Asset Appraisal Consulting (Guangdong) Co., Ltd.（中聯國際房地產土地資產評估諮詢(廣東)有限公司） |

^ *Where the context so permits or requires, words importing the singular include the plural and vice versa and words importing the masculine include the feminine and neuter and vice versa.*

*# Reference to time and dates in this circular are to Hong Kong time and dates unless otherwise specified.*

廣州白雲山醫藥集團股份有限公司
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)**

***Executive Directors:***
Mr. Chen Jiehui
Mr. Yuan Cheng
Mr. Cheng Hongjin
Mr. Tang Heping
Ms. Liu Lan
Mr. Liu Hong

***Non-executive Director:***
Mr. Huang Jiyuan

***Independent non-executive Directors:***
Mr. Wong Lung Tak Patrick
Ms. Sun Bao Qing
Mr. Wu Xiangneng
Mr. Yang Yinbao

***Registered office and principal place of business:***
No. 45 Sha Mian North Street
Liwan District
Guangzhou City, Guangdong Province
The PRC

***Principal place of business in Hong Kong:***
Room 2005, 20th floor
Tower Two Lippo Centre
89 Queensway
Hong Kong

15 November 2026

To the Shareholders

# (1) MAJOR TRANSACTION PROPOSED PUBLIC LISTING BY GP CORP. TO INTRODUCE STRATEGIC INVESTORS AND IMPLEMENT A PRIVATE PLACEMENT OF SHARES; AND (2) NOTICE OF THE EGM

## 1. INTRODUCTION

The purpose of this circular is to provide you with information in relation to, among other things, the proposed public listing by GP Corp. to introduce strategic investors and implementation of a private placement of shares and to give you the notice of the EGM.

## 2. PROPOSED PUBLIC LISTING BY GP CORP. TO INTRODUCE STRATEGIC INVESTORS AND IMPLEMENT A PRIVATE PLACEMENT OF SHARES

Reference is made to the Company's announcement dated 9 November 2026 (the "**November Announcement**"), capitalised terms used in the November Announcement have the same meanings when used in this section 2. As disclosed in the November Announcement, GP Corp. intended to introduce strategic investors through a public listing at

the Guangzhou Enterprises Mergers and Acquisitions Services and to implement a private placement of shares (the "**Proposed Capital Increase**"). Under the Proposed Capital Increase, GP Corp. plans to solicit no more than 15 investors, at an issue price not less than RMB3.46 per share. The number of shares to be privately placed shall not exceed 1,734,104,046, with an expected fundraising amount not exceeding RMB6,000,000,000. Pursuant to the articles of association of GP Corp., the Company does not have any pre-emptive right in respect of the Proposed Capital Increase. If the Proposed Capital Increase is ultimately implemented and completed, it is expected that the Company will hold no less than 53.23% equity interest in GP Corp., and the Company will remain the controlling shareholder of GP Corp., which will not result in any change in the scope of the Company's consolidated financial statements. The Board has considered and approved the submission of the Proposed Capital Increase to the EGM for consideration and approval by the Shareholders.

**(1) Overview of the Proposed Capital Increase**

***A. Scale of the Capital Increase***

Under the Proposed Capital Increase, GP Corp. plans to solicit no more than 15 investors, at an issue price not less than RMB3.46 per share, with an expected fundraising amount not exceeding RMB6,000,000,000.00. Calculated based on the maximum amount of proceeds to be raised, the maximum number of shares to be issued under the targeted share issuance is equal to 6,000,000,000.00 divided by 3.46, i.e. not exceeding 1,734,104,046 shares.

GP Corp. completed the pre-listing procedures for the Proposed Capital Increase at the Guangzhou Enterprises Mergers and Acquisitions Services in August 2026, and has conducted preliminary communications with prospective investors to understand their intention to participate and proposed subscription amount. Based on the feedback from such preliminary communications, GP Corp. has formed a more reasonable expectation on the number and structure of potential investors, and accordingly set the maximum number of investors at 15.

***B. Public Listing***

To meet the funding needs for business development and subsequent operations, GP Corp. intends to introduce strategic investors by way of a capital increase and share expansion. In accordance with the relevant regulations on state-owned asset management, the Proposed Capital Increase by GP Corp. will be publicly listed via the Guangzhou Enterprises Mergers and Acquisitions Services.

As at the date of this circular, GP Corp. has completed the pre-listing for 20 business days. Following the grant of the Proposed Mandate by the Shareholders at the Shareholders' meeting, GP Corp. will formally list the capital increase and share expansion at the Guangzhou Enterprises Mergers and Acquisitions Services, with a public listing announcement period of not less than 20 business days. The

public listing documents will include, among other things, (i) an explanatory statement for the private placement of shares; (ii) a Proposed Capital Increase Implementation Plan; and (iii) a template Share Subscription Agreement.

As at the LPD, the identities and principal businesses of the final strategic investors and their ultimate beneficial owners, the final fundraising amount, issue price, number of shares to be issued, shareholding percentage of each investor, other terms that may be agreed during the selection process, and the timing for completion of the Proposed Capital Increase have not been determined, and GP Corp. has not entered into any Share Subscription Agreement. However, GP Corp. has prepared a template Share Subscription Agreement to be displayed at the time of formal listing, the principal terms of which are set out below. Upon determination of the final investors, the Company will re-assess the percentage ratios and connected relationship analysis prior to consideration of the final issuance plan and execution of the Share Subscription Agreement at the second board meeting and shareholders' meeting of GP Corp.

### *C. Deemed Disposal*

The Company does not have any pre-emptive right in respect of the Proposed Capital Increase. If the Proposed Capital Increase is ultimately implemented and completed, it is expected that the Company will hold no less than 53.23% equity interest in GP Corp., and the Company will remain the controlling shareholder of GP Corp., which will not result in any change in the scope of the Company's consolidated financial statements. Pursuant to the Listing Rules of HKEX, the issuance of new shares by GP Corp. to persons outside the Group will result in a decrease in the Company's shareholding percentage in GP Corp.; accordingly, the Proposed Capital Increase will constitute a deemed disposal by the Company of part of its equity interest in GP Corp.

### *D. Conditions for Approval, Signing and Completion*

The Proposed Capital Increase is subject to approval by the Shareholders of the Company of the Proposed Mandate prior to formal listing, and approval by the shareholders' meeting of GP Corp. of the issuance and listing plan. Upon determination of the final selected investors, GP Corp. will convene a second board meeting and shareholders' meeting to consider the final investors, the issue price, the number of shares to be issued and the Share Subscription Agreement. According to the template Share Subscription Agreement, the Share Subscription Agreement shall be formed upon signing and sealing by both parties, and shall become effective upon (i) approval of the matters relating to the private placement by the board meeting and shareholders' meeting of GP Corp.; and (ii) review and approval of the private placement and the issuance of a no-objection letter by the NEEQ. The Proposed Capital Increase shall only be completed after completion of other applicable approvals, filings, payments, capital verification and registration procedures for the new shares.

As the Proposed Capital Increase is subject to approval by the Company's Shareholders' meeting under the Company's Articles of Association, pursuant to the relevant PRC laws, GP Corp. is required to obtain the approval of the Company's Shareholders prior to the formal listing. Accordingly, the Company intends to obtain Shareholders' approval for the issuance and listing plan described in this circular before the formal listing of GP Corp., and to seek the grant of the Proposed Mandate from the Shareholders. The Proposed Mandate will set out clear parameters in respect of the issuance size, price range, investor qualifications and other principal transaction terms, and the final transaction terms will be determined within such parameters based on the results of the public listing.

**(2) Principal Terms of the Template Share Subscription Agreement**

GP Corp. intends to display the template Share Subscription Agreement in the formal listing documents. Upon determination of the final selected investors and approval by GP Corp.'s second board meeting, GP Corp. will enter into a separate Share Subscription Agreement with each selected investor. Each agreement will take effect upon satisfaction of its conditions precedent, including approval of the final issuance plan by GP Corp.'s shareholders' meeting. As at the LPD, no Share Subscription Agreement has been entered into.

Pursuant to the template Share Subscription Agreement, investors will subscribe in cash for the new shares to be issued by GP Corp., and the final subscription price, number of shares and subscription amount will be determined based on the formal listing and selection results. Following its first shareholders' meeting, GP Corp. will submit the application for the private placement to the NEEQ and, in parallel, conduct the public listing on the Guangzhou Enterprises Mergers and Acquisitions Services. After the formal listing period, GP Corp. will select investors through competitive negotiations. After obtaining the NEEQ's consent letter for the private placement, GP Corp. will convene its second board meeting to approve the final issuance plan and enter into conditional Share Subscription Agreements with the selected investors. GP Corp. will then convene its second shareholders' meeting to approve the final issuance plan. Investors may remit the full subscription monies to the escrow account of the Guangzhou Enterprises Mergers and Acquisitions Services at any time from the signing of the conditional Share Subscription Agreement until ten business days after the agreement becomes effective (being the date on which the final issuance plan is approved at GP Corp.'s second shareholders' meeting). Once the Share Subscription Agreement has become effective and the relevant investor has paid the subscription monies in full, the Guangzhou Enterprises Mergers and Acquisitions Services will transfer those monies from the escrow account to GP Corp.'s dedicated fundraising account. GP Corp. will only proceed with capital verification and registration of the corresponding new shares after receiving the full subscription monies from the relevant investor.

The template Share Subscription Agreement also reserves room for GP Corp. and the selected investors to agree on additional terms during the selection process, and for the industrial resource support arrangements to be separately confirmed in writing. The

Company will ensure that the final Share Subscription Agreement and any ancillary arrangements fall within the scope of the Proposed Mandate. If the final arrangements include repurchase, guarantee, fixed return, valuation adjustment, exit compensation, options or other material arrangements not disclosed in the November Announcement and this circular, the Company will, before GP Corp. approves or enters into the relevant arrangements, re-assess their implications under Chapters 14 and 14A of the Listing Rules of HKEX and comply with the applicable requirements.

**(3) Information on GP Corp.**

GP Corp. is a non-wholly-owned subsidiary of the Company established in the PRC, in which the Company holds a 90.92% equity interest as at the LPD. GP Corp. and its subsidiaries are principally engaged in the distribution and retail of a wide range of pharmaceutical products, and are dedicated to providing supply chain services to upstream and downstream partners along the pharmaceutical industry value chain. As at the LPD, the shares of GP Corp. are quoted on the NEEQ (stock code: 874839).

If the Proposed Capital Increase by GP Corp. is ultimately implemented and completed, the Company will remain the controlling shareholder of GP Corp., which will not result in any change in the scope of the Company's consolidated financial statements, and the Proposed Capital Increase will not have a material adverse impact on the Company's production and operations. Before and after completion of the Proposed Capital Increase (calculated on the assumption of a maximum number of shares to be issued of 1,734,104,046 shares), the equity structure of GP Corp. is as follows:

| Name of GP Corp.'s Shareholder | Before Completion of the Proposed Capital Increase and as at the LPD | | After Completion of the Proposed Capital Increase | |
|---|---|---|---|---|
| | Number of Shares Held (share) | Shareholding Percentage (%) | Number of Shares Held (share) | Shareholding Percentage (%) |
| Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited | 2,227,000,000 | 90.92 | 2,227,000,000 | 53.23 |
| Central Enterprises Rural Industry Investment Fund Co., Ltd.*(中央企業鄉村產業投資基金股份有限公司) | 79,681,275 | 3.25 | 79,681,275 | 1.90 |
| Hainan Chenfei Investment Holding Co., Ltd.*(海南晨菲投資控股有限公司) | 77,104,701 | 3.15 | 77,104,701 | 1.84 |
| Chengdu Huixin Huiyuan Investment Co., Ltd.*(成都匯新匯源投資有限公司) | 23,486,363 | 0.96 | 23,486,363 | 0.56 |
| Shanxi Taoyunshang Information Technology Co., Ltd.*(陝西韜雲尚資訊科技有限公司) | 21,064,812 | 0.86 | 21,064,812 | 0.50 |
| Foshan Wenjian Business Co., Ltd.*(佛山市文堅商務有限公司) | 12,795,298 | 0.52 | 12,795,298 | 0.31 |
| Meizhou Haofeng Pharmaceutical Information Co., Ltd.*(梅州市鎬烽醫藥資訊有限公司) | 8,173,051 | 0.33 | 8,173,051 | 0.20 |
| New strategic investors introduced | – | – | 1,734,104,046 | 41.45 |
| **Total** | **2,449,305,500** | **100.00** | **4,183,409,546** | **100.00** |

*Note:* Any discrepancy between the total figure above and the sum of the individual items is due to rounding.

Set out below are the key financial information of GP Corp. for the financial year ended 31 December 2025, the three months ended 31 March 2026 and the nine months ended 30 September 2026:

*Unit: RMB Yuan*

| Item | 31 December 2025 (audited) | 31 March 2026 (audited) | 30 September 2026 (unaudited) |
|---|---|---|---|
| Total assets | 37,579,310,094.29 | 41,232,941,749.26 | 40,408,816,553.33 |
| Total liabilities | 29,585,827,781.74 | 33,079,130,019.00 | 31,988,186,805.18 |
| Total equity | 7,993,482,312.55 | 8,153,811,730.26 | 8,420,629,748.15 |

| Item | The year of 2025 (audited) | From January to March 2026 (audited) | From January to September 2026 (unaudited) |
|---|---|---|---|
| Revenue | 58,168,636,893.30 | 15,244,764,022.90 | 46,324,781,964.09 |
| Profit attributable to owners of GP Corp. | 608,522,401.14 | 153,707,344.70 | 424,987,769.46 |

Pursuant to Rule 14.58(7) of the Listing Rules of HKEX, the net profits before and after taxation of GP Corp. for the two financial years ended 31 December 2024 and 2025 are as follows:

*Unit: RMB Yuan*

| Item | 31 December 2024 (audited) | 31 December 2025 (audited) |
|---|---|---|
| the net profits before taxation | 796,815,491.21 | 822,574,793.91 |
| the net profits after taxation | 587,587,374.41 | 613,847,248.59 |

The carrying value of equity attributable to owners of the parent, the appraised value of total shareholders' equity of GP Corp. as at the Appraisal Benchmark Date, and the corresponding amounts based on the deemed equity disposal proportion calculated at the maximum issuance size of this offering are set out below:

*Unit: RMB Yuan*

| | As at the Appraisal Benchmark Date | |
|---|---|---|
| Item | Amount corresponding to the 100% equity interest | Amount corresponding to the deemed disposal equity percentage calculated based on the maximum issuance size (37.69%) |
| Owners' equity attributable to the parent of GP Corp. | 8,019,950,919.72 (the carrying amount) | 3,022,719,501.64 |

| Item | As at the Appraisal Benchmark Date<br>Amount corresponding to the 100% equity interest | Amount corresponding to the deemed disposal equity percentage calculated based on the maximum issuance size (37.69%) |
|---|---|---|
| Total shareholders' equity | 8,460,000,000.00 (the appraised value) | 3,188,574,000.00 |

**(4) Financial impact and use of proceeds**

As GP Corp. will remain a subsidiary of the Company upon completion of the Proposed Capital Increase, it is expected that the Proposed Capital Increase will be accounted for as an equity transaction in the consolidated financial statements of the Group, and no gain or loss on disposal will be recognized in the consolidated statement of profit or loss of the Group. The difference between the carrying amount of the additional non-controlling interests recognized by the Group. as a result of the Proposed Capital Increase and the subscription proceeds received will be recognized directly in equity attributable to owners of the Company.

Assuming that the Proposed Capital Increase is completed and the maximum gross proceeds of RMB6 billion are raised, based on the par value of RMB1.00 per newly issued share, RMB1,734,104,046 will be credited to registered capital and the balance to capital surplus. The registered capital of GP Corp. will increase from RMB2,449,305,500 to RMB4,183,409,546, and the Company's equity interest in GP Corp. will be diluted from 90.92% to 53.23%. The Company will not lose control over GP Corp., which will remain a non-wholly-owned subsidiary of the Company and whose accounts will continue to be consolidated into the Group's consolidated financial statements.

The Proposed Capital Increase will not result in the Company losing control of the GP Corp. In accordance with the Implementation Guidance to Accounting Standard for Business Enterprises No. 33-Consolidated Financial Statements of China, "where other shareholders of a subsidiary make a capital contribution to the subsidiary and thereby dilute the parent's equity interest in the subsidiary, the parent shall calculate its share of the subsidiary's net assets at book value before the capital increase based on its equity percentage prior to the capital increase. The difference between such share and the parent's share of the subsidiary's net assets at book value after the capital increase calculated based on its equity percentage post the capital increase shall be recognised in capital reserve. If the capital reserve is insufficient to be offset, retained earnings shall be adjusted." Accordingly, the change in the Company's ownership interest in GP Corp. (without loss of control) is accounted for as an equity transaction. No gain or loss is recognised, and the amount is recognised directly in equity.

As at 30 September 2026, the total equity attributable to owners of the parent of GP Corp. recognised in the Company's consolidated financial statements was RMB8,521,507,399.75. Based on the unrounded non-controlling interest percentage of approximately 9.0763% before completion of the Proposed Capital Increase, the corresponding non-controlling interests amounted to RMB773,437,576.12. Assuming the Proposed Capital Increase is completed at the maximum number of shares to be issued, and the raising of the maximum proceeds of RMB6 billion, the total equity attributable to owners of the parent of GP Corp. is expected to be RMB14,521,507,399.75. Based on the unrounded non-controlling interest percentage of approximately 46.7659% after completion, the corresponding non-controlling interests would amount to RMB6,791,113,629.06. Accordingly, the additional non-controlling interests would amount to RMB6,017,676,052.94, which exceeds the maximum subscription proceeds of RMB6 billion by RMB17,676,052.94. This difference would be deducted from equity attributable to owners of the Company in the Company's consolidated financial statements.

Upon completion of the Proposed Capital Increase (assuming the maximum proceeds of RMB6 billion are raised), and disregarding the application of the proceeds, the Group's consolidated total assets are expected to increase by RMB6 billion, and the Group's consolidated net assets are expected to increase by RMB6 billion, being equal to the proceeds received by the Group from the ultimate strategic investors. The actual accounting impact will be determined based on the final issuance terms and subject to review by the Company's auditor, and the Company will disclose the relevant information in a further announcement to be published upon determination of the final transaction terms.

The Proposed Capital Increase is expected to raise gross proceeds of not exceeding RMB6 billion. GP Corp. proposes to use not more than RMB5.5 billion of the proceeds to repay bank borrowings and not more than RMB0.5 billion of the proceeds to supplement working capital. If the actual amount raised is less than RMB6 billion, the proceeds shall first be used to supplement working capital, and the remaining amount shall be used to repay bank borrowings.

**(5) Basis for determining the listing price**

The listing price of the Proposed Capital Increase will be based on the appraised value determined by an Independent Valuer. According to the Asset Appraisal Report prepared by Zhonglian International with the Appraisal Benchmark Date of 31 March 2026, the appraised value of the total equity interests of the shareholders of GP Corp. determined using the income approach was RMB8,460,000,000. On this basis, the minimum issue price per share for the Proposed Capital Increase has been calculated by dividing RMB8,460,000,000 by the 2,449,305,500 existing shares of GP Corp., resulting in approximately RMB3.4540 per share, rounded up to RMB3.46 per share. The newly issued shares in the Proposed Capital Increase have a par value of RMB1.00 per share, and the difference between the investors' actual capital contribution and their subscribed share capital amount will be credited to the capital reserve of GP Corp.

**(6) Information on the appraisal**

***A. Selection of Appraisal Methods***

The Asset Appraisal Report adopted two appraisal methods, namely the income approach and the market approach. The total equity value of the shareholders of GP Corp. derived using the income approach was RMB8,460,000,000, representing an appreciation rate of 5.49% over the book value of shareholders' equity (attributable to the parent company) in the consolidated financial statements; the total equity value of the shareholders of GP Corp. derived using the market approach was RMB8,380,000,000, representing an appreciation rate of 4.49% over the book value of shareholders' equity (attributable to the parent company) in the consolidated financial statements. The appraisal conclusion adopts the result derived from the income approach.

The aforesaid "total equity value of the shareholders of GP Corp." refers to the total equity value attributable to the parent shareholders of GP Corp. after deducting the value of interest-bearing debts and non-controlling interest from the enterprise value. GP Corp. is a consolidation entity with non-wholly-owned subsidiaries under it. The consolidated shareholders' equity includes non-controlling interest, which does not belong to the shareholders of GP Corp. itself. Accordingly, the scope of the subject of this valuation is limited to the equity value attributable to parent shareholders, excluding non-controlling interest.

In terms of measurement, based on the consolidated enterprise value, this valuation first deducts the value of interest-bearing debts and then deducts the value of non-controlling interest, so as to derive the total equity value attributable to parent shareholders. This scope is consistent with the scope of the line item "equity attributable to owners of the parent" in the consolidated financial statements. The valuation conclusion of RMB8,460,000,000 corresponds to the equity value available to the parent shareholders of GP Corp.

***B. Reasons for Adopting the Income Approach as the Conclusion of the Appraisal***

The market approach is to appraise the value of an enterprise based on its operating conditions and overall market performance, whereas the income approach is to predict the value of an enterprise based on its profitability. The two approaches are complementary. The result under the market approach represents the market manifestation of the result under the income approach, while the result under the income approach serves as a solid foundation for the result under the market approach and is a reasonable reflection of the enterprise's intrinsic value.

Considering the operating conditions of GP Corp.'s principal business, the appraisal using income approach considers the impact of changes in factors such as GP Corp.'s business development on its future profitability, and excludes the effects of market profit-seeking factors and short-term fluctuations on the

appraisal object. It reflects the true intrinsic value of GP Corp. more reasonably. Consequently, the appraisal result under the income approach is selected as the appraisal conclusion for this appraisal.

For the further information on the Asset Appraisal Report (including key parameter values, etc.), please refer to Appendix I to this circular.

***C. Profit Forecast under the Asset Appraisal Report***

Since the Independent Valuer employed the income approach to determine the fair value of the entire shareholders' equity of GP Corp. as at the Appraisal Benchmark Date, the appraisal constitutes a Profit Forecast under Rule 14.61 of the Listing Rules of HKEX. The Company will, in accordance with Rule 14.60A of the Listing Rules of HKEX, include in this circular: (a) details of the principal assumptions (including commercial assumptions) upon which the forecast is based; (b) the Company's auditors' letter reporting on the arithmetical calculations of the discounted future cash flows, which do not involve the adoption of accounting policies; (c) a letter from the Board confirming that they have made the forecast after due and careful enquiry; and (d) information regarding the expert statements contained in this circular, which is specified in paragraph 5 of Appendix D1B to the Listing Rules of HKEX. In accordance with Rule 14.60A(1) of the Listing Rules of HKEX, the principal assumptions (including the commercial assumptions forming the Profit Forecast basis for the entire shareholders' equity of GP Corp.) upon which the Profit Forecast is based are set out as follows:

| | |
|---|---|
| **Basic Assumptions** | Transaction assumptions. It is assumed that the appraisal object is in the process of the transaction, the valuer conducts the appraisal according to the simulated market conditions such as the transaction conditions of the appraisal object, and the appraisal result is the estimation of which the transaction price is most likely to be reached by the appraisal object.<br><br>Open market assumptions. It is assumed that the assets involved in the appraisal object are traded in the open market. In such market, buyers and sellers have equal status, and both have the opportunity and time to obtain sufficient market information. The transaction behavior of buyers and sellers is carried out under voluntary, rational and non-mandatory conditions.<br><br>It is assumed that after the economic activities for the appraisal purpose have been achieved, the assets involved in the appraisal object will continue to be used for the purposes and in the manner in which they were used as at the Appraisal Benchmark Date. |

**Assumptions about the Appraisal Object**

In addition to the extent known to the valuer, it is assumed that the purchase, acquisition, improvement, construction and development of the assets involved in the appraisal object are in accordance with the relevant laws and regulations of the State.

In addition to the extent known to the valuer, it is assumed that none of the assets involved in the appraisal object carry rights defects, liabilities and limitations that affect their value, and that the relevant state-owned land use right grant premium, taxes and duties, and all payables in connection therewith have been fully settled.

The area, nature, shape and other data of the properties mentioned in the appraisal report are based on the property rights ownership documents or provided by the principal, and the appraisers has not conducted any measurements of the boundaries and area of the relevant properties and has assumed that such data are legal and true.

In addition to the extent known to the valuer, there are no material defects affecting the continued use of the properties, including land and buildings, of the appraisal object, such assets contain no hazardous substances which may adversely affect their value, and there are no hazardous materials and other harmful environmental conditions at the places where such assets are located which may adversely affect the value of such assets.

The appraisers have conducted surveys on tangible assets such as properties and equipment involved in the appraisal object from the external of their visible entity and have conducted due diligence to understand their internal existing problems, but due to technical constraints, no specific technical tests have been organized on the technical data, technical status, structure, attachments and other aspects of the assets concerned. In addition to the extent known to the valuer, it is assumed that the equipment, vehicles and other equipment involved in the appraisal object have no material technical failures that affect their continuous use, and that their key components and materials have no potential quality defects.

The appraisers have conducted due diligence on intangible assets involved in the appraisal object from their essence, technical advancement of their specific contents, economic applicability and market acceptance, and interviewed relevant professionals, but did not conduct special verifications on relevant assets. The process of determining the value of intangible assets is inevitably affected by the data collection process, differences in interviewees and interview content, and the information obtained therefrom, which renders the professional judgement formed by the appraisers subject to a certain degree of subjectivity. This appraisal is conducted on the assumption that the appraisers are in possession of information of the intangible assets of the appraisal object on the basis that the information is consistent with the actual situation and satisfies the general conditions of the acquisition, development, utilization, operation and income of the assets.

Unless otherwise indicated in the Asset Appraisal Report, it is assumed that the appraisal object will not be affected by factors such as pre-existing or future collateral, security matters and particular transaction method on its value.

It is assumed that there will be no other force majeure factors or unforeseen factors that have a significant adverse impact on the value of the appraisal object.

It is assumed that all assets in this appraisal are based on the actual stock as at the Appraisal Benchmark Date, and that the current market price of the assets is based on the domestic effective price as at the Appraisal Benchmark Date.

**Assumptions about Enterprise Operation and Forecast**

It is assumed that there are no major changes in the international financial and global economic environment, the national macroeconomic situation, and the political, economic and social environments of the countries and regions where the parties are located.

It is assumed that there are no significant changes in the socio-economic environment and the prevailing interest rates, exchange rates, tax bases and tax rates, and charges under relevant implemented policies.

It is assumed that the current policy environment, including the relevant laws, regulations and administrative policies, industrial policies, financial policies and tax policies, is relatively stable. Unless otherwise stated, it is assumed that the entity to be appraised is operated in full compliance with relevant laws and regulations.

It is assumed that the industry where the entity to be appraised is operated can maintain its current direction and development trend after the Appraisal Benchmark Date, regardless of the impacts of the emergence of unknown new technologies, new commercial concepts and the like in the future on the industry trend.

It is assumed that the entity to be appraised will, upon the realization of the target economic activities that were evaluated for the appraisal, continue in the original business direction, business mode, business scope and management level, and continue to operate in the current industry condition and market competition environment.

The appraisal is only based on the existing operating capacity of the entity to be appraised on the Appraisal Benchmark Date. It does not consider the expansion of operating capacity that may be caused by management, business strategy and additional investment in the future, nor the impact of subsequent changes in production and operation that may occur; it is assumed that the entity to be appraised will maintain the total investment and financial leverage level as at the Appraisal Benchmark Date basically unchanged.

It is assumed that the entity to be appraised continues to operate at the current management level on the Appraisal Benchmark Date, the management of the entity to be appraised is responsible and diligent, and the management is relatively stable and capable of performing its duties, regardless of major adjustments to the operator in the future or the impact of major changes in management level on future expected earnings.

It is assumed that at any point in the continuous operation period of the entity to be appraised, the performance of its assets is different.

It is assumed that the cash inflows and outflows of the entity to be appraised after the Appraisal Benchmark Date are average inflows and outflows.

It is assumed that the accounting policies adopted by the entity to be appraised in the future are basically consistent with the accounting policies adopted at the time of preparation of the report.

It is assumed that the entity to be appraised fully complies with the relevant national and local laws and regulations which are applicable to carry out lawful operations.

**Other Assumptions**

According to the Asset Appraisal Law of the People's Republic of China (《中華人民共和國資產評估法》), "the entrusting party shall be responsible for the authenticity, completeness and legality of the ownership certificate, financial accounting information and other materials provided by them", it is assumed that the entrusting party has acted in accordance with the laws.

It is assumed that the appraisal scope is consistent with the appraisal declaration form provided by the entrusting party and the entity to be appraised, not considering the impact of contingent assets and contingent liabilities that may exist beyond the appraisal declaration form provided by the entrusting party and the entity to be appraised on the conclusion of the appraisal.

It is assumed that the methods of acquisition and utilization of the production and business premises required by the appraisal object remains consistent with and have no changes on the Appraisal Benchmark Date.

It is assumed that the business plan formulated by the entity to be appraised can be implemented smoothly.

When the above appraisal assumptions and appraisal principles followed in the appraisal change, the conclusion of the appraisal will be affected and changed, and the Asset Appraisal Report will be invalid.

Further explanation: As at the LPD, GP Corp. has no plans to expand its operating capacity or materially alter its existing production and operating arrangements that have been approved or entered into a specific implementation

stage. The business expansion, regional layout and digital transformation described in this circular represent only general development directions of GP Corp., and no specific projects, implementation timetables or capital expenditure arrangements have been formulated. Accordingly, the potential impact of such general development directions has not been taken into account in this valuation. The approved investment plans set out in Appendix I of this circular, including specific projects and budgets such as baiyun phase I/II project and Hainan airport pharmaceutical logistics centre, do not constitute plans for material capacity expansion or changes to the existing operating arrangements of GP Corp. They are capital expenditures incurred by GP Corp. solely to maintain its existing operating scale, reduce costs, improve efficiency and optimise its distribution network, and the capital expenditure for the aforesaid projects has been incorporated into the valuation forecasts for this valuation.

***D. Auditors' Letter***

The Company's auditor, WUYIGE, was engaged to review and report on the compilation and arithmetical calculations of the discounted future estimated cash flows upon which the Profit Forecast was based. The discounted future estimated cash flows do not involve the adoption of accounting policies. The full text of the auditor's letter ("**Auditor's Letter**"), dated 9 November 2026 and made for incorporation in this circular, is set out in the Appendix II to this circular.

***E. Board's Letter***

Pursuant to Rule 14.60A(3) of the Listing Rules of HKEX, the Board has reviewed the Auditor's Letter and the bases and assumptions for the Profit Forecast set out in the Asset Appraisal Report, and confirms that the Profit Forecast has been made after due and careful enquiry. The Board's letter on the valuation is set out in Appendix III to this circular.

The Board has assessed the competence and independence of Zhonglian International.

Upon enquiry, the signing valuers participating in this valuation each hold a Valuer Practising Certificate issued by the China Appraisal Society and are full-time valuation professionals registered with Zhonglian International. They possess the professional competence to apply mainstream valuation approaches including the income approach, market approach and asset-based approach. The signing valuers and the responsible team have previously undertaken equity valuation projects for pharmaceutical enterprises and signed numerous valuation reports for similar transactions such as equity acquisitions and capital increase and share expansion. In addition, Zhonglian International and the signing valuers have completed independence checks. They have no equity, business or other material interests with the Company, GP Corp., the controlling shareholder or potential investors. All members of the responsible team have signed an independence undertaking. The valuation fee for this engagement is determined by

negotiation based on the workload and is not linked to the valuation result or the completion of this transaction. There are no fee arrangements that may prejudice the objectivity of the valuation.

The Board has reviewed the Asset Appraisal Report and its notes, and by reference to the historical financial information, operating plans, industry and comparable market data of GP Corp. as well as the working papers for the calculation of various parameters, considers that the key parameters including income forecasts, gross profit margin, expense ratio, capital expenditure, working capital, discount rate and perpetual growth rate are reasonable.

After reviewing the Asset Appraisal Report and its notes by the Independent Valuer, the Board is of the view that the subject of this valuation is the equity interest of GP Corp., whose value is mainly derived from the foreseeable cash flows generated by its future ongoing operations. On the premise of going concern, the income approach calculates the valued entity's future free cash flows based on industry trends, the GP Corp.'s business layout, customer resources and synergies. It can better reflect the intrinsic value of the equity interest. Compared with other valuation approaches, the income approach is more consistent with the profit model and value drivers of a pharmaceutical distribution enterprise. Key parameters adopted by the Independent Valuer, including revenue growth rate, gross profit margin, expense ratio, capital expenditure, working capital, discount rate and perpetual growth rate, have been fully justified and reasonably determined. Accordingly, the Board considers that the adoption of the income approach as the primary valuation method by the Independent Valuer is fair and reasonable.

The Board has reviewed the latest management accounts and operating information of GP Corp. as at 30 September 2026, and compared the key operating indicators including actual revenue, actual cost of sales and gross profit margin after the Appraisal Benchmark Date with the relevant financial forecasts adopted in the income approach valuation. Such comparison shows that the actual operating performance of GP Corp. subsequent to the Appraisal Benchmark Date is close to the valuation forecasts, without any material deviation. The Board has also reviewed GP Corp.'s latest business development, major customers and suppliers, liquidity position, as well as the latest developments in the pharmaceutical distribution industry and relevant regulatory policies, and confirmed that there have been no changes from the Appraisal Benchmark Date to the LPD that would materially affect the key assumptions, parameters or valuation conclusion adopted for the valuation. Accordingly, the Board considers that the valuation with 31 March 2026 as the Appraisal Benchmark Date remains fair and reasonable as at the LPD.

Having considered the above reasons, the Board is of the view that the valuation approaches, key assumptions and parameters adopted by the Independent Valuer, as well as the valuation result as at the Appraisal Benchmark Date, are fair and reasonable.

*F. Expert and Consent*

The qualification of the experts who have provided statements in this circular is set out below:

| Name of Experts | Qualification of Experts |
|---|---|
| Zhonglian International Real Estate Land Asset Appraisal Consulting (Guangdong) Co., Ltd.（中聯國際房地產土地資產評估諮詢(廣東)有限公司） | PRC Asset Valuer |
| WUYIGE Certified Public Accountants LLP | Certified Public Accountant |

As at the LPD, the above experts have issued their consents to the issue of this circular, the reproduction of their reports in the form and context contained herein and the citation of their name, and have not withdrawn such consents to date. The Asset Appraisal Report was dated 10 July 2026 and the Auditor's Letter is dated 9 November 2026. Each statement was made for incorporation in this circular.

As at the LPD, the above experts do not hold any equity interests in any member company of the Group, nor do they have any rights (whether enforceable at law or not) to subscribe for or nominate others to subscribe for the securities of any member company of the Group.

As at the LPD, the above experts do not have any direct or indirect interests in any assets acquired, sold, or leased by any member company of the Group, or in any assets that any member company of the Group intends to acquire, sell, or lease to any member company of the Group since 31 December 2025 (i.e., the date of preparation of the Group's most recently published audited financial statements).

**(7) Proposed Capital Increase Implementation Plan**

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| **Method of Capital Increase:** | The fundraising plan will be implemented by way of a private placement of shares following the solicitation of strategic investors through public listing at the Guangzhou Enterprises Mergers and Acquisitions Services, and upon review and issuance of a letter approving the private placement by the NEEQ, and the current public listing process for investor solicitation will adopt a combination of pre-listing and formal listing. |
| **Calculation of Listing Price:** | Please refer to the section "2.(5) Basis for Determining the Listing Price" in this circular. |

**Eligibility Criteria for Prospective Investors**

A. Basic conditions**:** (a) A prospective investor shall be a corporate legal person duly established and validly existing in accordance with laws, or a private fund duly filed with the Asset Management Association of China; (b) A prospective investor shall have a good business reputation, sound financial position and payment capacity, and no record of adverse business conduct; it shall not be subject to any material litigation, arbitration, administrative penalty, compulsory enforcement, bankruptcy petition or other circumstances facing dissolution or liquidation; and (c) A prospective investor shall provide a Letter of Undertaking to undertake the relevant matters.

B. Mandatory conditions: On the premise of satisfying the above basic conditions, each prospective investor or its affiliate shall satisfy at least one of the two categories, namely industrial investor or financial investor.

C. No more than 15 investors will be selected through the public solicitation.

D. Consortium investment will not be accepted for the capital increase.

E. GP Corp. has the right to determine whether a prospective investor meets the above eligibility criteria, and reserves the final right of interpretation.

**Scale of Capital Increase:**

GP Corp. proposes to issue an aggregate of not more than 1,734,104,046 new shares to industrial investors and financial investors, and the aggregate share capital subscribed by the investors shall not exceed 41.46% of the share capital of GP Corp. after the capital increase, with the shareholding percentage of any single investor not exceeding 15% of the equity interest of GP Corp. after the capital increase. The capital increase amount shall not exceed RMB6.0 billion, and the final capital increase amount and the number of new shares to be issued shall be determined based on the actual results of the investor solicitation.

Upon completion of the capital increase, the Company's shareholding percentage shall be no less than 53.23%, and it will hold more than half of the voting rights in respect of ordinary resolutions of the shareholders' meeting. The cap of 15% limits the aggregate influence of an investor, investors under common control and persons acting in concert with it within a reasonable scope, which helps prevent any single external investor from exerting excessive influence over the corporate governance of GP Corp. and supports the Company in maintaining control over GP Corp. following completion of the Proposed Capital Increase.

Upon completion of the Proposed Capital Increase, the aggregate shareholding in GP Corp. of any single investor, investors under common control and persons acting in concert with it shall not exceed 15% of the total share capital of GP Corp. after the capital increase.

To implement the aforesaid restriction, GP Corp. will verify the equity structure, ultimate beneficial owners, de facto controllers of each prospective investor, and whether there exists any connection or concerted arrangement among the investors during the investor registration and selection process. Where two or more investors are controlled by the same entity, or constitute persons acting in concert under applicable laws and regulations and the provisions of the listing documents for this offering, the number of shares subscribed by them and their shareholding percentage upon completion of the capital increase shall be calculated on an aggregate basis.

Each prospective investor is required to make full disclosure in respect of the foregoing matters. If the aggregate shareholding percentage exceeds 15%, GP Corp. will adjust the number of shares to be subscribed by such investor accordingly to ensure compliance with the above shareholding cap after the completion of the capital increase.

**Use of Proceeds from Capital Increase:**

All proceeds raised from the Proposed Capital Increase will be applied to the operations of GP Corp. The proceeds will be used to supplement working capital and repay bank loans and borrowings. The total proposed proceeds to be raised are RMB6 billion, of which RMB5.5 billion will be used for repaying bank borrowings, representing 91.67% of the total proceeds, and is expected to be fully utilised within 12 months upon receipt of the proceeds. RMB0.5 billion will be used for supplementary working capital, representing 8.33% of the total proceeds. GP Corp. will allocate the funds in accordance with actual operational needs and capital turnover requirements for purchasing inventory, settling staff remuneration, lease-related expenses and other day-to-day operating expenses, and such portion is also expected to be fully utilised within 12 months upon receipt of the proceeds.

If the actual amount raised is less than RMB6 billion, the proceeds shall first be used to supplement working capital, and the remaining amount shall be used to repay bank borrowings.

**Arrangements following the capital increase:**

A. Upon completion of the capital increase, GP Corp. shall establish a board of directors. The board of directors shall be accountable to the shareholders' meeting and exercise the powers and functions stipulated in the articles of association of the company. The appointment and removal of senior management personnel shall be resolved by the board of directors. Subject to the subsequent competitive negotiation results and completion of relevant approval procedures, GP Corp. may appoint board observers.

(a) The size of the board of directors: The board of directors of GP Corp. currently consists of 9 directors, including 3 independent directors and 1 employee representative director (elected democratically by the employees of the GP Corp.). In accordance with the currently effective articles of association of GP Corp., each director serves for a term of three years and may be re-elected upon expiry of the term. Upon completion of the Proposed Capital Increase, the specific size of the board of directors of GP Corp. will be specified in the revised articles of association of GP Corp. and submitted to the shareholders' meeting of GP Corp. for approval in accordance with the law.

(b) The Company's right to nominate directors after completion of the Proposed Capital Increase:

Upon completion of the Proposed Capital Increase, the Company will hold not less than 53.23% of the shares in GP Corp. and remain the controlling shareholder of GP Corp.

As at the LPD, the final investors have not been determined, and GP Corp. has not reached any agreement with any prospective investor regarding the size of its board of directors, the rights to nominate or appoint directors or any board observer arrangements following completion of the Proposed Capital Increase. Accordingly, the specific size of the board of directors of GP Corp. following completion of the Proposed Capital Increase, the respective numbers of directors which the Company and the final investors will be entitled to nominate or appoint, and any board observer arrangements will be determined based on the outcome of the subsequent competitive negotiations.

Pursuant to the articles of association of GP Corp., cumulative voting applies to the election of directors. As the final size of the board and the respective rights of the parties to nominate or appoint directors have not yet been determined, the Company is currently unable to determine the specific number of directors which it will be entitled to nominate or appoint following completion of the Proposed Capital Increase. The final governance arrangements shall not confer on any investor any right that would result in the Company losing control over GP Corp. Before GP Corp. approves the final issuance plan or enters into the relevant Share Subscription Agreements, the Company will review the final size of the board, the respective rights of the parties to nominate or appoint directors, the cumulative voting arrangements and the arrangements relating to the employee representative director, in order to confirm that the Company will continue to maintain control over GP Corp. The Company will publish a further announcement after the final governance arrangements have been determined, disclosing the total number of directors of GP Corp., the respective numbers of directors which the Company and the investors will be entitled to nominate or appoint, and any board observer arrangements.

B. Upon completion of the capital increase, GP Corp. shall formulate a dividend distribution plan by comprehensively taking into account factors including the characteristics of its industry, stage of development, its own business model, profitability, debt repayment capacity, whether there are major capital expenditure arrangements and investor returns. GP Corp. shall determine the specific dividend distribution plan based on the subsequent competitive negotiation results and implement the same upon completion of relevant approval procedures. Subject to the progress of the subsequent competitive negotiation, GP Corp. may negotiate with the investors to add other terms in the Share Subscription Agreement and other transaction documents within the scope permitted by the laws, regulations and business rules relating to state-owned assets supervision and administration and the NEEQ, provided that such terms do not constitute a material variation to this implementation plan.

The Appraisal Benchmark Date was 31 March 2026, and the appraisal remains valid until 30 March 2027. Taking into account the progress of the public listing and competitive negotiations on the Guangzhou Enterprises Mergers and Acquisitions Services, the NEEQ and internal approval processes, and the validity period of the appraisal report, GP Corp. expects to complete the formal listing, investor selection, agreement execution and other share issuance procedures by 30 March 2027. The Proposed Mandate will be valid for 12 months from the date of Shareholders' approval, and neither long-stop date may extend beyond that validity period. If it expires, the relevant approval procedures will be followed in accordance with applicable provisions.

**(8) Reasons for and benefits of the Proposed Capital Increase**

The Board has reviewed the issuance and listing plan, investor eligibility and selection mechanism, template of the Share Subscription Agreement and other key terms determined as of the date of this circular in relation to the Proposed Capital Increase, and has also reviewed the Asset Appraisal Report, including the appraisal methods, key assumptions and appraisal results adopted by the Independent Valuer. The introduction of strategic investors by GP Corp. through the Proposed Capital Increase will help satisfy GP Corp.'s funding needs for its business development and subsequent operations, alleviate its working capital pressure, improve its asset liquidity position, enhance its ability to withstand financial risks, and further strengthen its overall competitiveness.

***A. Selection of Financing Plan***

GP Corp. has considered debt financing, preferred shares, convertible bonds and the issuance of shares under the Proposed Capital Increase. The proceeds are intended to repay bank borrowings and supplement working capital, with the objective of introducing long-term and stable equity funding, optimising the capital structure and reducing the asset-liability ratio. Debt financing would increase interest-bearing liabilities; preferred shares would require dividend payments and increase fixed outgoings; and convertible bonds would remain liabilities and accrue interest before conversion. None of these alternatives would immediately reduce the asset-liability ratio. By contrast, the issuance of shares would directly increase equity capital and better serve the purpose of the fundraising. GP Corp. therefore considers the Proposed Capital Increase to be the most appropriate financing option in the current circumstances.

***B. Funding Requirement***

As calculated based on the Asset Appraisal Report issued by Zhonglian International, the aggregate working capital shortfall of GP Corp. from 2027 to 2029 is RMB3,196.1357 million. The RMB3,196.1357 million represents the aggregate projected working capital shortfall over the three-year period and is not required to be funded in full at a single point in time. Of the proceeds, up to RMB0.5 billion is proposed to be applied to meet GP Corp.'s near-term working capital requirements. The remaining working capital requirements are expected to be met, having regard to the actual operating conditions in each year, through cash generated from operations, existing available funds and debt financing obtained as appropriate based on actual needs. In respect of the asset-liability ratio, as at the end of September 2026, the aggregate balance of GP Corp.'s long-term and short-term borrowings exceeded RMB13 billion, mainly consisting of bank loans with a relatively large scale. The asset-liability ratio stood at 79.16%, which has reached a relatively high level.. The large borrowing scale and high asset-liability ratio give rise to interest expenses and short-term repayment pressure, eroding profits. The robustness of the financial structure needs to be enhanced, which restricts GP Corp.'s profitability and risk resistance capacity.

Applying the proceeds to repay bank borrowings is expected to reduce GP Corp.'s interest-bearing liabilities, asset-liability ratio, finance costs and short-term repayment pressure, while the portion used to supplement working capital will support daily operations and improve fund deployment flexibility. The proposed use of proceeds therefore addresses both GP Corp.'s working capital needs and the need to improve its financial structure. GP Corp. may continue to use debt financing as appropriate for its business and funding needs, subject to maintaining a generally sound asset-liability ratio.

### *C. Formulation of Commercial Terms*

The Proposed Capital Increase will be conducted through a public listing on the Guangzhou Enterprises Mergers and Acquisitions Services. The listing price will be based on the filed asset appraisal results. The appraised value of the entire shareholders' equity as at the Appraisal Benchmark Date was RMB8.46 billion, which was higher than GP Corp.'s net assets attributable to owners of the parent as at the end of the latest financial year and the latest reporting date. The final issue price will not be lower than the price corresponding to the filed appraised value, providing market-based and valuation safeguards for the pricing.

Prospective investors must have good business reputation, financial standing and payment capacity, and must be legally established enterprise legal persons or duly registered private equity funds. No more than 15 investors will be selected, consortium investment will not be accepted, and the aggregate shareholding of any single investor, investors under common control and persons acting in concert with it must not exceed 15% of GP Corp.'s total share capital upon completion of the Proposed Capital Increase. These arrangements are intended to create a diversified investor base, prevent any single external shareholder from exerting excessive influence on GP Corp. and preserve the Company's control over GP Corp.

The proceeds may only be used to supplement GP Corp.'s working capital and repay bank borrowings, which is consistent with the working capital shortfall and debt reduction needs described above.

Upon completion of the Proposed Capital Increase, GP Corp. may, subject to the outcome of the competitive negotiations, appoint non-voting board observers. Dividend proposals will be formulated having regard to GP Corp.'s industry characteristics, development stage, profitability, debt repayment capacity and funding needs. These arrangements will not alter the Company's control over GP Corp.

In summary, the Directors consider that the pricing mechanism, investor selection criteria, use of proceeds and governance arrangements for the Proposed Capital Increase are formulated through open and competitive procedures and are on normal commercial terms.

### *D. Impact on the Company's Equity Interests*

Upon completion of the Proposed Capital Increase, the Company's shareholding in GP Corp. will decrease from 90.92% to 53.23%, representing a dilution of 37.69 percentage points. Nevertheless, the Company will continue to hold more than half of the voting rights required for ordinary resolutions at shareholders' meetings of GP Corp. and will remain its controlling shareholder, and GP Corp. will continue to be consolidated into the Group's financial statements. Accordingly, the Company will not lose control over GP Corp. as a result of the Proposed Capital Increase. As disclosed in the section headed

"Financial Impact and Use of Proceeds", the Proposed Capital Increase will be accounted for as an equity transaction and no gain or loss on disposal will be recognised in the Group's consolidated statement of profit or loss.

Although the dilution will reduce the Company's share of GP Corp.'s future net profits, the proceeds are expected to reduce GP Corp.'s interest-bearing liabilities and finance costs, support its working capital needs and improve its financial position, thereby supporting its profitability and sustainable development. In addition, the Company will not be required to inject capital into GP Corp. using its own funds or additional debt, avoiding additional financial pressure at the Group's consolidated level. The Directors consider that these benefits reasonably balance the impact of the reduction in the Company's shareholding.

Having considered the above factors, the Directors (including the independent non-executive Directors) are of the opinion that it is fair and reasonable to use the appraisal results as the basis for determining the minimum issue price of the Proposed Capital Increase; and that the minimum issue price, investor selection mechanism, template of the Share Subscription Agreement and proposed scope of authorisation of the Proposed Capital Increase are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Proposed Capital Increase will not affect the Company's de facto control over GP Corp. or have any material adverse effect on the Company's production and operations.

Upon the finalization of the final investors and the final subscription terms, the Company will conduct a further review before GP Corp. approves the final issuance plan or enters into the Share Subscription Agreement, and will publish a further announcement in accordance with the applicable regulations.

**(9) Implications under the Listing Rules of HKEX**

Upon completion of the Proposed Capital Increase, the Company's interest in GP Corp. will be diluted from 90.92% to not less than 53.23%. Pursuant to Rule 14.29 of the Listing Rules of HKEX, the Proposed Capital Increase (if proceeded with) will constitute a deemed disposal of the interest in a subsidiary. Based on the maximum fundraising amount and the dilution in shareholding percentage, it is expected that one or more of the highest applicable percentage ratios in respect of the Proposed Capital Increase will be higher than 25% but lower than 75%. Accordingly, calculated on the basis of the maximum issue scale, the Proposed Capital Increase will constitute a major transaction of the Company under Chapter 14 of the Listing Rules of HKEX, and will be subject to the reporting, announcement, circular and Shareholders' approval requirements. To the best of the Directors' knowledge and based on information currently available to them, no Shareholder is required to abstain from voting on the resolution to be proposed at the Shareholders' meeting for approving the granting of the Proposed Mandate.

The completion of the Proposed Capital Increase is subject to the results of the public listing and the terms of the final Share Subscription Agreements. If the final issue size, issue price, subscription arrangements or any ancillary arrangements fall outside the scope of the Proposed Mandate, or result in a change in transaction classification, the Company will recalculate the applicable percentage ratios and comply with the applicable announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules of HKEX before GP Corp. approves or enters into the relevant arrangements. If a final investor is a connected person of the Company, the Proposed Capital Increase will constitute a connected transaction of the Company. If the transaction does not qualify for a full exemption under Chapter 14A of the Listing Rules of HKEX, the Company will comply with the applicable requirements under Chapter 14A before GP Corp. approves or enters into the relevant Share Subscription Agreement. Depending on the size of the transaction and the applicable exemption, those requirements may include abstention by interested Directors, publication of an announcement, establishment of an independent board committee, appointment of an independent financial adviser, despatch of a circular and obtaining independent Shareholders' approval. Any Shareholders' approval previously obtained for the purposes of Chapter 14 will not replace any independent Shareholders' approval that may subsequently be required.

As GP Corp. will enter into separate Share Subscription Agreements with each investor, if a final investor is a connected person of the Company and its subscription is subject to the approval of the Company's independent Shareholders under Chapter 14A of the Listing Rules of HKEX, the subscription agreement with such investor shall specify that the obtaining of the approval from the Company's independent Shareholders and other necessary approvals are conditions precedent to its effectiveness or completion. Prior to obtaining such approvals, GP Corp. shall not be under an unconditional obligation to complete the transaction in respect of such investor's subscription.

If the relevant independent Shareholders' approval is not obtained, that investor's subscription will terminate, and failure to obtain such approval will not constitute a breach by that investor or GP Corp. If the subscription monies remain in the escrow account of the Guangzhou Enterprises Mergers and Acquisitions Services, they will be returned to that investor in accordance with the public listing and escrow arrangements. If the subscription monies have already been transferred to GP Corp.'s dedicated fundraising account, GP Corp. will, within ten business days after termination of the agreement, refund in full the principal amount together with the interest actually accrued in the dedicated fundraising account, without deducting any liquidated damages, compensation or related expenses.

The subscriptions by other independent investors may in principle proceed, provided that after excluding such investor, the remaining issuance still complies with the scope of the mandate approved by the Company's Shareholders, listing conditions and applicable domestic regulatory requirements. If the remaining issuance no longer satisfies the above conditions, GP Corp. shall adjust or terminate the entire issuance accordingly, and the Company shall re-comply with the applicable approval and disclosure procedures.

If the Proposed Capital Increase as a whole constitutes a notifiable transaction of a higher classification and the Company fails to obtain the Shareholders' approval required for such transaction classification, GP Corp. shall not implement the entire capital increase and share expansion in accordance with the original plan. The relevant subscription arrangements shall be terminated or adjusted in accordance with the agreements, and any subscription monies already received shall be refunded in accordance with the aforesaid principles.

**(10) General**

The Board proposes to seek Shareholders' approval at the Shareholders' meeting for the Proposed Mandate to be pre-granted to GP Corp. to introduce strategic investors by way of public listing and to implement the private placement of shares. The scope of the Proposed Mandate covers the matters set out in this circular, including the upper limits on the number of shares to be issued and the amount to be raised, the basis for determining the minimum issue price, the eligibility criteria and selection mechanism for investors, the number of investors and the maximum aggregate shareholding percentage for a single investor, investors under common control and persons acting in concert with it, the minimum shareholding percentage to be held by the Company upon completion, the cash subscription method, the use of proceeds, and the key terms of the template Share Subscription Agreement, as well as authorizing the management of the Company to determine the final investors, issue price, number of shares to be issued and subscription amounts, and to execute the relevant documents and complete the relevant formalities, within the above scope and based on the results of the listing and selection process. The Proposed Mandate shall be valid for a period of not more than 12 months from the date of approval by the Shareholders. Any material changes falling outside the scope of the Proposed Mandate will require the Company to re-comply with the applicable procedures under Chapter 14 and/or Chapter 14A of the Listing Rules of HKEX before GP Corp. approves or enters into the relevant arrangements.

As of the LPD, the Proposed Capital Increase has not yet been finalized. The identities of the final strategic investors, the amount to be raised, the issue price, the number of shares to be issued, and the shareholding percentages remain undetermined, and GP Corp. has not entered into any Share Subscription Agreement.

***The Proposed Capital Increase is subject to the satisfaction of a number of conditions precedent, including but not limited to approval of the Proposed Mandate by the Shareholders, the approval by the shareholders' meeting of GP Corp. and the issuance of a no-objection letter by the NEEQ. Such conditions precedent may not be satisfied on schedule or smoothly, and the Proposed Capital Increase may not be implemented. Even if the Proposed Mandate is approved by the Shareholders, there is no assurance that the Proposed Capital Increase will be implemented or completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.***

## 3. CLOSURE OF REGISTER OF MEMBERS FOR HOLDERS OF H SHARES

For the purpose of determining the identity of holders of H Shares who will be entitled to attend and vote at the EGM, the H Share register of members of the Company will be closed from Thursday, 26 November 2026 to Tuesday, 1 December 2026 (both days inclusive), during which period no transfer of H Shares will be registered. To qualify to attend and vote at the EGM, all H Share transfer documents together with the relevant share certificates must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Wednesday, 25 November 2026. Holders of H Shares whose names appear on the register of members of the Company on Tuesday, 1 December 2026 will be entitled to attend and vote at the EGM.

## 4. THE EGM

The EGM will be held at the Conference Room of the Company, No. 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC on Tuesday, 1 December 2026 at 10:00 a.m. The notice convening the EGM is set out on pages 118 to 121 of this circular. Resolution on all the matters referred to in this circular will be proposed at the EGM for the Shareholders' consideration and approval. No Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (whether or not they are Shareholders) as his/her proxy to attend, speak and vote at the EGM on his/her behalf. To be valid, the proxy form, along with any notarially certified power of attorney and/or other documents of authorization (if any), must be delivered to the office of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 10:00 a.m. on Monday, 30 November 2026 (or at least 24 hours before the time appointed for any adjournment thereof). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM.

All the votes of the Shareholders at the EGM will be taken by poll.

## 5. RECOMMENDATIONS

The Directors are of the view that the resolutions proposed for consideration and approval by Shareholders at the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favor of the resolutions to be proposed at the EGM.

## 6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules of HKEX for the purpose of giving information with regard to the Company.

The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 7. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

15 November 2026

The following information is extracted from the Asset Appraisal Report issued by Zhonglian International for inclusion in this circular. In the event of any inconsistency between the English and Chinese versions of this appendix, the Chinese version shall prevail. Unless otherwise specified, all amounts set out in this appendix are denominated in RMB.

## I. APPRAISAL OBJECT AND APPRAISAL SCOPE

### (I) Appraisal Object

The object of this appraisal is the value of the entire equity interests of the shareholders of Guangzhou Pharmaceuticals Company Limited.

### (II) Appraisal Scope

The scope of this appraisal comprises all the assets and liabilities owned by Guangzhou Pharmaceuticals Company Limited as at the Appraisal Benchmark Date, being 31 March 2026, including the intangible assets as a whole which are not recorded in the books. The carrying amount of total assets was RMB41,232,941,749.26, the carrying amount of total liabilities was RMB33,079,130,019.00 and the carrying amount of owners' equity was RMB8,153,811,730.26. The assets and liabilities falling within the scope of this appraisal have been audited by WUYIGE Certified Public Accountants LLP, which issued a standard unqualified audit report (report number: Da Xin Zhuan Shen Zi [2026] No. 22-00044). The timing and scope of the audit are consistent with the Appraisal Benchmark Date and the scope of this appraisal respectively, and this appraisal was carried out based on the audited financial data.

## II. VALUE TYPE

Having regard to the economic behavior, the purpose of the appraisal, market conditions, appraisal assumptions and other factors, the value type of the appraisal object is determined to be market value.

Market value means the estimated amount for which the appraisal object would exchange on the Appraisal Benchmark Date in an arm's length transaction between a willing buyer and a willing seller, each acting rationally and under no compulsion.

## III. APPRAISAL BENCHMARK DATE

The Appraisal Benchmark Date of this engagement is 31 March 2026.

## IV. APPRAISAL BASIS

### (I) Basis of Economic Behavior

The Minutes of the Office Meeting of Guangzhou Pharmaceuticals Company Limited (Sui Yi Ban Gong [2026] No. 11).

**(II) Legal and Regulatory Basis**

1. The Asset Appraisal Law of the People's Republic of China (adopted at the 21st session of the Standing Committee of the 12th National People's Congress on 2 July 2016);

2. The Company Law of the People's Republic of China (fourth amendment at the 6th session of the Standing Committee of the 13th National People's Congress on 26 October 2018; and further revised in accordance with the second revision adopted at the 7th session of the Standing Committee of the 14th National People's Congress on 29 December 2023, effective from 1 July 2024);

3. The Civil Code of the People's Republic of China (adopted at the 3rd session of the 13th National People's Congress on 28 May 2020);

4. The Accounting Law of the People's Republic of China (amended at the 30th session of the Standing Committee of the 12th National People's Congress on 4 November 2017; and the decision on amending the Accounting Law was adopted by vote at the 10th session of the Standing Committee of the 14th National People's Congress on 28 June 2024, effective from 1 July 2024);

5. The Law of the People's Republic of China on State-owned Assets of Enterprises (adopted at the 5th session of the Standing Committee of the 11th National People's Congress on 28 October 2008);

6. The Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises (second revision adopted on 2 March 2019);

7. The Management Measures for the Appraisal of State-owned Assets (State Council Order No. 91, as revised by State Council Order No. 732);

8. The Interim Administrative Measures for the Appraisal of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);

9. The Measures for the Supervision and Administration of the Trading of State-owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);

10. The Notice on Strengthening the Management of the Appraisal of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);

11. The Notice on Matters Concerning the Review of Appraisal Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);

12. The Administrative Measures for Asset Appraisal of Enterprises Supervised by the Guangzhou SASAC (Sui Guo Zi [2026] No. 8);

13. The Securities Law of the People's Republic of China (revised at the 15th session of the Standing Committee of the 13th National People's Congress on 28 December 2019);

14. The Administrative Measures for Information Disclosure of Listed Companies (Order No. 226 of the China Securities Regulatory Commission);

15. The Measures for the Supervision and Administration of State-owned Shares of Listed Companies (Order No. 36 of the State-owned Assets Supervision and Administration Commission of the State Council, the Ministry of Finance of the People's Republic of China and the China Securities Regulatory Commission);

16. The Guidelines for the Application of Regulatory Rules – Appraisal No. 1 (issued by the China Securities Regulatory Commission on 22 January 2021);

17. The Guidelines for the Application of Regulatory Rules – Appraisal No. 2 (issued by the China Securities Regulatory Commission on 5 December 2025);

18. The Accounting Regulatory Risk Alert No. 5 – Asset Appraisal for Equity Transactions of Listed Companies (issued by the China Securities Regulatory Commission on 6 February 2013);

19. The Trademark Law of the People's Republic of China (fourth amendment at the 10th session of the Standing Committee of the 13th National People's Congress on 23 April 2019);

20. The Regulations on the Implementation of the Trademark Law of the People's Republic of China (as revised by Order No. 651 of the State Council of the People's Republic of China);

21. The Patent Law of the People's Republic of China (fourth amendment at the 22nd session of the Standing Committee of the 13th National People's Congress on 17 October 2020);

22. The Rules on the Implementation of the Patent Law of the People's Republic of China (third revision by Order No. 769 of the State Council in 2023);

23. The Copyright Law of the People's Republic of China (third amendment at the 23rd session of the Standing Committee of the 13th National People's Congress on 11 November 2020);

24. The Regulations on the Implementation of the Copyright Law of the People's Republic of China (second revision by the Decision of the State Council on Amending the Regulations on the Implementation of the Copyright Law of the People's Republic of China on 30 January 2013);

25. The Law of the People's Republic of China on the Administration of Urban Real Estate (third amendment at the 12th session of the Standing Committee of the 13th National People's Congress on 26 August 2019);

26. The Land Administration Law of the People's Republic of China (third amendment at the 12th session of the Standing Committee of the 13th National People's Congress on 26 August 2019);

27. The Regulations on the Implementation of the Land Administration Law of the People's Republic of China (third revision by Order No. 743 of the State Council of the People's Republic of China on 2 July 2021);

28. The Law of the People's Republic of China on Urban and Rural Planning (second amendment at the 10th session of the Standing Committee of the 13th National People's Congress on 23 April 2019);

29. The Deed Tax Law of the People's Republic of China (adopted at the 21st session of the Standing Committee of the 13th National People's Congress on 11 August 2020).

**(III) Appraisal Standards and Normative Basis**

1. The Basic Standards for Asset Appraisal (Cai Zi [2017] No. 43);

2. The Code of Professional Ethics for Asset Appraisal (CAS [2017] No. 30);

3. The Practice Standards for Asset Appraisal – Asset Appraisal Engagement Contract (CAS [2017] No. 33);

4. The Practice Standards for Asset Appraisal – Asset Appraisal Report (CAS [2018] No. 35);

5. The Practice Standards for Asset Appraisal – Asset Appraisal Procedures (CAS [2018] No. 36);

6. The Practice Standards for Asset Appraisal – Asset Appraisal Methods (CAS [2019] No. 35);

7. The Practice Standards for Asset Appraisal – Enterprise Value (CAS [2018] No. 38);

8. The Guidelines on Value Types in Asset Appraisal (CAS [2017] No. 47);

9. The Guidelines on Legal Ownership of Asset Appraisal Objects (CAS [2017] No. 48);

10. The Terminology of Asset Appraisal Standards 2020 (CAS [2020] No. 31);

11. The Guidelines on Engagement Quality Control for Asset Appraisal Institutions (CAS [2017] No. 46);

12. The Guidelines on the Appraisal Reports for State-owned Assets of Enterprises (CAS [2017] No. 42);

13. The Practice Standards for Asset Appraisal – Use of the Work of Experts and Related Reports (CAS [2017] No. 35);

14. The Practice Standards for Asset Appraisal – Intangible Assets (CAS [2017] No. 37);

15. The Practice Standards for Asset Appraisal – Real Estate (CAS [2017] No. 38);

16. The Practice Standards for Asset Appraisal – Machinery and Equipment (CAS [2017] No. 39);

17. The Guidelines on the Appraisal of Patent Assets (CAS [2017] No. 49);

18. The Guidelines on the Appraisal of Copyright Assets (CAS [2017] No. 50);

19. The Guidelines on the Appraisal of Trademark Assets (CAS [2017] No. 51);

20. The Guidelines on the Appraisal of Investment Property (CAS [2017] No. 53).

**(IV) Basis of Ownership**

1. State-owned Land Use Certificate, State-owned Land Use Right Grant Contract and the payment receipt for the land premium, Real Estate Ownership Certificate of the People's Republic of China and Property Ownership Certificate;

2. Motor Vehicle Driving License and Motor Vehicle Registration Certificate;

3. Utility Model Patent Certificate;

4. Trademark Registration Certificate;

5. Computer Software Copyright Registration Certificate;

6. invoices and contracts/agreements for the acquisition of fixed assets;

7. business contracts, agreements and invoices relating to the operation of the enterprise;

8. the detailed asset verification and appraisal schedules provided by the client and the entity to be appraised;

9. other materials evidencing the acquisition and transfer of, and title to, the relevant assets, including financial ledgers and receipt and payment vouchers.

**(V) Basis of Pricing**

1. The audit reports, financial and accounting statements, prospective financial information, detailed asset declaration schedules and relevant information on the acquisition and construction of assets for each period provided by the client or the entity to be appraised;

2. The future income forecast data provided by the client and other relevant parties in accordance with the law;

3. The Value-added Tax Law of the People's Republic of China (adopted at the 13th session of the Standing Committee of the 14th National People's Congress on 25 December 2024, effective from 1 January 2026);

4. The Regulations on the Implementation of the Value-added Tax Law of the People's Republic of China (adopted at the 75th executive meeting of the State Council on 19 December 2025, effective from 1 January 2026);

5. The Enterprise Income Tax Law of the People's Republic of China (second amendment in accordance with the Decision on Amending the Electric Power Law of the People's Republic of China and Three Other Laws adopted at the 7th session of the Standing Committee of the 13th National People's Congress on 29 December 2018);

6. The Regulations on Implementation of the Enterprise Income Tax Law of the People's Republic of China (promulgated by Order No. 512 of the State Council of the People's Republic of China on 6 December 2007 and revised in accordance with the Decision of the State Council on Amending Certain Administrative Regulations on 23 April 2019);

7. The Stamp Duty Law of the People's Republic of China (adopted at the 29th session of the Standing Committee of the 13th National People's Congress on 10 June 2021);

8. The Interim Regulations of the People's Republic of China on Property Tax (promulgated by the State Council on 15 September 1986 and revised in accordance with the Decision of the State Council on Repealing and Amending Certain Administrative Regulations on 8 January 2011);

9. The Provisions on the Financial Management of Capital Construction (Cai Jian [2002] No. 394);

10. The Standards for Rating the Condition of Buildings (promulgated by the former Ministry of Urban and Rural Construction and Environmental Protection);

11. The Handbook of Commonly Used Data and Parameters for Asset Appraisal (published by Beijing Science and Technology Press);

12. Statistical data published by the National Bureau of Statistics, the relevant national authorities and industry associations;

13. The latest edition of the Standards for the Evaluation of Enterprise Performance formulated by the Statistics and Evaluation Bureau of the State-owned Assets Supervision and Administration Commission of the State Council;

14. Publicly available information of the relevant listed companies;

15. Statistics from the Hithink RoyalFlush iFinD financial data terminal;

16. Bond trading data published on www.chinabond.com.cn;

17. The Loan Prime Rate published by the National Interbank Funding Center under the authorization of the People's Bank of China for a date that is close to the Appraisal Benchmark Date;

18. Technical standards published by the relevant national authorities;

19. Information on transaction prices in the real estate market at the locations of the properties;

20. Construction cost information such as the budget quotas and cost quotas for construction and installation works at the locations of the properties;

21. Data from the on-site inspection, verification and market research conducted by the appraisers.

**(VI) Others Reference Basis**

1. The Accounting Standards for Business Enterprises – Basic Standards (promulgated by Order No. 33 of the Ministry of Finance and amended on 23 July 2014);

2. The specific accounting standards and application guidance applicable as at the Appraisal Benchmark Date;

3. The Code for Real Estate Appraisal (GB/T50291-2015);

4. The Standard for Basic Terminology of Real Estate Appraisal (GB/T50899-2013);

5. The Audit Report issued by WUYIGE Certified Public Accountants LLP (Da Xin Zhuan Shen Zi [2026] No. 22-00044).

## V. APPRAISAL METHODS

This appraisal is premised on continued use and an open market. Having regard to the actual circumstances of the appraisal object and taking into comprehensive account various influencing factors, the income approach and the market approach were adopted to appraise the entire equity interests of the shareholders of Guangzhou Pharmaceuticals Company Limited. In view of the applicable preconditions of the appraisal methods and in order to satisfy the purpose of the appraisal, the result of the income approach was adopted as the final appraisal conclusion.

As the appraised entity operates in the pharmaceutical distribution industry, its business operations mainly rely on sales channels, procurement channels, tender-qualification status and other factors. Intangible assets that exert material impacts on business operations, such as operating qualifications, team capabilities, market channels, customer resources and goodwill, cannot be reasonably quantified item-by-item. Valuation under the asset-based approach fails to reflect the value of such intangible assets and the overall enterprise value. Compared with the asset-based approach, the market approach and income approach can reflect the overall enterprise value more comprehensively.

### (I) Income Approach

***Definition and preconditions for the application of the income approach***

The income approach is the collective term for the various appraisal methods that determine the value of the appraisal object by capitalizing or discounting its expected income. The preconditions for the application of the income approach are: the future income of the appraisal object can be reasonably expected and measured in monetary terms; the risks corresponding to the expected income can be measured; and the income period can be determined or reasonably expected.

As the entity to be appraised has provided information on the enterprise's future income, reasonable appraisal assumptions can be determined and a future income forecast formulated by reference to the human resources, technical level, capital structure, operating conditions, historical performance and development trends of the entity to be appraised, and taking into account macroeconomic factors and the current situation and development prospects of the industry in which it operates. The income period can also be appropriately determined based on factors such as the nature and type of the entity to be appraised, the current situation and development prospects of the industry in which it operates, the provisions of agreements and articles of association, its operating conditions, the

characteristics of its assets and its resource conditions. In addition, the risks corresponding to the expected income can be specifically measured by comprehensively taking into account capital market information such as the interest rate level and market investment return rate as at the Appraisal Benchmark Date, as well as factors relating to the industry in which the entity to be appraised operates and its specific risks. Accordingly, the income approach may be adopted for this appraisal.

***Introduction to the appraisal under the income approach***

The specific methods commonly used under the income approach include the dividend discount method and the discounted cash flow method. The dividend discount method is a specific method that discounts expected dividends to determine the value of the appraisal object, and is generally applicable to the appraisal of the partial equity interests of shareholders lacking control. The discounted cash flow method generally includes the corporate free discounted cash flow model and the equity free discounted cash flow model, and the appropriate discounted cash flow model is selected having regard to the enterprise's future business model, capital structure, asset utilization and the development trend of future income. As this appraisal object is the value of the entire equity interests of the shareholders of the entity to be appraised, the discounted cash flow (DCF) method is applicable.

*1. Basic methodology of the appraisal*

Based on the findings of the appraisal investigation, as well as the asset composition and the characteristics of the principal business of the entity to be appraised, this appraisal analyses and calculates the value of the appraisal object on the basis of the consolidated financial statements of the entity to be appraised. The basic methodology is as follows:

(1) the assets falling within the scope of the financial statements are classified into operating assets and liabilities, surplus assets, and non-operating assets and liabilities, and are adjusted into the corresponding statements;

(2) for the assets and the principal business falling within the scope of the statements corresponding to the operating assets and liabilities, the expected income is separately estimated according to the trends of changes in operating conditions before and after the Appraisal Benchmark Date and the types of business, and the value of the operating assets and liabilities is calculated using the income approach appraisal model;

(3) surplus assets and non-operating assets and liabilities that do not fall within the scope of the statements of operating assets and liabilities are not taken into account in the estimation of the expected income or in the appraisal under the income approach, and are separately valued using other appropriate appraisal methods;

(4) the values of the operating assets and liabilities, the surplus assets and the non-operating assets are aggregated and the non-operating liabilities are deducted to arrive at the enterprise value of the entity to be appraised as a whole; after deducting the value of the interest-bearing debts and the value of the non-controlling interests, the value of the entire equity interests of the shareholders of the entity to be appraised is arrived at.

*2. Selection of the income approach appraisal model*

Taking into account the length of the business operating history, capital structure and financial information of the entity to be appraised, and in particular its future business model, income stability and development trends, the expected changes in its capital structure and its asset utilization, we adopted the corporate free discounted cash flow model for the appraisal calculation.

*3. Calculation formula for the income approach appraisal*

The basic calculation formula for this appraisal is as follows:

$$E = P - D + C - M$$

Where:
- *E*: the value of the entire equity interests of the shareholders of the entity to be appraised;
- *P*: the value of the operating assets of the entity to be appraised;
- *D*: the value of the interest-bearing debts of the entity to be appraised;
- *C*: the value of the surplus assets and the non-operating assets and liabilities of the entity to be appraised;
- M: the value of the non-controlling interests of the entity to be appraised.

$$P = \sum_{i=1}^{n} \frac{R_i}{(1+r)^i} + \frac{R_{n+1}}{r(1+r)^n}$$

Where:
- *Ri*: the expected income of the appraisal object in year *i* within the explicit forecast period;
- $R_{n+1}$: the expected income of the appraisal object in the first year after the expiry of the explicit forecast period;
- r: the discount rate;
- n: the explicit forecast period of the appraisal object.

*4. Selection of the key parameters in applying the income approach*

(1) Expected income indicator and the timing of realization of income

Based on the specific circumstances of the entity to be appraised, using the future operating data provided by the management of the entity to be appraised and taking into account the macroeconomic situation and the historical operating data of the entity to be appraised, corporate free cash flow is used as the expected income indicator for the operating assets.

Corporate free cash flow = revenue − costs and expenses − taxes + depreciation and amortization + interest expenses × (1 − enterprise income tax rate) − capital expenditure − increase in working capital

The timing of the realization of the expected income is determined on the basis that the expected income for an operating year is realized evenly, and is set at the middle of each calendar year.

(2) Detailed forecast period

The period until the operations reach relative stability is the main factor in determining the detailed forecast period. The detailed forecast period will be reasonably determined based on the comprehensive analysis of the remaining economic life of the products or services, the research and development of substitute products or services, income structure, cost structure, capital structure, capital expenditure, working capital, investment income and risk level of the entity to be appraised, taking into account macro policies, industry cycles and other factors that affect the entity entering into stable period, as well as management's forecasts of future business development and market prospect. five complete income years from the Appraisal Benchmark Date shall be selected as the detailed forecast period.

(3) Income period of expected earnings

In accordance with existing laws and administrative regulations, as well as the nature and type of the entity to be appraised, the State government has not imposed any restriction on the operation period of the industry in which the entity to be appraised is engaged, nor has it imposed any requirement on the operation duration of this type of enterprise. Based on an analysis of the current status and development prospect of the industry in which the entity to be appraised is engaged, the industry is under continuous development with no foreseeable period of demise. Furthermore, based on the articles of association, the joint venture contracts and other documents of the entity to be appraised, the investors have not agreed on the operation period of the enterprise. In addition, in light of the composition of the main operations, current conditions of operation and characteristics of assets of, and resources owned by, the entity to be appraised, as well as the judgement

made on the future operating prospects of the enterprise by its management, it is believed that the entity to be appraised has the capability of sustainable operation. Under normal circumstances, the entity to be appraised will continue to operate as a going concern. Therefore, the income period for expected income shall be considered as a perpetual term in this appraisal.

(4) Liquidation value upon termination of the expected income

As the entity to be appraised continues to operate as a going concern and its expected income has an indefinite duration, the liquidation value of the entity to be appraised after the period of perpetual operation shall be set to zero.

(5) Discount rate

As the income approach adopts the enterprise discounted free cash flow model, the discount rate *r* shall be determined and calculated based on the weighted average cost of capital model (WACC) on a basis consistent with the expected income and the discount rate. That is:

$$r = r_d \times W_d + r_e \times W_e$$

$W_d$: Debt ratio of the appraisal object;

$$W_d = \frac{D}{(E + D)}$$

$W_e$: Equity ratio of the appraisal object;

$$W_e = \frac{E}{(E + D)}$$

$r_d$: Post-tax costs of debts of the appraisal object;

$r_e$: Cost of equity capital. The cost of equity capital ($r_e$) shall be determined based on the capital asset pricing model (CAPM) in this appraisal;

$$r_e = r_f + \beta_e \times (r_m - r_f) + \mathcal{E}$$

Where: $r_f$: Risk-free rate of return;
$r_m$: Expected rate of return of the market;
$\epsilon$: Characteristic risk adjustment coefficient of the appraisal object;
$\beta_e$: Expected market risk coefficient of the equity capital of the appraisal object;

$$\beta_e = \beta_u \times (1 + (1 - t) \times \frac{D}{E})$$

$\beta_u$: Unleveraged market risk coefficient of comparable companies;

$$\beta_u = \frac{\beta_t}{1 + (1 - t)\frac{D_i}{E_i}}$$

$\beta_t$: Expected market average risk coefficient for the shares of comparable companies

$$\beta_t = 34\%K + 66\%\beta_x$$

Where: $K$: Average risk value of the stock market over a certain period of time, usually assuming K=1;
$\beta_x$: Historical average market risk coefficient of the shares of comparable companies;
$D_i$, $E_i$: Interest-bearing debt and equity capital of comparable companies, respectively.

Under valuation using the income approach, the discount rate is generally calculated via the Capital Asset Pricing Model (CAPM), where the beta coefficient is a key parameter measuring the systematic risk of equity. Directly-obtained beta coefficients are "historical betas" derived from historical data. Since the discount rate is applied to discount future expected earnings, it is necessary to estimate the "expected future beta coefficient". For this purpose, valuation institutions commonly apply the Blume Adjustment to historical betas to make them more consistent with future expectations.

The weights of 34% and 66% adopted for calculating $\beta_t$ are used for long-term trend adjustment of historical beta values of comparable listed companies. The underlying principle is that beta features mean-reversion characteristics and will converge towards the market average risk coefficient of 1 over the long run. This adjustment is the widely-accepted Blume Adjustment with the standard formula: $\beta t=0.33\times1+0.67\times\beta_x$. Commonly-used ratios include 33% & 67%, 34% & 66%, 35% & 65%, 1/3 & 2/3, etc. This

valuation applies the formula $\beta t = 34\% \times 1 + 66\% \times \beta_x$. They are substantially equivalent. The sum of 34% and 66% equals 1, representing complementary weights under the same adjustment framework.

The weights of 34% and 66% adopted in the calculation of beta for this valuation follow the valuation convention applied by the Independent Valuer. The core rationale for this adjustment is the mean reversion of beta towards 1. The 34% and 66% weighting is also a commonly adopted practical variant in the industry and consistent with the Blume Adjustment framework set out in classic valuation literature such as those by Damodaran and Braley.

*5. Determination of the value of surplus assets*

Surplus assets refer to the redundant assets that are not directly related to the income of the entity to be appraised and exceed the operating costs required by the entity to be appraised. Based on an analysis, the entity to be appraised does not have surplus assets.

*6. Determination of the value of non-operating assets*

Non-operating assets refer to those assets that are not directly related to the income of the entity to be appraised and that do not generate benefits, net of non-operating liabilities. Based on an analysis, non-operating assets of the entity to be appraised mainly include those assets whose income are not included in the income forecast, such as equity investments in an associate and investment property. Non-operating assets and liabilities will be appraised mainly using the cost-based approach.

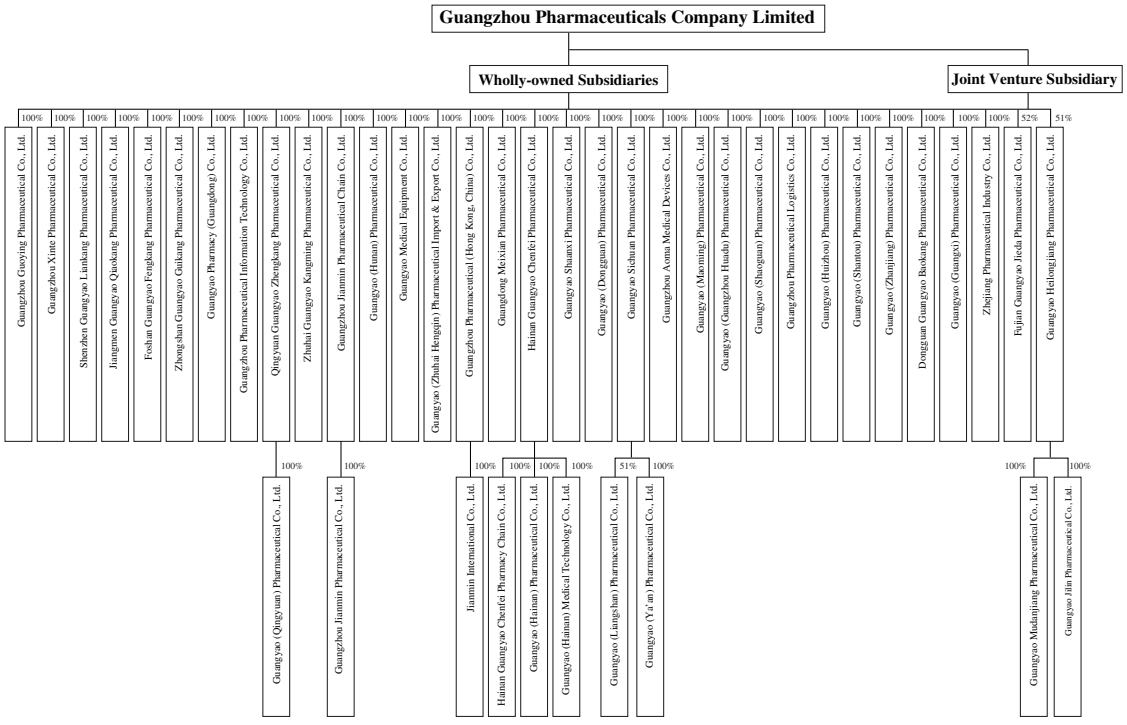
***Determination of key parameters appraised using income approach***

*1. Revenue*

The income from principal operations of the entity to be appraised in the future comprises three segments: wholesale business, retail business and other business. Among them, the wholesale business, including medical wholesale, commercial wholesale and retail wholesale, has maintained steady growth and constitutes the primary source of revenue for the entity to be appraised. Other principal operations primarily include warehousing and distribution services, SPD services and e-commerce promotion services, which accounts for a small proportion. Zhejiang Pharmaceutical Industry Co., Ltd. ("**Zhejiang Yigong**") was included in the consolidated financial statements by the entity to be appraised in March 2026. The entity to be appraised will divest, re-integrate and re-plan certain business of Zhejiang Yigong, to realize merger and acquisition synergies and facilitate certain income growth for the entity to be appraised. Income from other operations mainly arises from leasing services, technical services, consulting services, e-commerce and other services, and other operations of Zhejiang Yigong included in the consolidated statements.

GP Corp. is the subject entity of this valuation. Zhejiang Yigong is a subsidiary within GP Corp.'s consolidation scope and had already been included in GP Corp.'s consolidated financial statements as at the Appraisal Benchmark Date (31 March 2026). All entities within GP Corp.'s consolidation scope have been incorporated into the income-approach forecast: forecast period earnings are based on historical financial data of GP Corp. on a consolidated basis (excluding Zhejiang Yigong) and Zhejiang Yigong on a standalone basis. Future operating earnings of GP Corp. on a consolidated basis (excluding Zhejiang Yigong) and Zhejiang Yigong on a standalone basis are forecasted respectively and consolidated, with necessary consolidation adjustments including the elimination of intra-group transactions (if any), to derive the overall enterprise's future cash-flow projection. Accordingly, all entities within GP Corp.'s consolidated statements (including Zhejiang Yigong) have been taken into account in the valuation, with no consolidated entities omitted.

GP Corp.'s organisation chart is shown in the figure below:




Zhejiang Yigong boasts prominent network advantages. It has achieved full coverage of public hospitals in Zhejiang Province, with broad reach to commercial clients across prefecture-level cities in Zhejiang, large-scale chain pharmacies and numerous small-and-medium-sized chain institutions. It has also established deep-seated cooperation with many well-known manufacturers. It possesses abundant supplier resources and pharmaceutical product reserves, and has built a full-chain, widely-covered pharmaceutical distribution service system. The acquisition and integration mainly leverages GP Corp.'s existing supplier resources and group-wide product resources to enrich Zhejiang Yigong's product

portfolio, unlock its existing channel strengths, fully tap potential for business synergy, promote multi-dimensional integrated development and inject strong impetus into Zhejiang Yigong's high-quality development.

Zhejiang Yigong's historical revenue growth rates for 2023-2025 is set out in the table below:

| Item | 2023 | 2024 | 2025 |
|---|---|---|---|
| Zhejiang Yigong revenue growth rate | –7.33% | –5.62% | –10.73% |

Zhejiang Yigong's expected revenue growth rates are set out below:

The historical revenue growth rate of Zhejiang Yigong was negative mainly due to the following factors: (1) the continuous advancement of volume-based procurement of medicines in recent years, which has led to price declines of relevant products and exerted direct pressure on revenue; and (2) the voluntary divestment of low-gross-margin raw material business, which reduced revenue contribution in the short term.

For 2027 to 2031, Zhejiang Yigong's revenue is forecast to return to positive growth, principally reflecting GP Corp.'s operating experience, Zhejiang Yigong's local market position and the expected benefits of post-acquisition business integration. Under GP Corp.'s integration plan, existing suppliers and product resources will be introduced to expand Zhejiang Yigong's product offerings, while its existing channels will be used to develop collaborative business. The principal arrangements considered are as follows:

(a) Pharmaceutical business: This is the core business and the primary source of incremental revenue. GP Corp. intends to inject its existing upstream resources and product portfolio into Zhejiang Yigong to drive collaborative development across innovative drugs, platform projects, imported joint-venture products, domestic products, imported products, blood products, other products and new categories. Product onboarding has commenced in 2026, which is expected to generate incremental business revenue in the order of RMB100 million in 2027;

(b) Medical device business: This segment will be developed relying on GP Corp.'s existing medical device resources. Zhejiang Yigong plans to grow its medical device business through collaboration with GP Corp.'s existing medical device division, expansion of consumables volume-based procurement distribution business, SPD business, equipment business and high-value specialty consumables business. The onboarding and launch sales of the medical device business are expected to materialise in 2026, with an anticipated revenue increase in the order of RMB10 million in 2027;

(c) Retail segment: Taking advantage of the well-developed e-commerce industry and supporting infrastructure in Zhejiang, and drawing on the successful experience of Jianmin E-Commerce, certain businesses will be onboarded to Zhejiang Yigong post-acquisition to continuously develop its retail business, which is expected to deliver revenue growth in the order of RMB10 million in 2027.

The above resource introductions and business integration are expected to contribute progressively from 2027. For 2028 to 2031, the forecast also takes into account market competition and continuing pressure from volume-based procurement. Accordingly, the growth rate of the medical institution segment is assumed to moderate gradually, while the growth rates of commercial allocation and wholesale and commercial retail and wholesale are assumed to remain relatively stable, as shown in the table below.

| **Item (Revenue Growth Rate)** | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** |
|---|---|---|---|---|---|---|
| Medical institution segment | –5% | 10% | 8% | 7% | 6% | 5% |
| Commercial allocation & wholesale | –23% | 4% | 6% | 6% | 6% | 6% |
| Commercial retail & wholesale | –2% | 5% | 5% | 5% | 5% | 5% |
| Other businesses | –70% | 0% | 0% | 0% | 0% | 0% |

Zhejiang Yigong is a pharmaceutical-distribution enterprise. Lease-service income generated from investment properties is not treated as operating-business income and is classified as non-operating items. The value of investment properties underlying such lease income has already been considered under non-operating assets, hence no corresponding revenue forecast is prepared. According to communications with Zhejiang Yigong's management, consulting services are not its core business and are expected to remain largely unchanged at current scale.

Zhejiang Yigong and GP Corp. are both principally engaged in pharmaceutical distribution, and there is no material difference in the nature of their businesses. Zhejiang Yigong was consolidated into GP Corp.'s consolidated financial statements in March 2026 and is a newly acquired entity of GP Corp. prior to the Proposed Capital Increase. Accordingly, the historical operating results of Zhejiang Yigong have not been fully reflected in GP Corp.'s historical consolidated financial data. If Zhejiang Yigong and the original business of GP Corp. were forecasted based on the same set of historical data, the historical operating trend of Zhejiang Yigong and its post-acquisition operating performance may not be accurately reflected.

Given that historical operating data and development trends constitute key bases for the forecast of revenue, costs and expenses in this valuation, the valuer, on a prudent basis, has prepared separate forecasts for the following two scopes:

(1) GP Corp. on a consolidated basis (excluding Zhejiang Yigong), which covers GP Corp. and its subsidiaries other than Zhejiang Yigong; and

(2) Zhejiang Yigong on a standalone basis.

The valuer has forecasted the revenue, costs, expenses and relevant cash flows for the above two scopes respectively based on their respective historical operating data, operating conditions and future business plans. The two sets of forecast results are subsequently consolidated with necessary consolidation adjustments, including the elimination of intra-group transactions (if any), to arrive at the overall valuation of GP Corp. on a consolidated basis as at the Appraisal Benchmark Date.

Therefore, Zhejiang Yigong is not separately valued as an independent valuation subject. It is separately presented and forecasted in the forecasting process only because it has been within the consolidation scope of GP Corp. for a relatively short period. All other subsidiaries of GP Corp. save for Zhejiang Yigong have been included in the aforesaid consolidated scope of GP Corp. All entities within the consolidation scope of GP Corp. have been covered in this valuation, and there is no omission or double-counting.

Based on interviews with the management of GP Corp., it is expected that following the acquisition of Zhejiang Yigong in 2026, the businesses relating to the original shareholders of Zhejiang Yigong and certain of its businesses will be adjusted in accordance with strategic arrangements. Synergies arising from this acquisition may be leveraged in subsequent years to drive moderate business growth. Among other operating income of Zhejiang Yigong are rental income, promotion service income and others. For the purpose of this valuation, rental income from investment properties has already been taken into account under non-operating assets and is not double-counted herein, resulting in a certain reduction in other operating income of Zhejiang Yigong. Save for rental income, its other businesses mainly comprise promotion service fees and traffic enquiry fees. Such businesses are not the core businesses of Zhejiang Yigong and are expected to maintain their current scale going forward.

The expected growth rates of other operating revenue of GP Corp. on a consolidated basis excluding Zhejiang Yigong and of Zhejiang Yigong on a standalone basis are set out in the table below:

| Entity | Item | April to December 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|---|
| GP Corp. (consolidated basis, excluding Zhejiang Yigong) | Other operating revenue (technical consulting services, courier fees, etc.) | 5% | 5% | 5% | 5% | 5% | 5% |
| | E-commerce and other service revenue (SPD service fees, etc.) | 21% | 19% | 18% | 17% | 16% | 15% |
| Zhejiang Yigong (standalone basis) | Other businesses (promotion services, traffic enquiry, other technical services, etc.) | -70% | 0% | 0% | 0% | 0% | 0% |

Other operating revenue under the consolidated basis of GP Corp. includes promotion services, courier fees and so on. Such businesses are relatively small in scale and account for a minor proportion. Their historical annual growth rates have fluctuated materially due to the revenue base and the occurrence of individual transactions. For the purpose of this valuation, having considered that such businesses are expected to maintain their existing operating model and no factors indicating a material change in operating scale have been identified, a 5% annual growth rate is adopted for projection based on the historical revenue scale and future operating expectations. By contrast, e-commerce and other service revenue (including SPD service fees) are generated to support the operating resources for the e-commerce business within the core operations. The operating model for such businesses will not undergo any material change. Given that the future development of the company's core business is expected to provide certain support for these ancillary businesses and in light of the company's projected operating plans for its e-commerce business, this stream of other operating revenue is expected to record moderate growth.

| Revenue stream | 2023 | 2024 | 2025 |
|---|---|---|---|
| Other operating revenue of GP Corp. (consolidated basis, excluding Zhejiang Yigong) | -20.57% | 23.29% | -8.20% |

These businesses are relatively small in scale, dispersed and sporadic. For 2023, 2024 and 2025, the revenue from these businesses was RMB14.0785 million, RMB17.3575 million and RMB15.9350 million, respectively, representing approximately 0.03%, 0.03% and 0.03% of GP Corp.'s operating revenue on a consolidated basis excluding Zhejiang Yigong for the respective years. Their historical growth rates were affected by the revenue base, individual transactions

and settlement timing and therefore fluctuated materially. The valuer did not directly extrapolate those fluctuations. As these businesses support the core operations of GP Corp., the valuer also considered the historical growth of its principal business revenue and future operating expectations. The historical annual growth rates of principal business revenue were as follows:

| Revenue stream | 2023 | 2024 | 2025 |
|---|---|---|---|
| Principal business revenue | 6.7% | 3.8% | 6.5% |

The arithmetic average of the above historical growth rates of principal business revenue is approximately 5.7%. Having considered that reference, the existing operating model and the absence of identified factors indicating a material change in the operating scale of these ancillary businesses, the valuer adopted an annual growth rate of 5% on a prudent basis. This 5% assumption applies to the above other operating revenue of GP Corp. on a consolidated basis excluding Zhejiang Yigong. For Zhejiang Yigong's standalone other businesses, the forecast reflects a decrease of 70% in 2026 and no growth from 2027 onwards, as shown in the preceding table.

E-commerce and other service revenue (including SPD service fees) is a separate revenue stream. This revenue stream, which includes store service fees, is recorded as other operating revenue and is separate from the B2C e-commerce revenue included in principal business revenue. Its historical annual growth rates were as follows:

| Revenue stream | 2023 | 2024 | 2025 |
|---|---|---|---|
| E-commerce and other service revenue | 24.32% | 67.78% | 27.27% |

In 2024, B2C e-commerce revenue included in principal business revenue was RMB1,005.3889 million, while e-commerce and other service revenue included in other operating revenue was RMB63.7924 million. These are separate revenue streams. The 67.78% growth in the latter revenue stream in 2024 was mainly attributable to pharmaceutical promotion services of approximately RMB16 million and SPD and other miscellaneous service income of approximately RMB11 million. The B2C e-commerce business supports the development of the related e-commerce and other service activities. Accordingly, the valuer's valuation forecast of e-commerce and other service revenue has made reference to the historical annual growth rates of the B2C e-commerce business:

| Revenue stream | 2023 | 2024 | 2025 |
|---|---|---|---|
| B2C e-commerce business | 20.70% | 21.34% | 37.25% |

In 2024, GP Corp. expanded sales through content-based e-commerce channels, including Douyin, and increased the promotion of popular oral care products, which contributed to the growth in revenue. In recent years, GP Corp. has continued to expand its B2C e-commerce business and deepen its cooperation with a number of well-known brands. Leveraging its professional agency operation capabilities, GP Corp. has assisted brand owners in achieving growth across online channels. It has also expanded from traditional shelf-based e-commerce platforms, such as Tmall and JD.com, to emerging content-based e-commerce platforms, such as Douyin and Xiaohongshu, while exploring new cross-border e-commerce models. As a result, the year-on-year growth of GP Corp.'s B2C e-commerce business accelerated in 2025. Having regard to the development of the B2C e-commerce business, the valuer, having considered its historical performance, the aforesaid business expansion arrangements and the expected market competition during the forecast period, adopted forecast growth rates for e-commerce and other service revenue of 21% for 2026, 19% for 2027, and 18%, 17%, 16% and 15% for 2028 to 2031, respectively. These growth rates reflect the expected continued growth of the e-commerce business at the beginning of the forecast period, followed by gradual moderation as a result of market competition and a higher revenue base.

For the years of 2023, 2024 and 2025, income from other operations amounted to RMB52.1004 million, RMB81.1499 million and RMB97.1259 million, respectively, representing a steady growth from 2023 to 2025. These aggregate amounts cover a wider range of other operating revenue than the individual revenue streams analysed above and should not be directly compared with the historical growth rates for those narrower streams. Among them, income from other operations mainly arises from leasing services, technical services, consulting services, e-commerce and other services Forecasts for income from technical services, e-commerce and other services are made at their respective growth rates while no forecast is made for leasing services. Zhejiang Yigong's consulting services are assumed to remain at their existing scale from 2027 onwards. The forecasted revenue statement of GP Corp. on a consolidated basis (including Zhejiang Yigong), covering revenue from both principal and other operations, is set out below:

*Amount unit: RMB 0'000*

| | April to December 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| Income | 4,837,269.06 | 6,844,726.90 | 7,289,771.80 | 7,755,406.30 | 8,242,155.00 | 8,750,534.90 |

*2. Cost of sales*

As for the costs of principal operations and other operations, the gross profit margin of the entity to be appraised, based on historical annual data, remained relatively stable with limited fluctuations, demonstrating an overall downward

trend. This is mainly attributable to the impact of the centralized procurement policy in recent years, the centralized procurement policy is expected to continue to impact the gross profit margin of the entity to be appraised in the following years. In this appraisal, the forecast will be made by reference to the historical gross profit margin, assuming a slight decrease in the gross profit margin. The gross profit margin for the coming years is expected to remain generally stable with a slight downward trend.

Historical consolidated gross profit margins referenced are tabulated below:

| **Item (Gross Profit Margin)** | **2023** | **2024** | **2025** | **Jan-Mar 2026** |
|---|---|---|---|---|
| Consolidated gross profit margin | 6.56% | 6.03% | 5.88% | 5.95% |

The projected full-year 2026 overall gross profit margin stands at approximately 5.83%. Forecast full-year gross profit margins for 2027 are not higher than the full-year 2026 figure. Detailed forecast-period gross-margin data is as follows:

| **Item** | **Apr-Dec 2026** | **Full-year 2026** | **2027** | **2028** | **2029** | **2030** | **2031** |
|---|---|---|---|---|---|---|---|
| Gross Profit Margin | 5.79% | 5.83% | 5.83% | 5.83% | 5.83% | 5.82% | 5.81% |

The forecasted statement of cost of sales is set out below:

*Amount unit: RMB 0'000*

| | **April to December 2026** | **2027** | **2028** | **2029** | **2030** | **2031** |
|---|---|---|---|---|---|---|
| Cost | 4,557,185.50 | 6,445,977.50 | 6,864,901.70 | 7,303,479.60 | 7,762,353.20 | 8,242,176.90 |

*3. Net profit and profit margin*

The net profit of the enterprise for both of the forecast and perpetual periods is calculated by deducting relevant costs, taxes and surcharges, selling expenses, administrative expenses, financial expenses and other period expenses from the forecast revenue, and applying the statutory income tax rate applicable to the enterprise. Net profit margin = Net profit / Revenue.

Historical operating net profit and profit margins for 2023 through January-March 2026 are referenced, as shown below:

*RMB: Yuan*

| Item | 2023 | 2024 | 2025 | Jan-Mar 2026 |
|---|---|---|---|---|
| Operating net profit | 767,898,331.47 | 629,608,140.25 | 656,065,610.95 | 218,712,015.19 |
| Operating net profit margin | 1.46% | 1.15% | 1.13% | 1.43% |

Bases for forecast net-profit are set out below:

*RMB: Ten thousand Yuan*

| Item | Apr-Dec 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| Taxes and surcharges | 8,780.03 | 12,779.40 | 13,569.21 | 14,396.01 | 15,260.91 | 16,165.00 |
| Selling expenses | 129,191.07 | 176,640.59 | 186,325.81 | 196,770.63 | 208,127.64 | 220,282.98 |
| General and administrative expenses | 44,591.90 | 58,523.57 | 60,349.99 | 62,609.88 | 65,011.47 | 67,691.93 |
| Research and development expenses | 2,085.37 | 2,429.61 | 2,561.42 | 2,702.62 | 2,844.23 | 2,993.14 |
| Finance expenses | 26,304.19 | 35,508.40 | 35,824.22 | 36,152.59 | 36,490.16 | 36,835.16 |

The profit levels and profit margins of the enterprise for the forecast and perpetual periods are set out below:

| | Revenue *(RMB 0'000)* | Cost of sales *(RMB 0'000)* | Gross profit margin | Net profit *(RMB 0'000)* | Net profit margin |
|---|---|---|---|---|---|
| April to December 2026 | 4,837,269.06 | 4,557,185.50 | 5.79% | 52,269.97 | 1.08% |
| 2027 | 6,844,726.90 | 6,445,977.50 | 5.83% | 84,650.88 | 1.24% |
| 2028 | 7,289,771.80 | 6,864,901.70 | 5.83% | 94,679.59 | 1.30% |
| 2029 | 7,755,406.30 | 7,303,479.60 | 5.83% | 104,471.22 | 1.35% |
| 2030 | 8,242,155.00 | 7,762,353.20 | 5.82% | 114,050.54 | 1.38% |
| 2031 | 8,750,534.90 | 8,242,176.90 | 5.81% | 123,292.35 | 1.41% |
| Stable year | 8,750,534.90 | 8,242,176.90 | 5.81% | 123,292.35 | 1.41% |

*4. Income tax forecast*

Income tax of the entity to be appraised shall be subject to an income tax rate of 25%. Taxable income payables of the entity to be appraised for each of the coming years shall be determined based on the forecast data of the total profit for each of the coming years, and take into account the corresponding corporate income tax rate to calculate the income tax expenses.

*5. Depreciation and amortization forecasts*

(1) Depreciation forecasts

The fixed assets of the entity to be appraised mainly include buildings, machinery and equipment, transport vehicles and electronic equipment. Fixed assets shall be measured at actual cost upon acquisition. In this appraisal, the forecast of the depreciation amounts for the following operating periods will be made in accordance with the prevailing depreciation policy for fixed assets of the entity to be appraised, taking into account factors such as the original carrying amount, depreciation life, residual value rate, depreciation amount provided and weighted depreciation rate of audited fixed assets as at the Appraisal Benchmark Date, as well as additional depreciation arising from purchase of fixed assets due to new fixed asset investments of the entity to be appraised in the coming years.

(2) Amortization forecast

As of the Appraisal Benchmark Date, amortization of the entity to be appraised mainly relates to intangible assets and long-term deferred expenses. Among them, intangible assets principally comprise land use rights and office software purchased or independently developed by the entity to be appraised; long-term deferred expenses mainly refer to the decoration and renovation expenditures for warehouses and office buildings of the entity to be appraised. This appraisal will be conducted based on the original carrying amount, amortization term and amortization amount provided for the audited intangible assets and the long-term deferred expenses as at the Appraisal Benchmark Date, taking into account new intangible assets and long-term deferred expenses of the entity to be appraised in coming years.

(3) Quantitative assumptions and determination bases for property, plant and equipment, new intangible assets

Capital expenditures treated as cash outflows in this forecast include renewal-and-retrofit expenditures for existing property, plant and equipment, acquisition-and-construction expenditures for new property, plant and equipment, acquisition-and-construction expenditures for new intangible assets, and incurrence of long-term deferred expenses. These items are quantified on the following respective bases:

Renewal expenditures for existing property, plant and equipment are estimated based on renewal cycles derived from original cost, remaining useful life and economic service life of each asset category, so that expenditures required to maintain current operating scale and distribution capacity are spread evenly across the forecast period.

Expenditures for new property, plant and equipment are recognised year-by-year in accordance with management-approved investment plans, budgets for ongoing projects and scheduled commissioning timetables; depreciation is charged under relevant depreciation policies upon project commissioning.

Expenditures for new intangible assets mainly comprise information-system software, operating licences and land-use rights. They are recognised according to contracted or-to-be-contracted contract prices, system construction plans and payment schedules set out in licence agreements, and amortised over the benefit period or statutory useful life.

Long-term-deferred-expense expenditures mainly relate to fit-out and leasehold-improvement costs for operating and warehousing premises. They are estimated based on lease terms under lease agreements, fit-out standards and unit-area construction costs, and amortised over the shorter of the lease term and benefit period.

Detailed figures are tabulated below(including additional capital investments required in the forecast period):

*RMB: Ten thousand Yuan*

| Item | Apr-Dec 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| Routine capital expenditures | 5,112.50 | 6,550.00 | 6,850.00 | 7,165.00 | 7,495.75 | 7,843.04 |
| Supply-chain service expenditures | 8,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 |
| **Sub-total for existing assets** | **13,112.50** | **16,550.00** | **16,850.00** | **17,165.00** | **17,495.75** | **17,843.04** |
| Property, plant and equipment – Baiyun Phase II | 13,486.11 | 2,804.64 | – | – | – | – |

| Item | Apr-Dec 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| Intangible assets – Baiyun Phases I-II logistics-automation equipment linkage project | 10,900.00 | 2,391.00 | – | – | – | – |
| Guangzhou Pharmaceutical Hainan Airport Pharmaceutical Logistics Centre | 10,393.79 | 18,224.17 | 2,650.00 | – | – | – |
| **Sub-total for new assets** | **34,779.90** | **23,419.81** | **2,650.00** | **–** | **–** | **–** |
| **Total capital expenditures** | **47,892.40** | **39,969.81** | **19,500.00** | **17,165.00** | **17,495.75** | **17,843.04** |

Capital expenditure for each year is determined based on the management's investment plan, broken down by property, plant and equipment, intangible assets and long-term prepayments as follows:

*RMB: Ten thousand Yuan*

| | Apr-Dec 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|---|---|---|---|---|---|---|
| Property, plant and equipment | 43,692.40 | 34,469.81 | 13,825.00 | 11,306.25 | 11,444.06 | 11,588.77 |
| Intangible assets | 3,000.00 | 4,000.00 | 4,100.00 | 4,205.00 | 4,315.25 | 4,431.01 |
| Long-term prepayments | 1,200.00 | 1,500.00 | 1,575.00 | 1,653.75 | 1,736.44 | 1,823.26 |
| Total | 47,892.40 | 39,969.81 | 19,500.00 | 17,165.00 | 17,495.75 | 17,843.04 |

The capital expenditure for each year is determined based on the project budgets and investment plans provided by the appraised entity. The valuers have verified such amounts against historical expenditure records and confirmed that there are no material discrepancies.

*6. Capital expenditures forecasts*

Capital expenditures refer to the long-term capital investments exceeding one year that the entity to be appraised needs to increase without changing its current operating business conditions. Such investments may include the renewal of existing assets as at the Appraisal Benchmark Date necessary to maintain ongoing

operations, as well as the additional capital investment amount (acquisition of fixed assets or other non-current assets) required in the coming years due to the expansion of operations.

(1) Renewal expenditure for existing assets

According to the premises and basis for the income forecast, forecast of future asset renewal expenditures shall be made on the premise that the scale and status of existing assets remain unchanged, and shall take into account the historical annual asset renewal and depreciation recovery records of the enterprise.

(2) Additional capital investment

The capital investment of the entity to be appraised during the forecast period mainly comprises infrastructure investment in plant facilities, various equipment costs, renovation expenditures and other expenses required for the Baiyun Phase I Warehouse（白雲一期倉庫）currently under construction and the integrated logistics automation equipment project for Baiyun Phases I and II. Forecast of the amount of capital expenditure in this appraisal shall be made based on the construction investment plan of, and the budgets for various investment expenditures prepared by, the entity to be appraised.

(3) Capital expenditures in the perpetual period

As the entity's operations will reach a steady state by 2032, capital expenditures for the perpetual years shall be determined with reference to its depreciation and amortization amounts.

*7. Forecast of increase in working capital*

The appraisers will calculate the working capital at the end of each year/period based on the expected assets, liabilities and equity items respectively at the end of each year/period by "working capital = current assets – current liabilities". The excess of the working capital so calculated over that for the previous year represents the additional working capital to be funded in the current year.

*8. Description of the post-forecast period*

The operations of the enterprise will have reached a steady state by 2032. As a result, the appraisers shall assume that the enterprise's income from 2032 onwards will remain at the same level as that of 2031, and the expected income of the equity to be appraised shall also generally maintain at the same level with 2031, i.e. g=0 is assumed.

The Appraisal Benchmark Date is 31 March 2026. In accordance with Regulatory Rules Application Guidance – Valuation Guidance No. 2, when selecting the detailed forecast period, practitioners shall judge the timeframe when

the appraised subject reaches operational steady-state. The detailed forecast period normally covers five years; reasons shall be provided where it exceeds five years. Based on comprehensive analysis of the appraised entity's revenue structure, cost structure, capital structure, capital expenditures, working capital, risk profile and other factors, together with macro-level policies, industry cycles and the appraised entity's business-development trends, it is judged that the entity will reach operational steady-state from 2032, following the detailed forecast period ending on 31 December 2031. At that point, revenue scale, cost-and-expense levels, capital expenditures and operating cash flows will no longer experience material volatility. Accordingly, the detailed forecast period is set from April 2026 to 2031 (approximately five years and nine months). Starting from 2032, the enterprise enters the terminal-value period, and cash flows from 2032 onwards are projected under a going-concern perpetuity model.

In determining the detailed forecast period, the valuer also considered the following general principles:

(1) PRC appraisal practice. The Regulatory Guideline for the Application of Regulatory Rules — Appraisal Guideline No. 2 issued by the China Securities Regulatory Commission clearly states that when selecting the detailed forecast period, the time horizon within which the appraised object's operations are expected to reach a steady state shall be assessed. The detailed forecast period generally covers five years, and reasons shall be provided where a period longer than five years is adopted.

Accordingly, in China's asset appraisal practice, for an ordinary going-concern enterprise, a period of approximately five years is generally adopted as the reference for the detailed forecast period, which is reasonably determined by taking into account the enterprise's development stage, operating characteristics and the time required to reach a steady operating state. For enterprises with new project commissioning, capacity release, business structure adjustment or other similar circumstances, the detailed forecast period may be appropriately extended having regard to actual conditions, so as to fully reflect the impact of relevant operational changes on future income.

(2) Reliability of financial forecasts.

Pursuant to paragraphs 33(b) and 35 of International Accounting Standard 36 — Impairment of Assets (IAS 36), cash flow projections used in value-in-use calculations, which are derived from financial budgets or forecasts approved by management, generally cover a maximum of five years, unless a longer period can be justified; management must be confident in the reliability of the longer forecasts and be able to demonstrate, based on past experience, its ability to forecast cash flows accurately over that period. While the aforesaid requirements apply directly to value-in-use calculations for impairment

testing and are not mandatory requirements governing the detailed forecast period for general equity valuation, the underlying principle of forecast reliability provides important reference for equity valuation adopting the discounted cash flow method.

The five-year timeframe is adopted on an inherent basis and represents the practical boundary for the reliability of financial forecasts: as the forecast period lengthens, uncertainties including macroeconomic fluctuations, changes in industry competition and corporate operational adjustments will accumulate materially, and the accuracy of detailed financial forecasts will decline accordingly. Therefore, reasonably limiting the detailed forecast period and switching to a terminal value model (assuming the enterprise enters a steady or perpetual growth state) once its operations reach a relatively stable state strikes a balance between fully reflecting near-term operational changes and avoiding over-optimism in long-dated forecasts, which helps to balance the reasonableness of income projections and the reliability of valuation results.

*9. Determination of discount rate*

(1) Determination of risk-free rate

By reference to the treasury bond yields provided by China Central Depository & Clearing Co., Ltd. ("CCDC") published on the website of the China Appraisal Society, this appraisal is premised on the going-concern assumption, and the income term of the object to be appraised is infinite. In accordance with the requirements of the *Asset Appraisal Expert Guidance No. 12 -Measurement of Discount Rate of Enterprise Value Appraised by Income Approach* (CAS [2020] No. 38)(《資產評估專家指引第12號—收益法評估企業價值中折現率的測算》(中評協[2020]38號)), the yield to maturity of treasury bonds with a remaining term of 10 years or more may be adopted as the risk-free rate. The 10-year treasury bond yield shall be adopted as the risk-free rate in this appraisal, i.e. rf = 1.82%.

(2) Determination of market risk premium

The long-term average yield of China's A-share market index shall be adopted as the rm, the expected rate of return of the market in this appraisal. The excess of the expected rate of return of the market over the risk-free rate shall be considered as the market risk premium.

In accordance with the requirements in the *Asset Appraisal Expert Guidance No. 12 -Measurement of Discount Rate of Enterprise Value Appraised by Income Approach* (CAS [2020] No. 38), when calculating the market risk premium by adopting the securities market indices in the PRC, a representative index shall generally be selected, such as the CSI 300 Index and SSE Composite Index. When calculating the excess rate of return of the

index over a historical period, the time horizon may cover more than 10 years and weekly or monthly data in terms of data frequency may be selected, and either the arithmetic average or geometric average may be adopted as the calculation method.

Based on the follow-up research on China's A-share market conducted by the Research Institute of Zhonglian Assets Appraisal Group (中聯資產評估集團研究院), together with the provisions of the aforesaid Guidance, the representative SSE Composite Index shall be selected as the underlying index in the appraisal process, calculations of which shall be performed based on data frequency such as weekly and monthly data and arithmetic average value, and then annualized to annual yield, and their arithmetic mean, geometric mean and harmonic mean shall be computed separately. The expected rate of return of the market shall be determined after comprehensive analysis, i.e. rm =8.87%. Market risk premium = rm – rf = 8.87% – 1.82% = 7.05%.

(3) Determination of capital structure

The enterprise operates in the pharmaceutical distribution sector and is currently in a mature period after years of development. The capital structure of the enterprise is relatively stable in recent years. As the profit forecasts made by the enterprise's management are based on its financing capabilities and stable capital structure, the discount rate for future years is calculated in this appraisal by adopting the enterprise's stable capital structure as at the Appraisal Benchmark Date. When calculating the capital structure, the equity and debt values are estimated based on their market values.

(4) Determination of Beta coefficient

Based on the shares of Shanghai and Shenzhen listed companies in IFind industry, considering the comparability of the enterprise to be appraised and comparable companies in terms of business type, business size, profitability, growth, industry competitiveness, development stage and other factors, the appraisers selected appropriate comparable companies, and took the SSE Composite Index as the underlying index. After consulting the IFind financial terminal, based on the market price as of the Appraisal Benchmark Date, the appraisers calculated and got the estimated βu of the expected risk coefficient without financial leverage of shares of comparable companies according to the calculation period of 60 months before the Appraisal Benchmark Date, and the expected market risk coefficient βe of the equity capital of the entity to be appraised according to the enterprise's own capital structure.

The appraised entity operates in the pharmaceutical-distribution sector. We first screened the iFind database for listed companies classified under the wholesale of pharmaceuticals and medical-equipment industry, yielding a pool of 28 companies. The following were then excluded:(a)peer companies

marked ST indicating operational abnormalities; (b)peer companies with a listing history shorter than five years; (c)companies with core businesses materially different from GP Corp.'s. GP Corp.'s core business is pharmaceutical wholesale (accounting for over 90% of revenue). Some peers derive large-share revenue from IVD businesses, pharmaceutical manufacturing or pharmaceutical retail.

Six listed companies with business structures, operating models and enterprise scales comparable to GP Corp. were finally selected as comparable companies: Inter Group Co., Ltd., Chongyao Holdings Co., Ltd., Sinopharm Co., Ltd., Nanjing Pharmaceutical Co., Ltd., Jiashitang Co., Ltd. and Liuyao Group Co., Ltd. The selected comparable companies constitute an exhaustive list and are consistent with those used for market-approach calculations.

List of input data is set out below:

| Stock Code | Stock Short Name | Interest-bearing Debt / Equity Value (%) as at 31-Mar-2026 | BETA (Latest 60 months) Trade Date 31-Mar-2026 | Year-end income-tax rate Fiscal Year 2025 | Unlevered Beta $\beta_{ui}=\beta_{li}/(1+(1-t_i)D_i/E_i)$ | Average $\beta_u$ ($\beta U$) |
|---|---|---|---|---|---|---|
| 600713.SH | Nanjing Pharmaceutical | 138.20 | 0.8847 | 25 | 0.4537 | 0.5670 |
| 002462.SZ | Jiashitang | 42.72 | 0.8992 | 25 | 0.7070 | |
| 000411.SZ | Inter Group | 72.13 | 0.7717 | 25 | 0.5512 | |
| 000950.SZ | Chongyao Holdings | 255.33 | 0.9314 | 15 | 0.3012 | |
| 600511.SH | Sinopharm Co., Ltd. | 2.29 | 0.5826 | 25 | 0.7123 | |
| 603368.SH | Liuyao Group | 66.09 | 1.0867 | 15 | 0.6769 | |

Interest-bearing-debt-to-equity-value ratios, beta values and income-tax rates are data exported from the iFinD database. The formula for unlevered beta is $\beta_{ui}=(\beta L_i \times 0.66+0.34)/[1+(1t_i)\times D_i/E_i]$.

Beta coefficients are derived via regression analysis using monthly returns of comparable companies for the 60-month period preceding the Appraisal Benchmark Date (April 2021-March 2026). Beta measures sensitivity of individual-stock returns relative to benchmark-index returns such as the Shanghai Composite Index and quantifies systematic risk. A 60-month window is adopted for two reasons: first, it provides sufficient sample observations (60 monthly data points) to stabilise regression outcomes and mitigate disturbance from individual observations; second, the five-year window covers a relatively complete market-fluctuation cycle and smooths out impacts from specific market regimes upon beta estimation.

(5) Determination of characteristic risk coefficient

When determining the discount rate, it is necessary to consider the differences between the appraisal object and listed companies in terms of business size, business development stage, core competitiveness, dependence on key customers and key suppliers, financing capacities and financing cost, and stability of profit forecast, so as to determine the specific risk coefficient. During the appraisal process, the appraisers compared and analyzed the enterprise and the comparable listed companies(same as above-mentioned), and obtained the characteristic risk coefficient, that is, $\epsilon$=2%.

Details are set out in the table below:

**Specific Risk Factor Analysis Table**

| **Overlay Item** | **Description** | **$\epsilon$Value** *(%)* |
|---|---|---|
| Size of the assessed enterprise | The enterprise is relatively large in scale | 0.20 |
| Business development stage | The enterprise is in a stable operation stage with the growth of its existing businesses expected to fall within the 3%-10% range in 2026. | 0.20 |
| Operating brand and industry position | The enterprise has established its own brand and enjoys relatively high recognition among peers and customers | 0.20 |
| Financial risk | The enterprise shows average cash flow performance as at the benchmark date and has relatively high leverage. According to the valuer's assessment, operating cash flow has remained positive and it has access to financing, with no material debt servicing gap. | 0.60 |
| Sustainability of principal business market | The business enjoys good market sustainability, albeit with the risk of falling market demand | 0.20 |

| Overlay Item | Description | €Value *(%)* |
|---|---|---|
| Business characteristics, products and geographical distribution | The business is mainly concentrated in South China; its customer base is relatively stable, and operations are primarily based on commercial contracts | 0.20 |
| Internal management and monitoring mechanism | The enterprise has relatively sound internal management and monitoring mechanisms | 0.10 |
| Experience and qualifications of management personnel | The enterprise's management personnel possess extensive professional experience | 0.10 |
| Dependence on major customers and suppliers | The dependence on major customers and suppliers is moderate | 0.20 |
| **Total** | | **2.00** |

Pursuant to Expert Guidance on Asset Appraisal No. 12 – Calculation of Discount Rate in Enterprise Value Valuation Using the Income Approach, the specific risk premium may be determined by way of empirical judgement based on a comprehensive analysis of factors including the enterprise's scale, core competitiveness, dependence on major customers and key suppliers. The specific risk premium adopted in this valuation is determined based on the professional judgement of the valuer. The scoring logic and breakdown are set out below:

The caps, grading bands and individual scores below reflect the valuer's professional judgement for this valuation; they are not prescribed percentages under the guidance. All risk-premium amounts and ranges below are in percentage points.

| Risk factor/cap | Basis for cap | Grading bands | Score and basis |
|---|---|---|---|
| Enterprise scale – 0.60% | In the pharmaceutical distribution industry, scale is the foundation for withstanding supply chain, receivable collection and financing risks, and the disparity in risk resistance among leading enterprises is highly pronounced; smaller distributors face markedly higher financing difficulty and bad debt risk, and are therefore assigned a relatively high cap. | I: 0.00-0.15 \| ≥RMB80 billion II: 0.16-0.30 \| RMB30-80 billion III: 0.31-0.45 \| RMB10-30 billion IV: 0.46-0.60 \| IV: 0.46–0.60 \| <RMB10 billion | 0.20% – Revenue in 2025 was RMB58.169 billion, and forecast revenue for 2026 falls within the RMB30–80 billion range. As a large regional pharmaceutical distributor with a certain degree of risk resistance, Grade II is assigned and 0.20 is adopted. |
| Stage of business development – 0.50% | Where a business is in the expansion, acquisition, transformation or contraction stage, fluctuations in revenue and profitability directly affect the reliability of cash flow forecasts and have a significant impact on valuation. | I: 0.00-0.12 \| Mature and stable, three-year CAGR <3% II: 0.13–0.25 \| Stable growth, CAGR 3%–10% III: 0.26–0.38 \| Expansion and integration, growth> 10% or acquisitions IV: 0.39-0.50 \| Contraction/ transformation, consecutive negative growth> 10% | 0.20% – Revenue grew 6.53% in 2025, and the growth rate of existing businesses is expected to fall within the stable growth range of 3%-10% in 2026. Grade II is assigned and 0.20 is adopted. |

| Risk factor/cap | Basis for cap | Grading bands | Score and basis |
|---|---|---|---|
| Brand and industry position – 0.40% | Regional leaders and national top-tier enterprises enjoy advantages in channels, bargaining power in volume-based procurement and supply chain. Enterprises with weak brands and a lower industry position have weak bargaining power, and the risk premium range is moderate. | I: 0.00-0.12 \| National top tier, top 5 in the industry<br>II: 0.13-0.25 \| Regional leader, ranking among the top in provincial market share<br>III: 0.26-0.34 \| Ordinary regional brand<br>IV: 0.35-0.40 \| Weak brand, weak bargaining power | 0.20% – A leading pharmaceutical distributor in South China with relatively high brand and customer recognition. Grade II is assigned and 0.20 is adopted. |
| Financial risk – 1.00% | Pharmaceutical distribution is a capital-intensive industry characterised by high leverage and high receivables. The debt-to-asset ratio, cash flow, interest-bearing debt structure and debt servicing capacity represent the most fundamental entity-specific risks under the income approach and have the greatest impact on the discount rate; a separate maximum cap of 1.00% is therefore set. | I: 0.00-0.25 \| Debt-to-asset ratio <50%, abundant cash flow<br>II: 0.26–0.45 \| 50%–70%, normal cash flow<br>III: 0.46–0.70 \| 70%–85%, smooth financing, positive cash flow<br>IV: 0.71–1.00 \|> 85%, or persistently negative cash flow / funding gap | 0.60% – The debt-to-asset ratio in 2025 was 78.73%, falling within the 70%-85% range. Leverage is relatively high, but with ample credit lines from GPHL (Guangzhou Pharmaceutical Holdings Limited) and smooth financing channels, operating cash flow has remained positive with no material debt servicing gap. 0.60 is adopted within the same grade. |

| Risk factor/cap | Basis for cap | Grading bands | Score and basis |
|---|---|---|---|
| Sustainability of the core business market – 0.40% | Affected by volume-based procurement, medical insurance cost control and changes in pharmaceutical policy, business sustainability risk is a risk common to the industry, but differences among enterprises in the same sector are limited, so the cap is kept consistent with that for brand position. | I: 0.00-0.12 \| Rigid demand, stable policy<br>II: 0.13-0.25 \| Relatively good sustainability, with risk of demand decline<br>III: 0.26-0.34 \| Pronounced impact from volume-based procurement and medical insurance cost control<br>IV: 0.35-0.40 \| Market contraction or materially adverse policy | 0.20% – Demand for pure pharmaceutical sales is rigid and business sustainability is relatively good, but under the influence of volume-based procurement and medical insurance cost control policies there is downward pressure on gross margin and demand. Grade II is assigned and 0.20 is adopted. |
| Business characteristics, product and geographic distribution – 0.40% | A concentrated regional or national footprint, the customer structure and the business model (hospital pure sales, retail, medical devices) give rise to collection and policy differentiation risks; risk elasticity is moderate and the cap is 0.40%. | I: 0.00-0.12 \| National footprint, diversified categories<br>II: 0.13-0.25 \| Concentrated in a single region, mainly commercial contracts<br>III: 0.26-0.34 \| Dual concentration in region and category, long collection cycle<br>IV: 0.35-0.40 \| Concentrated in a few customers, single product | 0.20% – Business is mainly concentrated in Guangdong and South China, with hospitals as the principal customers and a stable commercial contract model. Regional concentration is relatively high and there is no national footprint to hedge the risk. Grade II is assigned and 0.20 is adopted. |

| Risk factor/cap | Basis for cap | Grading bands | Score and basis |
|---|---|---|---|
| Internal management and control mechanisms – 0.30% | Internal control deficiencies constitute a corporate governance risk. For listed pharmaceutical distributors, extreme cases of internal control failure are relatively rare, risk elasticity is smaller and the cap is set lower. | I: 0.00-0.10 \| Sound system effectively in operation<br>II: 0.11-0.20 \| Relatively sound, certain processes to be optimised<br>III: 0.21-0.25 \| Systems basically established, average implementation<br>IV: 0.26-0.30 \| Internal control deficiencies exist | 0.10% – As a listed entity, the internal control system is sound, no adverse internal control opinion was issued in the annual report and regulatory compliance is standardised. Grade I is assigned and 0.10 is adopted. |
| Experience and qualifications of management – 0.30% | Distribution enterprises are highly standardised and rely less on a single management layer; operational disruption arising from management changes is limited, hence the same cap as for internal control. | I: 0.00-0.10 \| ≥10 years, in post<br>II: 0.11-0.20 \| 5-10 years<br>III: 0.21-0.25 \| 3-5 years<br>IV: 0.26–0.30 \|<br>IV: 0.26–0.30 \| <3 years or frequent changes | 0.10% – The core management team has long been engaged in the pharmaceutical distribution industry and the team is stable with sufficient industry experience. Grade I is assigned and 0.10 is adopted. |

| Risk factor/cap | Basis for cap | Grading bands | Score and basis |
|---|---|---|---|
| Dependence on major customers and suppliers – 0.40% | High concentration among the top five customers and suppliers gives rise to performance volatility risk, but customers of pharmaceutical distributors are generally hospitals and pharmaceutical manufacturers and concentration is generally not extremely high; risk elasticity is moderate. | I: 0.00–0.12 \| Top five each <20%<br>II: 0.13–0.25 \| 20%–40%, normal<br>III: 0.26–0.34 \| 40%–60%<br>IV: 0.35–0.40 \|> 60% | 0.20% – Customer and supplier concentration is moderate and there is no significant dependence on any single counterparty, but the top five counterparties still present a certain concentration risk. Grade II is assigned and 0.20 is adopted. |
| Total cap / adopted premium | 4.30% | | 2.00% |

(6) Determination of expected rate of return on debts rd

The expected rate of return on debts represents the capital costs of debt financing of the enterprise. The capital structure adopted in this appraisal is the capital structure of the enterprise. Following the principle of matching the debts cost and the capital structure, the expected rate of return on debts is determined with the weighted average capital costs of debts of the enterprise.

(7) Calculation of discount rate WACC

The above parameters are then substituted into the formulas to get the discount rates as follows:

*Amount unit: RMB'0000*

| | **April to December 2026** | **2027** | **2028** | **2029** | **2030** | **2031** |
|---|---|---|---|---|---|---|
| D | 1,558,153.21 | 1,558,153.21 | 1,558,153.21 | 1,558,153.21 | 1,558,153.21 | 1,558,153.21 |
| E | 721,410.71 | 721,410.71 | 721,410.71 | 721,410.71 | 721,410.71 | 721,410.71 |
| D/E | 2.1599 | 2.1599 | 2.1599 | 2.1599 | 2.1599 | 2.1599 |
| Income tax rate used | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% | 25.00% |
| beta | 1.4856 | 1.4856 | 1.4856 | 1.4856 | 1.4856 | 1.4856 |
| Industry risk return rate | 10.4733% | 10.4733% | 10.4733% | 10.4733% | 10.4733% | 10.4733% |
| Risk-free rate of return | 1.8200% | 1.8200% | 1.8200% | 1.8200% | 1.8200% | 1.8200% |
| Enterprise-specific risk adjustment coefficient | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% | 2.0000% |
| CAPM | 14.2933% | 14.2933% | 14.2933% | 14.2933% | 14.2933% | 14.2933% |
| Kd | 2.16280% | 2.16280% | 2.16280% | 2.16280% | 2.16280% | 2.16280% |
| WACC (rounded) | 5.6300% | 5.6300% | 5.6300% | 5.6300% | 5.6300% | 5.6300% |

$$\beta_e = \beta_u \times (1 + (1 - t) \times \frac{D}{E})$$

Beta coefficient 1.4856 = 0.5670 × [1 + (1-25%) × 1,558,153.21/ 721,410.71],where 0.5670 is the average unlevered beta (βU) of comparable companies; 1,558,153.21 denotes the appraised entity's interest-bearing liabilities; and 721,410.71 equals the appraised entity's operating cash flow of 2,279,563.92 minus interest-bearing liabilities. All monetary figures above are in ten-thousand RMB.

Industry risk-premium 10.4733% = $\beta_e \times (r_m - r_f)$ = 1.4856 × (8.87% – 1.82%) .

CAPM result 14.2933% = 1.82 % + 1.4856 × (8.87 % – 1.82 %) + 2 %.

Kd of 2.16280% is derived by weighted average calculation based on the GP Corp.'s outstanding borrowings, taking into account the borrowing profile of the appraised entity. The relevant data are set out below:.

| | **Carrying Value (RMB Ten Thousand)** | **Weight** | **Composite Interest Rate** |
|---|---|---|---|
| Short-term borrowings | 1,069,515.59 | 69% | 2.15% |
| Bonds payable | 60,000.00 | 4% | 1.89% |
| Super short-term financing bills | 30,000.00 | 2% | 1.69% |
| Long-term borrowings | 398,637.61 | 25% | 2.30% |

*10. Sensitivity analysis*

In the income approach appraisal model, both gross profit margin and discount rate have a greater impact on the income approach appraisal results, therefore, a sensitivity analysis was conducted for both gross profit margin and discount rate, with the results as follows:

(1) Sensitivity analysis of gross profit margin changes

Using the current forecasted gross profit margins for future periods as the baseline, and assuming that the forecasted operating revenue for future periods remains unchanged, the sensitivity analysis of gross profit margin changes on the appraised value under the income approach is as follows (assuming consistent percentage changes in gross profit margin across periods):

| **Gross profit margin change** | **Appraised value** *(RMB'0000)* | **Change in appraised value** *(RMB'0000)* | **Percentage change in appraised value** | **Change in appraised value per 0.05% change in gross profit margin** *(RMB'0000)* | **Percentage change in appraised value per 0.05% change in gross profit margin** |
|---|---|---|---|---|---|
| –0.15% | 677,000.00 | –169,000.00 | –19.98% | 56,333.33 | 6.66% |
| –0.10% | 733,000.00 | –113,000.00 | –13.36% | 56,500.00 | 6.68% |
| –0.05% | 790,000.00 | –56,000.00 | –6.62% | 56,000.00 | 6.62% |
| 0.00% | 846,000.00 | – | – | – | – |
| 0.05% | 902,000.00 | 56,000.00 | 6.62% | 56,000.00 | 6.62% |
| 0.10% | 959,000.00 | 113,000.00 | 13.36% | 56,500.00 | 6.68% |
| 0.15% | 1,015,000.00 | 169,000.00 | 19.98% | 56,333.33 | 6.66% |
| Average change | | | | 56,277.78 | |
| Average percentage change | | | | 6.65% | |

Using the current forecasted cash flows for future periods as the baseline, and assuming that the cash flows for future periods remain unchanged, the sensitivity analysis of discount rate changes on the appraised value under the income approach is as follows (assuming consistent percentage changes in discount rate across periods):

| **Discount rate change** | **Appraised value** *(RMB'0000)* | **Change in appraised value** *(RMB'0000)* | **Percentage change in appraised value** | **Change in appraised value per 0.05% change in discount rate** *(RMB'0000)* | **Percentage change in appraised value per 0.05% change in discount rate** |
|---|---|---|---|---|---|
| –0.15% | 915,000.00 | 69,000.00 | 8.16% | 23,000.00 | 2.72% |
| –0.10% | 892,000.00 | 46,000.00 | 5.44% | 23,000.00 | 2.72% |
| –0.05% | 869,000.00 | 23,000.00 | 2.72% | 23,000.00 | 2.72% |
| 0.00% | 846,000.00 | – | – | – | – |
| 0.05% | 824,000.00 | –22,000.00 | –2.60% | 22,000.00 | 2.60% |
| 0.10% | 802,000.00 | –44,000.00 | –5.20% | 22,000.00 | 2.60% |
| 0.15% | 780,000.00 | –66,000.00 | –7.80% | 22,000.00 | 2.60% |
| Average change | | | | 22,500.00 | |
| Average percentage change | | | | 2.66% | |

*11. Value of Operating Assets, P*

The expected free cash flows obtained are substituted into the formula for the value of operating assets to derive the value of operating assets of the assessed entity. The calculation results are set out in the table below:

*Unit: RMB'0,000*

| Item | Apr-Dec 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 and thereafter |
|---|---|---|---|---|---|---|---|
| **I. Total Operating Revenue** | 4,837,269.06 | 6,844,726.90 | 7,289,771.80 | 7,755,406.30 | 8,242,155.00 | 8,750,534.90 | 8,750,534.90 |
| **II. Total Operating Costs** | 4,768,138.07 | 6,731,859.06 | 7,163,532.35 | 7,616,111.33 | 8,090,087.61 | 8,586,145.11 | 8,586,145.11 |
| Of which: Cost of Sales | 4,557,185.50 | 6,445,977.50 | 6,864,901.70 | 7,303,479.60 | 7,762,353.20 | 8,242,176.90 | 8,242,176.90 |
| Taxes and Surcharges | 8,780.03 | 12,779.40 | 13,569.21 | 14,396.01 | 15,260.91 | 16,165.00 | 16,165.00 |
| Selling Expenses | 129,191.07 | 176,640.59 | 186,325.81 | 196,770.63 | 208,127.64 | 220,282.98 | 220,282.98 |
| Administrative Expenses | 44,591.90 | 58,523.57 | 60,349.99 | 62,609.88 | 65,011.47 | 67,691.93 | 67,691.93 |
| R&D Expenses | 2,085.37 | 2,429.61 | 2,561.42 | 2,702.62 | 2,844.23 | 2,993.14 | 2,993.14 |
| Finance Expenses | 26,304.19 | 35,508.40 | 35,824.22 | 36,152.59 | 36,490.16 | 36,835.16 | 36,835.16 |
| Impairment Loss on Assets | – | – | – | – | – | – | – |
| Add: Other Income | – | – | – | – | – | – | – |
| Investment Income | – | – | – | – | – | – | – |
| **III. Operating Profit** | 69,131.00 | 112,867.84 | 126,239.45 | 139,294.97 | 152,067.39 | 164,389.79 | 164,389.79 |
| Add: Non-operating Income | – | – | – | – | – | – | – |
| Less: Non-operating Expenses | – | – | – | – | – | – | – |
| **IV. Total Profit** | 69,131.00 | 112,867.84 | 126,239.45 | 139,294.97 | 152,067.39 | 164,389.79 | 164,389.79 |
| Less: Income Tax Expense | 16,861.03 | 28,216.96 | 31,559.86 | 34,823.74 | 38,016.85 | 41,097.45 | 41,097.45 |
| **V. Net Profit** | 52,269.97 | 84,650.88 | 94,679.59 | 104,471.22 | 114,050.54 | 123,292.35 | 123,292.35 |
| Add: Depreciation and Amortisation | 12,753.64 | 18,663.07 | 19,462.52 | 19,383.44 | 19,684.64 | 20,382.34 | 20,382.34 |
| Add: Interest on Interest-bearing Debt × (1 – Income Tax Rate) | 19,879.17 | 26,505.57 | 26,505.57 | 26,505.57 | 26,505.57 | 26,505.57 | 26,505.57 |
| Less: Net Increase in Working Capital | –183,220.08 | 101,189.31 | 107,379.92 | 111,044.34 | 114,614.74 | 118,188.81 | |
| Less: Capital Expenditure | 47,892.40 | 39,969.81 | 19,500.00 | 17,165.00 | 17,495.75 | 17,843.04 | 20,382.34 |
| Net Cash Flow | 220,230.47 | –11,339.61 | 13,767.75 | 22,150.89 | 28,130.26 | 34,148.41 | 149,797.91 |
| Discount Rate | 5.63% | 5.63% | 5.63% | 5.63% | 5.63% | 5.63% | 5.63% |
| Discount Factor | 0.98 | 0.93 | 0.88 | 0.84 | 0.79 | 0.75 | 13.32 |
| Period (Years) | 0.38 | 1.25 | 2.25 | 3.25 | 4.25 | 5.25 | |
| Discounted Cash Flow | 215,753.16 | –10,589.22 | 12,171.43 | 18,538.84 | 22,288.34 | 25,614.58 | 1,995,786.79 |
| **Total Discounted Cash Flow** | | | | | | | **2,279,563.92** |

*12. Value of surplus or non-operating assets*

Surplus assets refer to redundant assets that have no direct correlation with the income of the assessed entity and exceed the operational requirements of the assessed entity. Based on the analysis, the assessed entity has no identifiable surplus assets.

Non-operating assets (liabilities) are assets (liabilities) that do not have a direct and significant relationship with the operating cash flows of the assessed entity, or do not generate income and are not included in the net cash flow forecast.

As at the Appraisal Benchmark Date, the assessed entity (including Zhejiang Yigong) had the following surplus and non-operating assets (liabilities):

*Unit: RMB*

| **Item** | **Carrying Amount** |
|---|---:|
| Trading financial assets | 4,000,000.00 |
| Other current assets | 1,038,580,508.23 |
| Long-term equity investment | 18,221,281.42 |
| Investment property | 10,342,180.73 |
| Deferred tax assets | 285,728,875.37 |
| Other receivables | 52,872,680.00 |
| Deferred income | 8,472,567.67 |
| Deferred tax liabilities | 6,825,673.83 |
| Other current liabilities | 303,028,109.60 |
| Other payables – Accrued payables for fixed assets | 17,041,787.83 |
| **Total non-operating net assets** | **1,074,377,386.82** |

In this appraisal, the value of the surplus or non-operating assets (liabilities) was assessed separately, and the appraised value of the surplus or non-operating assets (liabilities) of the entity to be appraised as at the Appraisal Benchmark Date is as follows:

*Unit: RMB*

| | Book Value | Appraised Value | Description |
|---|---|---|---|
| Financial assets held for trading | 4,000,000.00 | 4,000,000.00 | Industry Yuanrong – Accounts Receivable Phase IV of GP Corp. Asset-backed Special Scheme |
| Other current assets | 1,038,580,508.23 | 1,038,580,508.23 | Deductible input VAT, income tax prepaid, VAT to be certified, VAT credit carried forward, etc. |
| Long-term equity investment | 15,771,281.42 | 15,771,281.42 | Chengdu Hejian Guangyao Pharmaceutical Co., Ltd.（成都禾健廣藥醫藥有限公司） |
| Long-term equity investment | 2,450,000.00 | 2,450,000.00 | Sanya Guang Pharmaceutical Phoenix Pharmaceutical Co., Ltd.（三亞廣藥鳳凰醫藥有限責任公司） |
| Investment properties | 10,342,180.73 | 19,856,100.00 | Leased-out properties |
| Deferred tax assets | 285,728,875.37 | 278,459,217.48 | Provision for bad debts on accounts receivable, tax losses available for offset for prior years, etc. |
| Other receivables | 52,872,680.00 | 52,872,680.00 | Accounts due from related companies |
| Deferred income | 8,472,567.67 | 2,118,141.92 | Central government funds for the construction of a modern supply chain system in the circulation sector |
| Deferred tax liabilities | 6,825,673.83 | 6,825,673.83 | Balance of depreciation and amortization accrued in respect of the appreciation of intangible assets and fixed assets arising from business combination |
| Other current liabilities | 303,028,109.60 | 0.00 | Taxes related to contract liabilities; bonds are considered under interest-bearing liabilities |
| Other payables – Accruals for fixed assets | 17,041,787.83 | 17,041,787.83 | Accruals for fixed assets |
| **Total non-operating net assets** | **1,074,377,386.82** | **1,386,004,183.55** | |

When valuing total shareholder equity under the income approach, cash flows generated from the appraised entity's core-business and related operating activities are normally forecasted. Analysis shows that for this pharmaceutical-distribution enterprise, lease income from investment properties does not arise from core-business-related operating cash flows and is accordingly treated as a non-operating asset. Deferred-tax assets mainly represent future income-tax-relief benefits arising in prior periods from deductible temporary differences and deductible losses. This income-approach valuation is built upon

free cash flows generated from the appraised entity's future normal-course-of-business operations; forecast income tax does not take account of tax-relief benefits corresponding to deferred-tax assets already established as at the Appraisal Benchmark Date. Similarly, this income-approach forecast primarily captures cash flows from future core-business operations. Deferred amortisation of government-grant income established as at the Appraisal Benchmark Date is excluded from operating-cash-flow projections. This account is separately analysed and valued with reference to grant documents, usage conditions and potential repayment obligations. During the income-approach calculation, the composition of the appraised entity's other current liabilities was analysed. Liabilities linked to routine procurement, production, sales and other normal-course-of-business activities are incorporated into operating-working-capital forecasts reflecting their economic substance. Independent liability items not directly related to normal-operating turnover and excluded from working-capital forecasts are separately classified as non-operating liabilities.

Of which, trading financial assets, other current assets, long-term equity investments, other receivables, deferred tax liabilities and other payables are valued at their verified carrying amounts.

Investment properties are valued using the market comparison approach. The valuation amount is determined based on the transaction or asking prices of comparable properties within the same supply and demand circle, adjusted for factors such as floor level, area and decoration. Under the market comparison approach, the subject property is compared with comparable property transactions that have recently occurred or comparable asking prices recently obtained, with reference to transaction circumstances, transaction or quotation dates, and property conditions including location factors (external conditions of the property) and individual factors (intrinsic attributes of the property). Based on the known transaction or asking prices of comparable properties and after necessary adjustments, the reasonable market price that the subject property is most likely to realise is derived. The valuation uplift reflects the difference between the market comparison results and the carrying amounts of the investment properties, which are subsequently measured under the cost model.

***Selection criteria and reason for using the market comparison approach***

The screening criteria for comparable properties under the market comparison approach are as follows:

Same supply and demand circle: the comparable property and the property under valuation can form a substitutable relationship, and their prices affect each other. Potential purchasers may consider both the comparable property and the property under valuation as alternatives. In selecting comparable properties, the valuer considered the geographical location of the property under valuation and

generally selected properties located in the same or a nearby commercial area, having regard to whether the comparable properties and the property under valuation were reasonably substitutable.

Same use and building structure: office against office, retail against retail; the structures must be consistent (e.g. frame structure, brick-concrete structure), otherwise the price composition differs substantially and is difficult to adjust.

Transaction or listing date close to the Appraisal Benchmark Date: the difference should preferably not exceed 1 year and in any case not exceed 2 years; where the market is volatile, the interval should be further shortened.

Normal or adjustable transaction or listing price: transactions involving interested parties, forced sales or forced purchases, special preferences and the like are excluded.

In the PRC real estate market at present, there is a weak correlation between market rental rates and sale prices of real properties. The valuation derived from the income approach based on rental income may deviate to a certain extent from the actual value of the subject property. Given the active real estate transaction market at the location of the subject property with abundant comparable transaction examples of properties of the same type and clear transaction circumstances and backgrounds, the valuation result under the market comparison approach can more objectively reflect the market value of the subject property.

***Comparable properties for Room 3902, Building 2, Xinyada International Creative Center***

The property under valuation is Room 3902, Building 2, Xinyada International Creative Center, No. 1750 Jianghong Road, with an office use and a gross floor area of 514.17 sq.m. Following an investigation into the sale of similar properties in the vicinity of the valuation object, the valuer identified three comparable cases within the same supply and demand circle and then screened them, ultimately determining the following three cases as the comparable cases for calculation because they are located in the same commercial service area, are used as offices and are situated in high-rise Grade A office buildings:

The three comparable cases set out below represent all the comparable cases identified by the valuer that met the selection criteria.

Comparable Case 1: Xinyada Office Building, located at No. 1750 Jianghong Road, Binjiang District, Hangzhou, with a gross floor area of 800.00 sq.m.; the building in which it is located is a high-rise building of reinforced concrete structure with ordinary office decoration; the VAT-exclusive asking price M1 is RMB18,750/sq.m.; VAT is borne by the buyer; quotation date April 2026.

Comparable Case 2: Yintai International Office Building, located at No. 1600 Kejiguan Street, Binjiang District, Hangzhou, with a gross floor area of 510.00 sq.m.; the building in which it is located is a high-rise building of reinforced concrete structure with ordinary office decoration; the VAT-exclusive asking price M2 is RMB19,608/sq.m.; VAT is borne by the buyer; quotation date April 2026.

Comparable Case 3: China Overseas Development Building, located at No. 888 Kejiguan Street, Binjiang District, Hangzhou, with a gross floor area of 313 sq.m.; the building in which it is located is a high-rise building of reinforced concrete structure with luxury office decoration; the VAT-exclusive asking price M3 is RMB20,767/sq.m.; VAT is borne by the buyer; quotation date April 2026.

***Location, physical condition and title adjustments***

Based on the site inspection and the information obtained, the valuer has compared and analysed the three comparable cases and the valuation object in respect of locational factors, physical conditions and title conditions.

Locational conditions: locational conditions refer to the conditions of the locational factors of a real property that affect its price. The main adjustment items include the state of commercial prosperity, access and traffic, external infrastructure and public service facilities, surrounding environment and landscape, floor level and other factors affecting real property prices, and are adjusted according to the use of the property under valuation.

Adjustments are made with the property under valuation as the base, with an index value of 100. Where the locational adjustment factor of a comparable case is superior to that of the property under valuation, the index is adjusted upward; where it is inferior, the index is adjusted downward. The various adjustment factors are graded, with an adjustment range of ±1 to 5, and the specific values are determined according to the actual differences between the comparable case and the property under valuation. Among them, the adjustment factor relating to the floor on which the property is located is adjusted by reference to the "Floor Adjustment Coefficient Table" in the benchmark land price documents for the right to use State-owned construction land.

Physical conditions: physical conditions refer to the conditions of the physical factors of a real property that affect its price. The main adjustment items include gross floor area, building structure/facilities and equipment/decoration, spatial layout/usable efficiency ratio, ventilation and lighting conditions, degree of completeness and damage, grade of the developer and other physical conditions. The adjustment factors are adjusted with emphasis according to the use of the property under valuation.

Adjustments are made with the property under valuation as the base, with an index value of 100. Where the physical condition adjustment factor of a comparable case is superior to that of the property under valuation, the index is adjusted upward; where it is inferior, the index is adjusted downward. The various

adjustment factors are graded, with an adjustment range of ±1 to 3 or ±1 to 5, and the specific values are determined according to the actual differences between the comparable case and the property under valuation.

Title conditions: title conditions refer to the conditions of the title factors of a real property that affect its price. The main adjustment items include the remaining term of the land use right and the establishment of other rights over the property. The adjustment factors are adjusted according to the use of the property under valuation.

Adjustments are made with the property under valuation as the base, with an index value of 100. Where the title condition adjustment factor of a comparable case is superior to that of the property under valuation, the index is adjusted upward; where it is inferior, the index is adjusted downward. The various adjustment factors are graded, with an adjustment range of ±1 to 5, and the specific values are determined according to the actual differences between the comparable case and the property under valuation.

The location and physical-condition comparisons and adjustment indices for the example property are as follows:

***Location conditions***

| **Factor** | **Subject property** | **Case 1** | **Case 2** | **Case 3** |
|---|---|---|---|---|
| C1 — Commercial Prosperity | Located in the Changhe commercial service zone of Binjiang District with good commercial prosperity | Located in the Changhe commercial service zone of Binjiang District with good commercial prosperity; adjustment Similar 0 | Located in the Changhe commercial service zone of Binjiang District with good commercial prosperity; adjustment Similar 0 | Located in the Changhe commercial service zone of Binjiang District with good commercial prosperity; adjustment Similar 0 |
| C2 — Access and Traffic | Close to metro stations with convenient access | Close to metro stations with convenient access; adjustment Similar 0 | Close to metro stations with convenient access; adjustment Similar 0 | Close to metro stations with convenient access; adjustment Similar 0 |
| C3 — External Infrastructure and Public Service Facilities | Well-supported surrounding infrastructure | Well-supported surrounding infrastructure; adjustment Similar 0 | Well-supported surrounding infrastructure; adjustment Similar 0 | Well-supported surrounding infrastructure; adjustment Similar 0 |

| Factor | Subject property | Case 1 | Case 2 | Case 3 |
|---|---|---|---|---|
| C4 — Surrounding Environment and Landscape | Adjacent to Qiantang River with favourable environment and landscape | Adjacent to Qiantang River with favourable environment and landscape; adjustment Similar 0 | Adjacent to Qiantang River with favourable environment and landscape; adjustment Similar 0 | Adjacent to Qiantang River with favourable environment and landscape; adjustment Similar 0 |
| C5 — Total Floors / Subject Floor | 47 floors above ground / 39th floor | 47 floors above ground, middle floor; adjustment Similar 0 | 44 floors above ground, middle floor; adjustment Similar 0 | 32 floors above ground, low floor; adjustment Slightly inferior-3 |
| C7 — Other Location Factors | No other location factors | No other location factors; adjustment Similar 0 | No other location factors; adjustment Similar 0 | No other location factors; adjustment Similar 0 |
| Location index CY = 100 + Σ(Cn × weight) | 100 | 100 | 100 | 97 |
| Location factor CZ = CY0/ CYn | — | 1.00 | 1.00 | 1.03 |

***Physical conditions***

| Factor | Subject property | Case 1 | Case 2 | Case 3 |
|---|---|---|---|---|
| D1 — Building Scale (Floor Area) | Relatively large area | Large area; adjustment Slightly inferior-5 | Relatively large area; adjustment Similar0 | Moderate area; adjustment Slightly superior5 |
| D2 — Building Structure / Facilities & Equipment / Decoration | Reinforced concrete frame-shear wall structure, luxury decoration | Reinforced concrete frame-shear wall structure, standard office decoration; adjustment Slightly inferior-3 | Reinforced concrete frame-shear wall structure, standard office decoration; adjustment Slightly inferior-3 | Reinforced concrete frame-shear wall structure, luxury decoration; adjustment Similar 0 |
| D3 — Spatial Layout / Usable Ratio | Reasonable layout, average usable ratio | Reasonable layout, average usable ratio; adjustment Similar 0 | Reasonable layout, average usable ratio; adjustment Similar 0 | Reasonable layout, average usable ratio; adjustment Similar 0 |
| D4 — Ventilation, Lighting, Daylighting, etc. | Average ventilation and lighting conditions | Average ventilation and lighting conditions; adjustment Similar 0 | Average ventilation and lighting conditions; adjustment Similar 0 | Average ventilation and lighting conditions; adjustment Similar 0 |

| Factor | Subject property | Case 1 | Case 2 | Case 3 |
|---|---|---|---|---|
| D5 — Condition of Preservation | Moderately maintained | Moderately maintained; adjustment Similar 0 | Moderately maintained; adjustment Similar 0 | Moderately maintained; adjustment Similar 0 |
| D6 — Property Grade / Developer Brand | Grade A office building | Grade A office building; adjustment Similar 0 | Grade A office building; adjustment Similar 0 | Grade A office building; adjustment Similar 0 |
| Physical index DY = 100 + Σ(Dn × weight) | 100 | 92 | 97 | 105 |
| Physical factor DZ = DY0/ DYn | — | 1.09 | 1.03 | 0.95 |

***Title conditions and combined property-condition factors***

| Factor | Subject property | Case 1 | Case 2 | Case 3 |
|---|---|---|---|---|
| Remaining land use term (years) | 30.88 | 30.88 | 30.00 | 30.00 |
| Land term index (discount rate 6.00%) | 0.8346 | 0.8346 | 0.8259 | 0.8259 |
| Land term factor E12 = E11(0)/E11(n) | — | 1.00 | 1.01 | 1.01 |
| Other title conditions | Lease expires September 2028; existing rent is close to market rent | No special title conditions | Similar | No special title conditions |
| Other title conditions index | 100 | 100 | 100 | 100 |
| Other title conditions factor E22 | — | 1.00 | 1.00 | 1.00 |
| Title factor EZ = E12 × E22 | — | 1.00 | 1.01 | 1.01 |
| Combined property-condition factor FZ = CZ × DZ × EZ | — | 1.09 | 1.04 | 0.99 |

***Transaction circumstances, dates and valuation calculation***

GP Corp. has five investment properties. Taking "Room 3902, Building 2, Xinyada International Creative Center, No. 1750 Jianghong Road" as an example, the detailed adjustments and calculation process are as follows:

*A. Transaction circumstance adjustment coefficient AZ (AZ = AY0/AYn)*

For the purpose of the valuation, the transaction circumstance of the property under valuation is assumed to be a normal transaction, and its transaction circumstance index AY0 = 100.

According to the investigation, including enquiries with property agents, the prices of Comparable Cases 1, 2 and 3 are all asking prices quoted by the owners, which leave room for bargaining. It is understood that the asking prices of owners in this area are generally about 3% higher than normal transaction prices; accordingly, the transaction circumstance index of the comparable properties AY(1/2/3) = 103.

Therefore, the transaction circumstance adjustment coefficient AZ(1/2/3) = 100/103 $\approx$ 0.97.

*B. Transaction date adjustment coefficient BZ (BZ = BY0/BYn)*

The quotation dates of Comparable Cases 1, 2 and 3 are all close to the valuation date and recent market prices have been relatively stable, so no transaction date adjustment is required; accordingly, the transaction date adjustment coefficient BZ(1/2/3) = 1.00.

| **Item** | **Subject property** | **Case 1** | **Case 2** | **Case 3** |
|---|---|---|---|---|
| Name | Room 3902, Block 2, Xinyada International Creative Center, No.1750 Jianghong Road | Xinyada Office Building | Yintai International Office Building | China Overseas Development Building |
| Data Source | — | Agency Inquiry | Agency Inquiry | Agency Inquiry |
| Address | Room 3902, Block 2, Xinyada International Creative Center, No.1750 Jianghong Road | Binjiang District Government Area, Hangzhou | Binjiang District Government Area, Hangzhou | Binjiang District Government Area, Hangzhou |
| Property Type | Real Estate – Office Building | Real Estate – Office Building | Real Estate – Office Building | Real Estate – Office Building |
| Total Price (RMB) | — | 15,000,000 | 10,000,000 | 6,500,000 |
| Unit of Measurement | Gross Floor Area ($m^2$) | Gross Floor Area ($m^2$) | Gross Floor Area ($m^2$) | Gross Floor Area ($m^2$) |
| Area | 514.17 | 800.00 | 510.00 | 313.00 |
| Unit Price (RMB/$m^2$, VAT-exclusive) | — | 18,750.00 | 19,608.00 | 20,767.00 |
| Property Scope | Real Estate | Real Estate | Real Estate | Real Estate |

| Item | Subject property | Case 1 | Case 2 | Case 3 |
|---|---|---|---|---|
| Payment Term | Lump-sum payment | Lump-sum payment | Lump-sum payment | Lump-sum payment |
| Price after Scope Unification | — | 18,750.00 | 19,608.00 | 20,767.00 |
| Price after Payment Term Unification | — | 18,750.00 | 19,608.00 | 20,767.00 |
| Price Unit after Unification | RMB per square metre | 18,750.00 | 19,608.00 | 20,767.00 |
| Transaction Circumstance Adjustment | Subject Property (0) | Comparable Case (1) | Comparable Case (2) | Comparable Case (3) |
| Transaction Circumstance | Assumed normal transaction | Quotation | Quotation | Quotation |
| Transaction Circumstance Index | 100 | 103 | 103 | 103 |
| Transaction Circumstance Adjustment Factor = AY0/AYn | — | 0.97 | 0.97 | 0.97 |
| Market Condition / Transaction Date Adjustment | Subject Property (0) | Comparable Case (1) | Comparable Case (2) | Comparable Case (3) |
| Transaction Date | 31 March 2026 | April 2026 | April 2026 | April 2026 |
| Price Index at Transaction | 100 | 100 | 100 | 100 |
| Market Condition / Transaction Date Adjustment Factor = BY0/BYn | — | 1.00 | 1.00 | 1.00 |
| Real Estate Condition Adjustment | Subject Property (0) | Comparable Case (1) | Comparable Case (2) | Comparable Case (3) |
| Real Estate Condition Adjustment Factor | — | 1.09 | 1.04 | 0.99 |
| Adjusted Unit Price = Mn × AZn × BZn × FZn | — | 19,824 | 19,781 | 19,943 |
| Weight | | 1/3 | 1/3 | 1/3 |

The adjusted comparable unit price is calculated as G = Mn × AZn × BZn × FZn. Using the factors shown above, the adjusted unit prices for Cases 1, 2 and 3 are RMB19,824, RMB19,781 and RMB19,943 per sq.m., respectively. The three results are assigned equal weights of one-third

because they do not differ materially and are considered consistent with market levels. Their arithmetic average is approximately RMB19,849.33 per sq.m., rounded to RMB19,850 per sq.m. The value of the example property is therefore RMB19,850 × 514.17 sq.m. = RMB10,206,300, rounded to the nearest hundred.

The other investment properties were assessed by reference to the same screening and calculation procedures. The valuation results of all five properties are set out below. All amounts are in RMB; floor areas are in sq.m. of these five properties, the first four properties listed below are for commercial use and the last property is for office use. The comparable properties and adjustments adopted for Room 3902, Building 2, Xinyada International Creative Center, No. 1750 Jianghong Road, are set out in the subsection headed "Comparable properties for Room 3902, Building 2, Xinyada International Creative Center" above. The comparable properties and adjustments adopted for the other four investment properties are set out below.

| Property / structure / completion date | Area | Original cost | Net book value | Appraised value | Appreciation (%) |
|---|---|---|---|---|---|
| No. 15 Yongsheng East Street, Donghu Road, Dongshan District / reinforced concrete/ 12 March 1997 | 102.24 | 411,201.30 | 24,338.86 | 1,837,100.00 | 7,448.01 |
| Shop 8, Ground Floor, Nos. 3–6 Dehua Street, Xingang West Road (Meijing Store) / reinforced concrete / 31 May 2019 | 63.88 | 1,743,717.00 | 317,431.82 | 1,538,200.00 | 384.58 |
| Shop 2, No. 30 Hehui Street, Nanzhou Road / reinforced concrete / 31 July 2024 | 136.38 | 2,295,082.26 | 458,442.42 | 4,019,100.00 | 776.69 |
| Shop 173, Ground Floor, No. 185 Hongde Road (81.1341 sq.m.) / reinforced concrete / 31 October 2025 | 81.13 | 2,420,196.76 | 370,290.14 | 2,255,400.00 | 509.09 |
| Room 3902, Building 2, Xinyada International Creative Center, No. 1750 Jianghong Road / reinforced concrete / 31 May 2020 | 514.17 | 12,444,531.91 | 9,171,677.49 | 10,206,300.00 | 11.28 |
| Total | – | 19,314,729.23 | 10,342,180.73 | 19,856,100.00 | 91.99 |

***Comparable properties for the remaining four investment properties***

For each of the other four investment properties, the three comparable cases set out below represent all the comparable cases identified by the valuer that met the selection criteria.

**Property 1: No. 15 Yongsheng East Street, Donghu Road, Dongshan District**

| Item | | Subject property (0) | Comparable case (1) | Comparable case (2) | Comparable case (3) |
|---|---|---|---|---|---|
| M1 | Name | No. 15 Yongsheng East Street, Donghu Road, Dongshan District | Nonglinxia Road Shop | Qingbo Road Shop | Kangwang North Road Shop |
| M2 | Data source | – | Agency enquiry | Agency enquiry | Agency enquiry |
| M3 | Address | No. 15 Yongsheng East Street, Donghu Road, Dongshan District | Nos. 4-6 Nonglinxia Road, Yuexiu District | No. 9 Qingbo Road, Yuexiu District | Kangwang North Road |
| M4 | Property type | Real estate – street-facing shop | Real estate – street-facing shop | Real estate – street-facing shop | Real estate – street-facing shop |
| M6 | Total price (RMB) | – | 805,500 | 1,880,000 | 1,800,000 |
| | Unit of measurement | Gross floor area (sq.m.) | Gross floor area (sq.m.) | Gross floor area (sq.m.) | Gross floor area (sq.m.) |
| M7 | Area (sq.m.) | 102.24 | 43.00 | 90.00 | 85.00 |
| M8 | Unit price (RMB/sq.m., VAT-exclusive) | – | 18,733.00 | 20,889.00 | 21,176.00 |
| | Property scope | Real estate | Real estate | Real estate | Real estate |
| | Payment method | Lump-sum payment | Lump-sum payment | Lump-sum payment | Lump-sum payment |
| M9 | Price after scope standardisation | – | 18,733.00 | 20,889.00 | 21,176.00 |
| M10 | Price after payment-method standardisation | – | 18,733.00 | 20,889.00 | 21,176.00 |
| M | Price after unit standardisation | RMB/sq. ft. | 18,733.00 | 20,889.00 | 21,176.00 |

| Item | | Subject property (0) | Comparable case (1) | Comparable case (2) | Comparable case (3) |
|---|---|---|---|---|---|
| A | Transaction circumstance | Assumed normal transaction | Quotation | Quotation | Quotation |
| AY | Transaction circumstance index | 100 | 105 | 105 | 105 |
| AZ | Transaction circumstance adjustment factor (AY0/AYn) | | 0.95 | 0.95 | 0.95 |
| B | Transaction/ quotation date | 31 March 2026 | April 2026 | April 2026 | April 2026 |
| BY | Price index at transaction date | 100 | 100 | 100 | 100 |
| BZ | Market condition/date adjustment factor (BY0/BYn) | | 1 | 1 | 1 |
| FZ | Property condition adjustment factor | – | 1.02 | 0.92 | 0.87 |
| G | Adjusted unit price (Mn × AZn × BZn × FZn) | | 18,152 | 18,257 | 17,502 |
| H | Weight | – | 1/3 | 1/3 | 1/3 |
| K | Appraised unit price (Σ(Cn × Hn)) | 17,970 | Weighted average of the three adjusted unit prices: 17,970 Calculation (RMB/sq.m.) | | |

**Property 2: Shop 8, Ground Floor, Nos. 3-6 Dehua Street, Xingang West Road (Meijing Store)**

| Item | | Subject property (0) | Comparable case (1) | Comparable case (2) | Comparable case (3) |
|---|---|---|---|---|---|
| M1 | Name | Meijing Store, Shop 8, Ground Floor, Nos. 3-6 Dehua Street, Xingang West Road | Yijing Cuiyuan Shop | Dongxiaonan Road Shop | Xiaogang Shop |
| M2 | Data source | – | Agency enquiry | Agency enquiry | Agency enquiry |
| M3 | Address | Meijing Store, Shop 8, Ground Floor, Nos. 3-6 Dehua Street, Xingang West Road | Near Sun Yat-sen University, Haizhu District | Near Sun Yat-sen University, Haizhu District | Near Sun Yat-sen University, Haizhu District |
| M4 | Property type | Real estate – street-facing shop | Real estate – street-facing shop | Real estate – street-facing shop | Real estate – street-facing shop |
| M6 | Total price (RMB) | – | 2,500,000 | 2,000,000 | 1,980,000 |
| | Unit of measurement | Gross floor area (sq.m.) | Gross floor area (sq.m.) | Gross floor area (sq.m.) | Gross floor area (sq.m.) |
| M7 | Area (sq.m.) | 63.88 | 88.00 | 68.00 | 75.00 |
| M8 | Unit price (RMB/sq.m., VAT-exclusive) | – | 28,409.00 | 29,412.00 | 26,400.00 |
| | Property scope | Real estate | Real estate | Real estate | Real estate |
| | Payment method | Lump-sum payment | Lump-sum payment | Lump-sum payment | Lump-sum payment |
| M9 | Price after scope standardisation | – | 28,409.00 | 29,412.00 | 26,400.00 |
| M10 | Price after payment-method standardisation | – | 28,409.00 | 29,412.00 | 26,400.00 |
| M | Price after unit standardisation | RMB/sq. ft. | 28,409.00 | 29,412.00 | 26,400.00 |
| A | Transaction circumstance | Assumed normal transaction | Quotation | Quotation | Quotation |
| AY | Transaction circumstance index | 100 | 105 | 105 | 105 |

| Item | | Subject property (0) | Comparable case (1) | Comparable case (2) | Comparable case (3) |
|---|---|---|---|---|---|
| AZ | Transaction circumstance adjustment factor (AY0/AYn) | | 0.95 | 0.95 | 0.95 |
| B | Transaction/ quotation date | 31 March 2026 | April 2026 | April 2026 | April 2026 |
| BY | Price index at transaction date | 100 | 100 | 100 | 100 |
| BZ | Market condition /date adjustment factor (BY0/BYn) | | 1 | 1 | 1 |
| FZ | Property condition adjustment factor | – | 0.85 | 0.93 | 0.93 |
| G | Adjusted unit price (Mn × AZn × BZn × FZn) | | 22,940 | 25,986 | 23,324 |
| H | Weight | – | 1/3 | 1/3 | 1/3 |
| K | Appraised unit price (Σ(Cn × Hn)) | 24,080 | Weighted average of the three adjusted unit prices: 24,083 Calculation (RMB/sq.m.) | | |

**Property 3: Shop 2, No. 30 Hehui Street, Nanzhou Road**

| Item | | Subject property (0) | Comparable case (1) | Comparable case (2) | Comparable case (3) |
|---|---|---|---|---|---|
| M1 | Name | Shop 2, No. 30 Hehui Street, Nanzhou Road (136.38 sq.m.) | Nanzhou Fruit Shop | Jiangxiao Road Shop | Hehui Garden Shop |
| M2 | Data source | – | Agency enquiry | Agency enquiry | Agency enquiry |
| M3 | Address | Shop 2, No. 30 Hehui Street, Nanzhou Road (136.38 sq.m.) | Nanzhou, Haizhu District | Nanzhou, Haizhu District | Nanzhou, Haizhu District |
| M4 | Property type | Real estate – street-facing shop | Real estate – street-facing shop | Real estate – street-facing shop | Real estate – street-facing shop |
| M6 | Total price (RMB) | – | 1,200,000 | 5,280,000 | 2,400,000 |
| | Unit of measurement | Gross floor area (sq.m.) | Gross floor area (sq.m.) | Gross floor area (sq.m.) | Gross floor area (sq.m.) |
| M7 | Area (sq.m.) | 136.38 | 40.00 | 155.48 | 64.69 |
| M8 | Unit price (RMB/sq.m., VAT-exclusive) | – | 30,000.00 | 33,959.00 | 37,100.00 |
| | Property scope | Real estate | Real estate | Real estate | Real estate |
| | Payment method | Lump-sum payment | Lump-sum payment | Lump-sum payment | Lump-sum payment |
| M9 | Price after scope standardisation | – | 30,000.00 | 33,959.00 | 37,100.00 |
| M10 | Price after payment-method standardisation | – | 30,000.00 | 33,959.00 | 37,100.00 |
| M | Price after unit standardisation | RMB/sq. ft. | 30,000.00 | 33,959.00 | 37,100.00 |
| A | Transaction circumstance | Assumed normal transaction | Quotation | Quotation | Quotation |
| AY | Transaction circumstance index | 100 | 105 | 105 | 105 |
| AZ | Transaction circumstance adjustment factor (AY0/AYn) | | 0.95 | 0.95 | 0.95 |
| B | Transaction/ quotation date | 31 March 2026 | April 2026 | April 2026 | April 2026 |

| Item | | Subject property (0) | Comparable case (1) | Comparable case (2) | Comparable case (3) |
|---|---|---|---|---|---|
| BY | Price index at transaction date | 100 | 100 | 100 | 100 |
| BZ | Market condition/date adjustment factor (BY0/BYn) | | 1 | 1 | 1 |
| FZ | Property condition adjustment factor | – | 1.05 | 0.83 | 0.90 |
| G | Adjusted unit price (Mn × AZn × BZn × FZn) | | 29,925 | 26,777 | 31,721 |
| H | Weight | – | 1/3 | 1/3 | 1/3 |
| K | Appraised unit price (Σ(Cn × Hn)) | 29,470 | Weighted average of the three adjusted unit prices: 29,474 Calculation (RMB/sq.m.) | | |

**Property 4: Shop 173, Ground Floor, No. 185 Hongde Road**

| Item | | Subject property (0) | Comparable case (1) | Comparable case (2) | Comparable case (3) |
|---|---|---|---|---|---|
| M1 | Name | Shop 173, Ground Floor, No. 185 Hongde Road (81.1341 sq.m.) | Nanhua Middle Road Shop | Fuxing Building Shop | Haiyue Garden Shop |
| M2 | Data source | – | Agency enquiry | Agency enquiry | Agency enquiry |
| M3 | Address | Shop 173, Ground Floor, No. 185 Hongde Road (81.1341 sq.m.) | North Gongye Avenue, Haizhu District | North Gongye Avenue, Haizhu District | North Gongye Avenue, Haizhu District |
| M4 | Property type | Real estate – street-facing shop | Real estate – street-facing shop | Real estate – street-facing shop | Real estate – street-facing shop |
| M6 | Total price (RMB) | – | 4,500,000 | 4,412,400 | 6,180,000 |
| | Unit of measurement | Gross floor area (sq.m.) | Gross floor area (sq.m.) | Gross floor area (sq.m.) | Gross floor area (sq.m.) |
| M7 | Area (sq.m.) | 81.13 | 121.00 | 126.07 | 186.00 |
| M8 | Unit price (RMB/sq.m., VAT-exclusive) | – | 37,190.00 | 35,000.00 | 33,226.00 |
| | Property scope | Real estate | Real estate | Real estate | Real estate |
| | Payment method | Lump-sum payment | Lump-sum payment | Lump-sum payment | Lump-sum payment |
| M9 | Price after scope standardisation | – | 37,190.00 | 35,000.00 | 33,226.00 |
| M10 | Price after payment-method standardisation | – | 37,190.00 | 35,000.00 | 33,226.00 |
| M | Price after unit standardisation | RMB/sq. ft. | 37,190.00 | 35,000.00 | 33,226.00 |
| A | Transaction circumstance | Assumed normal transaction | Quotation | Quotation | Quotation |
| AY | Transaction circumstance index | 100 | 105 | 105 | 105 |
| AZ | Transaction circumstance adjustment factor (AY0/AYn) | | 0.95 | 0.95 | 0.95 |

| Item | | Subject property (0) | Comparable case (1) | Comparable case (2) | Comparable case (3) |
|---|---|---|---|---|---|
| B | Transaction/ quotation date | 31 March 2026 | April 2026 | April 2026 | April 2026 |
| BY | Price index at transaction date | 100 | 100 | 100 | 100 |
| BZ | Market condition/date adjustment factor (BY0/BYn) | | 1 | 1 | 1 |
| FZ | Property condition adjustment factor | – | 0.83 | 0.80 | 0.87 |
| G | Adjusted unit price (Mn × AZn × BZn × FZn) | | 29,324 | 26,600 | 27,461 |
| H | Weight | – | 1/3 | 1/3 | 1/3 |
| K | Appraised unit price (Σ(Cn × Hn)) | 27,800 | Weighted average of the three adjusted unit prices: 27,795 Calculation (RMB/sq.m.) | | |

For deferred tax assets, save for deferred tax assets arising from lease liabilities which are excluded, the remaining deferred tax assets are valued at their recognised carrying amounts. The exclusion is because under the cash flow basis adopted in the income approach, right-of-use assets, lease liabilities and the related deferred tax assets are restated, and reflected as rental payments in the forecast cash flows.

Deferred income represents government grants. The full amount was included in taxable income and subject to corporate income tax in the year of receipt, and tax deductions may be claimed in subsequent periods when the deferred income is amortised to profit or loss. This valuation takes into account the tax impact of such deferred income, and the valuation amount is determined by multiplying the carrying balance of deferred income by the applicable corporate income tax rate.

The item excluded from other current liabilities is super short-term financing bills, which are considered under interest-bearing debts and therefore taken as zero herein.

*13. Value of non-controlling interests M*

According to the consolidated financial statements of the entity to be appraised as at the Appraisal Benchmark Date, the book balance of non-controlling interests within the consolidation scope of the entity to be appraised amounted to RMB133.8608 million in total, representing 1.64% of owners' equity. In this appraisal, the value of non-controlling interests was determined by multiplying the equity value assessed under the income approach by the proportion of the book balance of non-controlling interests to owners' equity as at the Appraisal Benchmark Date. The value of non-controlling interests of the entity to be appraised as at the Appraisal Benchmark Date was determined

as M = RMB141.1877 million. In determining the appraised value of non-controlling interests, the valuer did not take into account any discount arising from factors such as minority shareholding.

The detailed calculation process is set out below:

| Item | Apr-Dec 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 and thereafter |
|---|---|---|---|---|---|---|---|
| Discounted cash flow | 215,753.16 | -10,589.22 | 12,171.43 | 18,538.84 | 22,288.34 | 25,614.58 | 1,995,786.79 |
| Total discounted cash flow | | | | | | | 2,279,563.92 |
| Surplus assets | | | | | | | – |
| Add: Non-operating assets | | | | | | | 138,600.42 |
| Total enterprise value | | | | | | | 2,418,164.33 |
| Less: Interest-bearing debt | | | | | | | 1,558,153.21 |
| Valuation of total equity of the subject shareholders | | | | | | | 860,011.13 |
| Less: Non-controlling interests | | | | | | | 14,118.77 |
| Valuation of equity attributable to the parent company | | | | | | | 846,000.00 |

M (non-controlling interests) = RMB133.8608 million ÷ RMB8,153.8117 million × (RMB24,181.6433 million – RMB15,581.5321 million) = RMB141.1877 million.

*14. Appraisal results under the income approach*

(1) Total enterprise value B

Total enterprise value B = Value of operating assets P + Value of surplus and non-operating assets (liabilities) C
= 2,279,563.92 + 138,600.42
= RMB24,181.6433 million

(2) Value of interest-bearing debt D

As at the Appraisal Benchmark Date, the appraised value of interest-bearing debt of the entity to be appraised was RMB15,581.5321 million.

The valuation of interest-bearing debts of RMB15,581.5321 million is based on carrying amounts stated in audited consolidated financial statements as at the Appraisal Benchmark Date. The scope includes short-term borrowings, current-portion of long-term borrowings, long-term borrowings and ultra-short-term financing bonds. Interest-bearing debts are contractual repayment obligations whose principal amounts, tenors and interest rates are explicitly stipulated in loan agreements or bond terms. Carrying amounts as

at the Appraisal Benchmark Date are measured at amortised cost under the effective-interest-rate method and reflect present value of current repayment obligations; accordingly, carrying amounts are adopted as their valuation.

(3) Total equity value of shareholders E

Based on the above appraisal, substitute the parameters into formula (1), the total equity value of shareholders of the entity to be appraised will be:

Total equity value of shareholders = Total enterprise value B – Value of interest-bearing debt D – Value of non-controlling interests M
= 24,181.6433 – 15,581.5321 – 141.1877
= RMB8,458.9235 million (approximately RMB8,460.00 million after rounding)

The Appraisal Benchmark Date is 31 March 2026. Per the principles of the income approach, the valuation conclusion reflects value as at the Appraisal Benchmark Date, and future cash flows commence from the day following the Appraisal Benchmark Date (i.e. 1 April 2026). Operating results for January-March 2026 have already been realised and incorporated into net assets in the consolidated financial statements as at the benchmark date. Including the full 2026 fiscal year in the forecast period would result in double-counting against such net assets and overstate enterprise value. Therefore, the initial forecast period of income approach above-mentioned only covers the nine-month period from April to December 2026.

**(II) Market Approach**

***Definition and preconditions for the application of the market approach***

The market approach, also known as the comparison approach or market comparison approach, refers to the general term for appraisal approaches that determine the value of the appraisal object based on the market price of the comparable reference objects by comparing the appraisal object with comparable reference objects. The preconditions for the application of the market approach are: the comparable reference objects of the appraisal object have an open market and active transactions; the necessary information about the transaction is available.

There are many listed companies in the same industry or subject to the same economic factors as the entity to be appraised in the capital market, and comparable to the entity to be appraised in terms of factors including business structure, operating model, and enterprise size. The operational and financial data of the listed companies, including data audited by third party organizations, can be obtained through public sources, and appropriate value ratios thereof can be calculated to establish a comparable evaluation system or regression analyses, and to make comparative analyses with the entity to be appraised. Therefore, the appraisal object can be assessed using the listed company comparison approach.

***Introduction to the appraisal under the market approach***

The two commonly used specific methods of market approach are comparison method of listed companies and comparison method of transaction cases. The comparison method of listed companies refers to a specific method of obtaining and analyzing the operation and financial data of comparable listed companies, calculating an appropriate value ratio, and determining the value of the appraisal object on the basis of comparative analysis with the enterprise to be appraised. The comparison method of transaction cases refers to a specific method of obtaining and analyzing information on cases of sales and purchases and acquisitions and mergers of comparable companies, calculating an appropriate value ratio, and determining the value of the appraisal object based on comparative analyses with the enterprise to be appraised.

The entity to be appraised is principally engaged in the wholesale and retail business of a wide range of pharmaceutical products, and operates in the pharmaceutical distribution industry, in which there are many public companies listed on the Shanghai and Shenzhen stock exchanges as at the Appraisal Benchmark Date, among which 6 listed companies similar to the entity to be appraised in terms of factors including business structure, operating model, enterprise size, asset allocation and utilization, enterprise operational stage, growth, operational risks and financial risks can be selected as comparable companies. Therefore, the listed company comparison approach is selected as the appraisal approach for this appraisal.

The appraised entity operates in the pharmaceutical-distribution sector. We first screened the iFinD database for listed companies classified under the wholesale of pharmaceuticals and medical-equipment industry, yielding a pool of 28 companies. The following were then excluded: (a) Peer companies marked ST indicating operational abnormalities; (b)Peer companies with a listing history shorter than five years; and(c) Companies with core businesses materially different from GP Corp.'s. GP Corp.'s core business is pharmaceutical wholesale (accounting for over 90% of revenue). Some peers derive large-share revenue from IVD businesses, pharmaceutical manufacturing or pharmaceutical retail. Six listed companies with business structures, operating models and enterprise scales comparable to GP Corp. were finally selected as comparable companies: Inter Group Co., Ltd., Chongyao Holdings Co., Ltd., Sinopharm Co., Ltd., Nanjing Pharmaceutical Co., Ltd., Jiashitang Co., Ltd. and Liuyao Group Co., Ltd.

*1. Principles for selection of listed companies*

Market approach appraisal shall select transaction cases or listed companies that are comparable to the entity to be appraised. The principles for selection of listed companies are determined as follows:

(1) They are subject to the same or similar factors affecting their values. They are in the same industry or subject to the same economic factors.

(2) They have a certain period of normal trading history after listing.

After selecting the comparable listed companies, basic financial and operating data and statements which are suitable for the purpose of comparison are prepared through the use of publicly disclosed operating and financial data of the comparable enterprises and adjustment in respect of the differences and extraordinary items arising from the adoption of different accounting policies between the comparable enterprises and the entity to be appraised.

*2. Selection and calculation of the value ratio of comparable enterprises*

Appropriate value ratio is determined according to the actual situations of the entity to be appraised and comparable enterprises. Value ratios typically include profitability ratios, asset ratios, revenue ratios and other specific ratios. The value ratios of comparable enterprises are calculated based on the adjusted basic financial and operating data and statements which are suitable for the purpose of comparison.

The value ratios commonly adopted in the market approach include price/earning ratio (PE), price-to-book ratio (PB), price-to-sales ratio (PS) and enterprise multiplier (EV/EBITDA), etc.

The object of this appraisal is a pharmaceutical distribution company, which belongs to the light-asset category. This type of company has a relatively weak cyclicality, and the proportion of its non-cash costs such as

depreciation and amortization is small. Therefore, it is not suitable to use the price-to-book ratio (PB) and the enterprise multiplier (EV/EBITDA). At present, the entity to be appraised is operating stably, thus the price/earning ratio (PE) and price-to-sales ratio (PS) can be used for calculation. However, since the price-to-sales ratio (PS) is more difficult to reflect the differences in sales costs, it has certain limitations and is often more favored in industries with broad market space and in the development stage. Such industries are in a period of high R&D investment or high capital investment with high costs, where profit does not reflect the true operational level of an enterprise. However, the pharmaceutical distribution industry is a mature sector with relatively weak cyclicality, and the operation of enterprises is relatively stable, where investors often focus on the growth of profits and cash flow, and the price/earning ratio (PE) is more in line with the true value of enterprises. Therefore, the price/earning ratio (PE) is ultimately selected as the value ratio under the market approach for this appraisal.

3. *The value ratios of comparable enterprises will be compared, modified and adjusted by reference to that of the entity to be appraised in terms of the following factors*

   (1) Adjustments for financial indicators

   (2) Adjustments for other factors

4. *Calculation of the result of comparison*

Based on the adjusted value ratios of comparable enterprises, the average value ratio will be derived by averaging according to the average weight, on which the comparison result will be obtained based and in light of the calculation of the expected first year net profit of the entity to be appraised.

5. *Adjustments for surplus assets and non-operating assets*

The result of appraisal which takes the market approach will be achieved on the basis of the comparison results and the summarization of the result of appraisal of the surplus assets and non-operating assets of the entity to be appraised.

6. *Market approach model*

Following the market approach, and based on the characteristics of the industries in which the entity to be appraised is engaged, in this appraisal, the appraisal object is appraised by reference to the consolidated statement analysis of the entity to be appraised and using the price/earning ratio (PE) as value ratio.

$$P = \sum_{i=1}^{n} (PE_i \times A_i \times B_i \times Q_i) \times E + I + H$$

Where:

- $P$– Enterprise value of the entity to be appraised;
- $PE_i$– Value ratio of the i-th comparable enterprise;
- $A_i$– Adjustment coefficient for financial indicators of the i-th comparable enterprise;
- $B_i$– Adjustment coefficient for other factors of the i-th comparable enterprise;

$Q_i$– Weighted weights of the i-th comparable enterprise;

*n*– Number of comparable enterprises;

*E*– Expected first-year net profit of the entity to be appraised;

*I*– Surplus assets;

*H*– Non-operating assets and liabilities.

***Assessment and calculation process using the listed company comparison approach***

*1. Selection of comparable listed companies*

Market appraisal shall select listed companies that are comparable to the entity to be appraised. The principles for selection of listed companies are determined as follows:

(1) They are subject to the same or similar factors affecting their values. They are in the same industry or subject to the same economic factors.

(2) They have a certain period of normal trading history after listing.

The sample of comparable companies for this valuation is selected from the Tongshun Database. Among A-share listed companies classified under pharmaceutical distribution and pharmaceutical wholesale, we screen enterprises that satisfy the pre-set quantitative criteria and have principal business structures and operating models similar to those of the assessed entity. Priority is given to entities whose core business is pharmaceutical distribution and with a low proportion of manufacturing-related businesses. Upon review, the following six listed companies are comparable to the subject company of this valuation:

| **Stock code** | **Stock short name** | **Listing date** | **Type of main business reporting period 2026 first quarterly report classification standard by product** |
|---|---|---|---|
| 000411.SZ | Int'l Group | 1996-07-16 | Pharmaceutical sales, sales of medical equipment and consumables, others |
| 000950.SZ | CQ Pharma | 1999-09-16 | Pharmaceuticals, medical devices |
| 600511.SH | SINOPHARM (CNCM LTD) | 2002-11-27 | Commodity sales, product sales, warehousing and logistics |
| 600713.SH | Nanjing Pharmaceutical | 1996-07-01 | Pharmaceutical wholesale, pharmaceutical retail, "Internet +" initiative in pharmaceuticals, and third party logistics services for pharmaceuticals |
| 002462.SZ | Cachet | 2010-08-18 | Pharmaceutical wholesale, pharmaceutical logistics, pharmaceutical chain |
| 603368.SH | Liuyao Group | 2014-12-04 | Pharmaceuticals, medical devices |

*2. Determination of value ratios*

This appraisal is based on the availability and comparability of data. After adjusting the price/earning ratios (PE) of comparable listed companies for factors such as operating conditions, trading time, liquidity discount, controlling interest, and scale, by comparing and analyzing the matching degree of the data, and as calculated using the selection principle of arithmetic mean, the price/earning ratio (PE) of the entity to be appraised is set at 9.61 times of the price/earning ratio (PE). The details are as follows:

| Stock short name | Adjustment Schedule | | | | | | |
|---|---|---|---|---|---|---|---|
| | PE ratio of comparable listed company | Operation adjustment coefficient | Adjustment coefficient for trading time | Adjustment coefficient for liquidity discount | Adjustment coefficient for controlling interest | Scale adjustment coefficient | Benchmark PE |
| Int'l Group | 19.81 | 0.79 | 1.00 | 0.29 | 1.00 | 1.04 | 11.66 |
| CQ Pharma | 10.41 | 1.24 | 1.00 | 0.29 | 1.00 | 0.98 | 9.04 |
| SINOPHARM (CNCM LTD) | 12.23 | 0.81 | 1.00 | 0.29 | 1.00 | 0.99 | 6.98 |
| Nanjing Pharmaceutical | 16.87 | 0.87 | 1.00 | 0.29 | 1.00 | 1.01 | 10.56 |
| Cachet | 16.49 | 1.01 | 1.00 | 0.29 | 1.00 | 1.06 | 12.64 |
| Liuyao Group | 10.67 | 0.86 | 1.00 | 0.29 | 1.00 | 1.03 | 6.77 |
| Target company | | | | | | | 9.61 |

The price-earnings multiple of 9.61x is derived under the listed-company comparative-approach. Secondary-market price-earnings ratios for the six selected pharmaceutical-distribution comparable companies are adjusted sequentially for five factors: operating conditions, transaction timing, liquidity, control-premium attributes and enterprise scale, then arithmetically averaged.

(a) The operating-condition adjustment factor is derived from the ratio of aggregate scored-indicators covering eight metrics across four dimensions: profitability, operating-capacity, solvency and growth potential for the target versus each comparable company.

(b) No adjustment is made for transaction-timing, given that the financial data adopted is Q1-2026 figures close to the valuation benchmark date.

(c) For liquidity adjustment, a non-marketability discount of 28.50% for the pharmaceutical-distribution sector (derived by comparing M&A price-earnings ratios for unlisted firms against listed-company multiples in 2026) is applied via an adjustment coefficient of (1 − 28.50%) = 0.715.

(d) No control-premium adjustment is made given that the equity subject to this capital-increase-and-share-expansion represents non-controlling equity interests.

(e) The enterprise-scale adjustment factor is calculated as the ratio of aggregate scores for three scale indicators: total assets, operating revenue and equity attributable to owners of the parent.

Following the above adjustments, benchmark price-earnings multiples for the six comparable companies are 11.66x, 9.04x, 6.98x, 10.56x, 12.64x and 6.77x respectively, with an arithmetic average of 9.61x. This multiple is adopted as the appraised entity's price-earnings ratio. It is multiplied by forecast net profit attributable to owners of the parent for 2026, with further addition of surplus and non-operating assets attributable to owners of the parent, to arrive at the valuation conclusion under the market approach.

*3. Determination of appraisal conclusion of the market approach*

The entire shareholders' equity of the entity to be appraised = the forecasted net profit attributable to the parent company's owners of the entity to be appraised for 2026 × Benchmark PE + the surplus and non-operating assets (attributable to the parent company)

= 72,924.00×9.61+139,327.38= RMB8,380,000,000 (rounded to thousands)

Among which, the detailed recognition process of the surplus and non-operating asset data is set out in the relevant explanations of the income approach; profit or assets attributable to the owners' equity of the parent company are calculated based on the proportion of 98.36% of the shareholders' equity attributable to the parent company's owners to owner's equity in the financial report data.

## VI. APPRAISAL CONCLUSIONS

### (I) Appraisal Results under Different Appraisal Approaches

***1. Appraisal results adopting the income approach***

Based on the judgment of the management of the entity to be appraised on the future development trend and business planning, the appraisal conclusions of market value for the entire shareholders' equity of the Guangzhou Pharmaceuticals Company Limited as at the Appraisal Benchmark Date are: the appraisal value was RMB8,460,000,000 (SAY RMB EIGHT BILLION FOUR HUNDRED SIXTY MILLION YUAN ONLY), representing an appraisal appreciation of RMB440,049,100 with an appreciation rate of 5.49%, compared with the book value of shareholders' equity attributable to the parent company in the consolidated statements of RMB8,019,950,900.

***2. Appraisal results adopting the market approach***

The appraisal conclusions of market value for the entire shareholders' equity of the Guangzhou Pharmaceuticals Company Limited as at the Appraisal Benchmark Date are: the appraisal value was RMB8,380,000,000 (SAY RMB EIGHT BILLION THREE HUNDRED EIGHTY MILLION YUAN ONLY), representing an appraisal appreciation of RMB360,049,100 with an appreciation rate of 4.49%, compared with the book value of shareholders' equity attributable to the parent company in the consolidated statements of RMB8,019,950,900.

### (II) Analysis of Results under Different Appraisal Approaches

The difference between the results from the appraisal adopting the income approach and the market approach was RMB80,000,000, representing a discrepancy rate of 0.95%. The appraisal results derived from the different appraisal approaches are relatively close and can serve to cross-verify each other.

**(III) Determination of Appraisal Conclusion**

The market approach is to appraise the value of an enterprise based on its operating conditions and overall market performance, whereas the income approach is to predict the value of an enterprise based on its profitability. The two approaches are complementary. The result under the market approach represents the market manifestation of the result under the income approach, while the result under the income approach serves as a solid foundation for the result under the market approach and is a reasonable reflection of the enterprise's intrinsic value. Considering the operating conditions of principal business of the entity to be appraised, the appraisal using income approach considers the impact of changes in factors such as business development of the entity to be appraised on its future profitability, and excludes the effects of market profit-seeking factors and short-term fluctuations on the appraisal object. It reflects the true intrinsic value of the entity to be appraised more reasonably. Consequently, the appraisal result under the income approach is selected as the appraisal conclusion for this appraisal.

The appraisal conclusion is based on the above appraisal work, and for the purpose of this appraisal, the appraisal conclusion of market value for the entire shareholders' equity of the Guangzhou Pharmaceuticals Company Limited as at the Appraisal Benchmark Date, i.e. 31 March 2026, are: the appraisal value was RMB8,460,000,000 (SAY RMB EIGHT BILLION FOUR HUNDRED SIXTY MILLION YUAN ONLY), representing an appraisal appreciation of RMB440,049,100 with an appreciation rate of 5.49%, compared with the book value of shareholders' equity attributable to the parent company in the consolidated statements of RMB8,019,950,900.

**(IV) Validity Period of Appraisal Conclusion**

According to the asset appraisal standards and relevant regulatory provisions, on the basis that there is no significant change in the appraisal assumptions and restrictions set out in this report, generally, this appraisal report can be used when the difference between the Appraisal Benchmark Date and the date of realization of economic activities is not more than one year, that is, from 31 March 2026 to 30 March 2027.

The full text of the report issued by WUYIGE Certified Public Accountants LLP, the Company's auditor, is set out below for incorporation into this circular.

WUYIGE [2026] No. 22-00071

**To the Board of Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd.,**

We have been engaged to issue a report on the discounted future cash flow calculation used for the equity valuation of Guangzhou Pharmaceuticals Company Limited as at 31 March 2026, as set out in the appraisal report dated 10 July 2026 prepared by Zhonglian International Real Estate Land Asset Appraisal Consulting (Guangdong) Co., Ltd. (中聯國際房地產土地資產評估諮詢(廣東)有限公司). According to Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), an appraisal based on forecasts constitutes a profit forecast and has been included in the circular of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the "**Company**") in relation to the capital increase and share expansion of Guangzhou Phramaceuticals Company Limited (the "**Announcement and Circular**").

**Directors' Responsibilities**

The Directors of the Company (the "**Directors**") accept full responsibility for the forecast, including certain bases and assumptions (the "**Assumptions**") upon which the forecast is based. The Directors accept full responsibility for their completeness, reasonableness and validity. The Assumptions are set out in the Announcement and Circular.

**Our Independence and Quality Management**

We comply with the requirements regarding independence and other ethical principles set out in the *Code of Ethics for Chinese Certified Public Accountants* issued by the Chinese Institute of Certified Public Accountants (CICPA). These requirements are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. Our firm applies the *Quality Control Standard No. 5101 – Quality Control for Firms that Perform Audits or Reviews of Financial Statements, and Other Assurance and Related Services Engagements* issued by the CICPA. Accordingly, we maintain a comprehensive system of quality control, which includes documented policies and procedures designed to ensure compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Auditor's Responsibilities**

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the forecast as required under Rule 14.60A(2) of the Listing Rules, and to report solely to you. The forecast does not involve the adoption of accounting policies. Our report is not to be used for any other purpose. We accept no responsibility or liability to any other party in respect of the contents of this report.

We conducted our engagement in accordance with *China Standard on Assurance Engagements 3101 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (the "**Standard**"). The Standard requires that we comply with ethical requirements and plan and perform the engagement to obtain reasonable assurance as to whether the arithmetical calculations of the forecast have been properly compiled based on the assumptions adopted by the Directors.

Our work does not constitute any appraisal of the entire equity interest of Guangzhou Pharmaceuticals Company Limited. The assumptions include assumptions relating to future events and management actions that cannot be confirmed or verified in the same way as past results. These events and actions may or may not occur. Even if the anticipated events and actions do occur, actual results may differ from the forecast and such differences may be material. Accordingly, we have not reviewed, considered, or performed any procedures with respect to the reasonableness or validity of the assumptions and express no opinion thereon.

**Opinion**

Based on the above, we are of the opinion that, for calculation purposes, discounted future cash flow calculation has been properly compiled in all material respects in accordance with the assumptions adopted by the Directors as disclosed in the appraisal report.

WUYIGE Certified Public Accountants LLP
China·Beijing

9 November 2026

Set out below is the full text of the Board's letter dated 9 November 2026, for inclusion in this Circular.

Dear Sir/Madam,

Reference is made to the announcement and subsequent circular of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the "**Company**") in relation to the potential major transaction and deemed disposal involving the capital increase in Guangzhou Pharmaceuticals Company Limited ("**GP Corp.**"), the minimum listing price of which was primarily based on an independent appraisal of the entire shareholders' equity of GP Corp. using the income approach, with the discounted cash flow method adopted as the specific valuation technique, which constitutes a profit forecast (the "**Profit Forecast**") under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules of HKEX**").

The Company's auditor, WUYIGE Certified Public Accountants LLP (the "WUYIGE"), has been engaged to issue a letter in relation to the Profit Forecast and confirms that: (i) the discounted future cash flow calculation has been properly compiled in all material respects in accordance with the assumptions adopted by the Directors as disclosed in the appraisal report; and(ii) the calculation does not involve the adoption of accounting policies. The Board of the Company has reviewed both WUYIGE's letter and the underlying basis and assumptions of the Profit Forecast as contained in the appraisal report.

Based on the foregoing and pursuant to Rule 14.60A(3) of the Hong Kong Listing Rules, the Board confirms that the Profit Forecast has been made after due and careful enquiry.

The Board of
Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited

Guangzhou, the PRC, 9 November 2026

## 1. Financial information of the Group

The audited consolidated financial statements of the Company for the financial years ended 31 December 2023, 2024 and 2025, and the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2026, together with the relevant notes thereof are disclosed in the following documents:

(i) the annual report of the Company for the year ended 31 December 2023 (pages 247 to 516) (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041900897.pdf);

(ii) the annual report of the Company for the year ended 31 December 2024 (pages 200 to 434) (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0411/2025041100523.pdf);

(iii) the annual report of the Company for the year ended 31 December 2025 (pages 184 to 404) (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0422/2026042200698.pdf); and

(iv) the interim report of the Company for the six months ended 30 June 2026(pages 98 to 370) (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0908/2026090800318.pdf).

## 2. Statement of indebtedness

As at the close of business on 30 September 2026, being the latest practicable date for the purpose of determining the indebtedness of the Group, the Group had outstanding borrowings and lease liabilities in the aggregate amount of RMB19,590,434,689.73, comprising:

(1) Bank loans of RMB17,241,704,745.54, of which RMB3,583,829,071.23 represented secured and unguaranteed bank loans and RMB13,657,875,674.31 represented unsecured and unguaranteed bank loans;

(2) Other borrowings of RMB1,800,000,000.00, being unsecured and unguaranteed borrowings;

(3) Lease liabilities of RMB548,729,944.19, being unsecured and unguaranteed lease liabilities.

Save as disclosed above or elsewhere in this circular, and excluding intra-group liabilities, as at 30 September 2026, the Group had no issued and outstanding or agreed-to-be-issued loan capital, bank overdrafts, loans or other similar indebtedness, acceptance liabilities or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

## 3. WORKING CAPITAL

Having made due and careful enquiry, and taking into account the impact of the Proposed Capital Increase, the Directors are of the opinion that, having regard to the financial resources available to the Group (including internally generated funds as at 30 September 2026 together with available banking facilities granted by financial institutions), the Group has sufficient working capital to satisfy its present requirements and its funding requirements for at least 12 months from the date of this circular.

## 4. Financial and trading prospects of the Group

Since its establishment, the Group has been focusing on the pharmaceutical and health industry. After years of development, its scale and benefits have continued to expand. At present, centering on its core responsibilities and main businesses, the Group has deeply cultivated the entire industrial chain of pharmaceutical and health, built a diversified business structure with upstream and downstream coordination, covering modernized traditional Chinese medicine, chemical pharmaceutical technology, natural beverages, pharmaceutical commerce, biotech innovation, consumer health, medical services, and other fields.

As the core operating entity of the Group's pharmaceutical commercial segment, GP Corp. undertakes the key strategic functions of the Group in the pharmaceutical distribution sector. It is principally engaged in the wholesale and retail of pharmaceutical products, with business covering pharmaceutical wholesale, retail, warehousing and logistics. In recent years, its business scale has expanded, while its profitability has continued to be affected by factors such as the market environment.

To implement the Group's strategic layout for its pharmaceutical distribution business of "Based in South China, establishing presence in East China, expanding nationwide and pursuing overseas development", the Proposed Capital Increase aims to optimise the GP Corp.'s equity structure and consolidate its capital base. Upon completion of the capital increase, the GP Corp.'s capital strength will be significantly enhanced, facilitating its further expansion of the core pharmaceutical distribution business, deepening regional deployment, advancing digital and intelligent transformation and building supply chain service capabilities, so as to provide strong support for the sustained high-quality development of the Group's pharmaceutical commercial segment. Meanwhile, the introduction of strategic investors will help optimise the GP Corp.'s currently relatively concentrated equity structure, fully leverage the resource advantages of all shareholders, generate combined strength in channel expansion, business synergy, management improvement and other respects, assist the GP Corp. in achieving its strategic objectives, and exert a positive impact on the Group's overall operating results and Shareholder returns.

Against the backdrop of successive introduction of policies, in-depth industrial restructuring and sustained release of innovation momentum, China's pharmaceutical industry generally achieves stable revenue growth and improved profit quality. Nevertheless, in the short run, the industry is subject to slower growth in pharmaceutical manufacturing, normalisation of volume-based procurement and intensifying competition in the beverage consumption market, rendering the operating environment of the Group challenging. For the

first nine months of 2026, the Group recorded revenue of RMB62,076 million, representing an increase of 0.76% year-on-year. Net profit attributable to shareholders of the Company was approximately RMB2,492 million, a year-on-year decrease, mainly due to intensified market competition and changes in industry policies which led to a drop in sales revenue of the Group's key products.

For the remainder of the current financial year, the Group will implement various operational initiatives centred on its core industrial chain:

The Group will further develop its principal businesses, nurture flagship and high-potential products, optimise its marketing system, promote natural beverages and launch new products as scheduled. It will consolidate its pharmaceutical wholesale business, expand retail business scale and continuously optimise product portfolio and channel layout.

The Group will also press ahead with technological innovation and commercialisation of research outcomes, recruit senior research talent, upgrade innovation platforms, increase R&D investment and enrich its pipeline via research business development. It will refine R&D incentive and project decision-making mechanisms and deepen industry-university-research collaboration with universities.

In terms of overseas expansion, the Group will strengthen cooperation with major pharmaceutical distributors and leading food and beverage enterprises in Vietnam, Malaysia, Uzbekistan and other regions to enhance brand penetration, set up dedicated overseas teams and roll out localised operations.

For capital operations, the Group will carry out investment and M&A projects in an orderly manner and adopt full-cycle pre-investment, in-investment and post-investment management to support the sound development of target companies. Meanwhile, the Group will continue to advance digital transformation by developing an AI pharmaceutical research platform and a group-wide integrated digital platform.

In addition, the Group will keep integrating industrial resources and pushing forward industrial restructuring, improve talent mobility and career development frameworks, and build an integrated system covering policies, compliance, internal control and risk management, so as to fully capture the cost-saving and efficiency-enhancing benefits brought by volume-based procurement.

In the absence of material adverse changes in industry policies and market conditions, the Group's financial and trading prospects for the current financial year are generally cautiously optimistic. However, factors including price reductions arising from volume-based procurement, fluctuations in raw material prices, weak end-consumer demand and market competition may still adversely affect the Group's operating results. This section is a discussion of prospects only and does not constitute a profit forecast.

## 1. DISCLOSURE OF INTERESTS

### Interests of substantial Shareholders

As at the LPD, to the knowledge of the Directors, the interests or short positions of the Shareholders who are entitled to exercise or control 5% or more of the voting power at any general meeting or other persons (other than a Director or chief executive(s) of the Company) in the Shares or underlying shares of the Company which were required to be notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register kept by the Company pursuant to Section 336 of the SFO or which have been notified to the Company and the HKEX were as follows:

| Name of Shareholder | Class of shares | Capacity | Number of Shares interested (share) | Approximate percentage of the total number of the relevant class of Shares of the Company (%) | Approximate percentage of the issued share capital of the Company (%) |
|---|---|---|---|---|---|
| Guangzhou Pharmaceutical Holdings Limited | A shares | Beneficial owner | 732,305,103(L) | 52.09 | 45.04 |
| LSV Asset Management | H shares | Investment manager | 10,171,200(L) | 4.63 | 0.63 |
| | | Other *(Note(2))* | 3,098,000(L) | 1.64 | 0.19 |

*Notes:*

(1) "L" means long position in the shares.

(2) LSV ASSET MANAGEMENT is deemed to hold 3,098,000 H-shares of the Company. Specifically, a long position in 1,682,000 H-shares of the Company is held by LSV Emerging Markets Equity Fund, LP ("**LSV Markets Equity Fund**"); a long position in 242,000 H-shares of the Company is held by LSV Emerging Markets Small Cap Equity Fund, LP ("**LSV Small Cap Equity Fund**"); and a long position in 1,174,000 H-shares of the Company is held by LSV International (AC) Value Equity Fund, LP ("**LSV Value Equity Fund**"). LSV ASSET MANAGEMENT controls 100% of the general partnership interests in LSV Markets Equity Fund, LSV Small Cap Equity Fund and LSV Value Equity Fund, respectively. Therefore, pursuant to the SFO, LSV ASSET MANAGEMENT is deemed to have an interest in the shares held by LSV Markets Equity Fund, LSV Small Cap Equity Fund and LSV Value Equity Fund.

Save as disclosed above, as at the LPD, no other person (other than Directors or chief executive(s) of the Company) had any interests or short positions in any Shares or underlying shares of the Company which would fall to be disclosed to the Company and the HKEX under the provisions of Divisions 2 and 3 of Part XV of the SFO, or

any interests or short positions recorded in the register kept by the Company pursuant to Section 336 of the SFO or any interests or short positions which have been notified to the Company and the HKEX.

**Positions held by Directors in substantial Shareholder**

As at the LPD:

(1) Mr. Chen Jiehui, the deputy secretary of the Communist Party of China ("**CPC**") Party Committee of GPHL, was also the deputy chairman and a general manager of GPHL;

(2) Mr. Cheng Hongjin, the member of the CPC Party Committee and deputy general manager of GPHL;

(3) Mr. Tang Heping, the member of the CPC Party Committee and chief accountant of GPHL;

(4) Ms. Liu Lan, the general counsel, was also the head of the legal, compliance and risk control department of GPHL; and

(5) Mr. Liu Hong, head of the scientific research project management department (postdoctoral workstation) of GPHL.

Save as disclosed above, none of the Directors was, as at the LPD, a director or employee of a company which had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**Interests of Directors**

(1) Shareholdings of Directors and senior management

| Name | Designation | Number of Shares interested(share) | Approximate percentage of the issued share capital of the Company (%) |
|---|---|---|---|
| Mr. Zheng Jianxiong | deputy general manager | 2,300 | 0.00014 |

*Note:* The shares held by Mr. Zheng Jianxiong were purchased by him from the secondary market prior to his appointment as deputy general manager of the Company.

Save as disclosed above, as at the LPD, no Director or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the

Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests or short positions in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules of HKEX, to be notified to the Company and the HKEX.

(2) As at the LPD, none of the Directors had a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation(other than statutory compensation).

(3) As at the LPD, none of the Directors had any direct or indirect material interest in any asset which have been, since December 31, 2025 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

(4) There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

**Director's interests in competing business**

As at the LPD, none of the Directors or their respective close associates (as defined under the Listing Rules of HKEX) had interests in a business, apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

## 2. LITIGATION

Neither the Company nor its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Company or its subsidiaries.

## 3. MATERIAL CONTRACTS

The Group has entered into the following material contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the date of this circular which are or may be material:

(1) On 28 August 2026, GP Corp., a subsidiary of the Company, entered into the Completion Confirmation Letter of the new Underlying Assets with Industrial Securities Asset Management pursuant to the Agreement on Sale and Purchase of Underlying Assets of the Industry Yuanrong – Accounts Receivable Phase V of GP Corp. Asset-backed Special Scheme ("**Underlying Assets Sale and Purchase Agreement (Phase V)**") to confirm the disposal of the first new Underlying

Assets of GP Corp. to Industrial Securities Asset Management and the receipt of the consideration of RMB146,322,872.24 (please refer to the Company's announcement dated 28 August 2026 for further details).

(2) On 22 May 2026, GP Corp., a subsidiary of the Company, entered into the Completion Confirmation Letter with Industrial Securities Asset Management pursuant to Underlying Assets Sale and Purchase Agreement (Phase V) to confirm the disposal of the initial Underlying Assets of GP Corp. to Industrial Securities Asset Management and the receipt of the consideration of RMB1,000,000,000.00 (please refer to the Company's announcement dated 22 May 2026 for further details).

(3) On 27 April 2026, GP Corp., a subsidiary of the Company, and Industrial Securities Asset Management entered into Underlying Assets Sale and Purchase Agreement (Phase V), the issue size under which was RMB1 billion (please refer to the Company's announcement dated 22 May 2026 for further details).

(4) On 31 December 2025, GP Fund II, a subsidiary of the Company, entered into a partnership agreement with GPHL PE, Angel Master Fund and Liwan Industrial Investment Fund in respect of the establishment of GP Liwan Fund. Pursuant to the agreement, GP Fund II, GPHL PE, 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 (please refer to the Company's announcements dated 31 December 2025 and 22 December 2025 respectively for further details).

(5) On 29 December 2025, GP Fund II, a subsidiary of the Company, entered into a partnership agreement with GPHL PE and Guangkai Fund in respect of the establishment of GP Guangkai Fund. Pursuant to the agreement, GP Fund II, GPHL PE 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 (please refer to the Company's announcements dated 29 December 2025 and 22 December 2025 respectively for further details).

(6) On 17 December 2025, GP Corp., a subsidiary of the Company, entered into the equity transfer agreement and the supplementary agreement with Zhejiang Hai Zheng Pharmaceutical Holdings Company Limited ("**Hai Zheng**"). Pursuant to the equity transfer agreement and the supplementary agreement, GP Corp. has agreed to acquire, and Hai Zheng has agreed to sell, 100% of the equity interest in the Zhejiang Yigong for a consideration of RMB500.50million(please refer to the Company's announcement dated 17 December 2025 for further details).

(7) On 28 November 2025, GP Corp., a subsidiary of the Company, entered into the Completion Confirmation Letter of the new Underlying Assets with Industrial Securities Asset Management pursuant to the Agreement on Sale and Purchase of Underlying Assets of the Industry Yuanrong – Accounts Receivable Phase IV of GP Corp. Asset-backed Special Scheme ("**Underlying Assets Sale and Purchase Agreement (Phase IV)**") to confirm the disposal of the fifth new Underlying

Assets of GP Corp. to Industrial Securities Asset Management and the receipt of the consideration of RMB440,280,622.20 (please refer to the Company's announcement dated 28 November 2025 for further details).

(8) On 26 September 2025, GP Fund II, a partnership enterprise controlled by the Company, entered into a share transfer agreement with Alliance Healthcare Asia Pacific Limited ("**AHAPL**"). Pursuant to the share transfer agreement, GP Fund II has agreed to acquire, and AHAPL has agreed to sell, an 11.04% equity interest in Nanjing Pharmaceutical Group Company Limited for a consideration of RMB748,807,492.58 (please refer to the Company's announcements dated 23 October 2025 and 28 September 2025 for further details).

(9) On 28 August 2025, GP Corp., a subsidiary of the Company, entered into the Completion Confirmation Letter of the new Underlying Assets with Industrial Securities Asset Management pursuant to Underlying Assets Sale and Purchase Agreement (Phase IV) to confirm the disposal of the fourth new Underlying Assets of GP Corp. to Industrial Securities Asset Management and the receipt of the consideration of RMB501,956,830.93 (please refer to the Company's announcement dated 28 August 2025 for further details).

(10) On 25 July 2025, the Company entered into a partnership agreement with GPHL PE, pursuant to which, the Company and GPHL PE agreed to contribute RMB1,498.50 million and RMB1.50million, respectively, to establish the GP Fund II (please refer to the Company's announcement dated 25 July 2025 for further details).

(11) On 30 June 2025, the Company entered into the capital increase agreement with the Guangzhou GP Industrial Investment Venture Capital Fund Partnership (Limited Partnership) ("**GP Venture Capital Fund**"), Guangzhou Time Honored Brand Revitalization Fund Partnership Enterprise (Limited Partnership) ("**Guangzhou Time Honored Brand Fund**"), Guangzhou GP Industrial Investment and Equity Investment Partnership (Limited Partnership) ("**GP Industrial Investment Fund**"), Guangzhou State Owned Assets Industry Development M&A Fund Partnership Enterprise (Limited Partnership), Guangzhou Baiyunshan Bai Di Biological Co., Ltd. and Guangzhou Baiyunshan Biological Products Co., Ltd ("**Baiyunshan Biological**"). Pursuant to the agreement, the Company, GP Venture Capital Fund, Guangzhou Time Honored Brand Fund shall contribute RMB150.00 million, RMB130.00 million, and RMB20.00 million to Baiyunshan Biological, respectively, while other shareholders of Baiyunshan Biological will waive their pre-emptive rights in respect of this capital increase (please refer to the Company's announcements dated 30 June 2025, 16 June 2025 and 28 May 2025 respectively for further details).

(12) On 28 May 2025, GP Corp., a subsidiary of the Company, entered into the Completion Confirmation Letter of the new Underlying Assets with Industrial Securities Asset Management pursuant to Underlying Assets Sale and Purchase Agreement (Phase IV) to confirm the disposal of the third new Underlying Assets

of GP Corp. to Industrial Securities Asset Management and the receipt of the consideration of RMB401,493,434.77 (please refer to the Company's announcement dated 28 May 2025 for further details).

(13) On 28 February 2025, GP Corp., a subsidiary of the Company, entered into the Completion Confirmation Letter of the new Underlying Assets with Industrial Securities Asset Management pursuant to Underlying Assets Sale and Purchase Agreement (Phase IV) to confirm the disposal of the second new Underlying Assets of GP Corp. to Industrial Securities Asset Management and the receipt of the consideration of RMB583,087,010.44 (please refer to the Company's announcement dated 28 February 2025 for further details).

(14) On 28 November 2024, GP Corp., a subsidiary of the Company, entered into the Completion Confirmation Letter of the new Underlying Assets with Industrial Securities Asset Management pursuant to Underlying Assets Sale and Purchase Agreement (Phase IV) to confirm the disposal of the first new Underlying Assets of GP Corp. to Industrial Securities Asset Management and the receipt of the consideration of RMB524,000,713.50 (please refer to the Company's announcement dated 28 November 2024 for further details).

(15) On 23 October 2024, GP Corp., a subsidiary of the Company, entered into the Completion Confirmation Letter of the new Underlying Assets with Industrial Securities Asset Management pursuant to Underlying Assets Sale and Purchase Agreement (Phase IV) to confirm the disposal of initial Underlying Assets of GP Corp. to Industrial Securities Asset Management and the receipt of the consideration of RMB1,000,000,000.00 (please refer to the Company's announcement dated 23 October 2024 for further details).

## 4. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the HKEX (www.hkexnews.hk) and the Company's website (https://www.gybys.com.cn/) for a period of 15 days from the date of this circular:

(1) the complete Asset Appraisal Report referred to in this circular, an extract of which is set out in Appendix I to this circular;

(2) the Auditor's Letter is set out in full in Appendix II to this circular;

(3) the Letter from the Board of Directors on the Valuation is set out in full in Appendix III to this circular; and

(4) the consent referred to in the paragraph headed "2.(6).F. Qualifications of Experts and Consent Letters" of this circular; and

(5) the template Share Subscription Agreement referred to in this circular.

## 5. MISCELLANEOUS

(a) The company secretary of the Company is Ms. Huang Xuezhen ("**Ms. Huang**"). Ms. Huang holds the title of intermediate economist, and is an associate member of The Hong Kong Chartered Governance Institute.

(b) The legal address of the Company in the PRC is No. 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.

(c) The principal place of business of the Company in the PRC is No. 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.

(d) The principal place of business of the Company in Hong Kong is Room 2005, 20th floor, Tower Two Lippo Centre, 89 Queensway, Hong Kong.

(e) The Hong Kong H Share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

廣州白雲山醫藥集團股份有限公司

**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)**

# NOTICE OF THE SECOND EXTRAORDINARY GENERAL MEETING IN 2026

## IMPORTANT NOTICE

- Date and time of the second extraordinary general meeting in 2026 (the "**EGM**"): 1 December 2026 (Tuesday) at 10:00 a.m.

- Venue of the EGM: Conference Room of Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (the "**Company**"), No. 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the People's Republic of China (the "**PRC**")

## I. INFORMATION REGARDING THE CONVENING OF THE EGM

### 1. Resolution to Convene the EGM

The resolution to convene the EGM was considered and approved at the sixth meeting of the tenth session of the board of directors (the "**Board**") of the Company.

### 2. Date and Time of the EGM

The EGM will be held on 1 December 2026 (Tuesday) at 10:00 a.m.

### 3. Venue of the EGM

The EGM will be held at the Conference Room of the Company, located at No. 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC.

### 4. Convener of the Meeting

The convener of the EGM is the Board.

## II. MATTERS TO BE CONSIDERED AT THE EGM

To consider and, if thought fit, to pass the following as an ordinary resolution by poll (non-cumulative voting):

Resolution on Guangzhou Pharmaceuticals Company Limited's Introduction of Strategic Investors through Public Listing and Private Placement of Shares

Specifically, it is proposed that:

(a) the proposal for Guangzhou Pharmaceuticals Company Limited ("**GP Corp.**") to introduce strategic investors through public listing and implement a private placement of shares (the "**Proposed Capital Increase**") and the proposed mandate as set out in the Company's circular dated 15 November 2026 (the "**Circular**") be approved, including the upper limits on the number of shares to be issued and the amount to be raised, the minimum issue price and pricing mechanism, the eligibility criteria and selection arrangements for investors, the number of investors and the maximum aggregate shareholding percentage for a single investor, investors under common control and persons acting in concert with it, the Company's minimum shareholding percentage upon completion of the Proposed Capital Increase, the cash subscription method, the use of proceeds and the principal terms of the template share subscription agreement, in each case as set out in the Circular, provided that GP Corp. shall remain a subsidiary of the Company upon completion of the Proposed Capital Increase;

(b) the management of the Company be authorised, within the scope of the proposal and mandate approved above and based on the results of the public listing and selection process, to determine the final investors, issue price, number of shares to be issued and subscription amounts, and to handle matters necessary to implement the Proposed Capital Increase. The mandate shall be valid for twelve months from the date on which this resolution is approved by the shareholders;

(c) within the scope and validity period of the mandate above, the management of the Company be authorised to negotiate and finalise the implementation arrangements, execute and submit documents required of the Company, complete filing and registration procedures, respond to comments from the relevant regulatory authorities and property rights exchange, lawfully complete the procedures required of the Company as a shareholder of GP Corp., and take such other actions as are necessary or appropriate to implement the approved proposal. The management of the Company may also make non-material amendments, supplements or adjustments to the relevant documents and implementation arrangements in light of applicable laws and regulations, regulatory requirements, the results of the public listing and the circumstances of implementation, provided that these do not exceed the scope of the mandate approved by the shareholders or constitute a material variation of the approved transaction proposal or its principal terms;

(d) the mandate above shall not extend to increasing the approved upper limits on the number of shares to be issued or the amount to be raised, lowering the minimum issue price or the Company's minimum shareholding percentage upon completion of the Proposed Capital Increase, changing the requirement that GP Corp. shall remain a subsidiary of the Company upon completion of the Proposed Capital Increase, extending the validity period of the mandate, or waiving any approval required by law or under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"). Any matter falling outside the scope of the mandate, any material variation of the approved transaction proposal or its principal terms, or any arrangement triggering additional requirements under Chapter 14 or Chapter 14A of the Hong Kong Listing Rules shall be subject to separate compliance with the applicable disclosure and approval procedures, including obtaining approval from the Company's shareholders or independent shareholders where applicable, and the requirement set out in the Circular to complete the relevant procedures before GP Corp. approves or enters into the relevant arrangements shall be observed; and

(e) the mandate above shall not replace any board, shareholders' meeting or other approval procedures that the Company or GP Corp. is separately required to complete under applicable laws and regulations, their respective articles of association and relevant regulatory requirements.

## III. ATTENDEES TO THE EGM, BOOK CLOSURE PERIOD FOR HOLDERS OF H SHARES AND DELIVERY OF THE PROXY FORM

For the purpose of determining the identity of the shareholders of H shares of the Company who will be entitled to attend and vote at the EGM, the H Share register of members of the Company will be closed from Thursday, 26 November 2026 to Tuesday, 1 December 2026 (both days inclusive), during which period no transfer of H shares will be effected. In order to qualify to attend and vote at the EGM, all share transfer documents of H shares together with the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, namely Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for share transfer registration no later than 4:30 p.m. on Wednesday, 25 November 2026. Shareholders of H shares whose names are recorded in the register of members of the Company on Tuesday, 1 December 2026 will be entitled to attend and vote at the EGM.

Any shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (whether or not they are shareholders) as his/her proxy to attend, speak and vote at the EGM on his/her behalf. To be valid, the proxy form, along with any notarially certified power of attorney and/or other documents of authorization (if any), must be delivered to the office of the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 10:00 a.m. on Monday, 30 November 2026 (or at least 24 hours before the time appointed for any adjournment thereof). Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM.

The directors and senior management of the Company, as well as the lawyers of the Company, will be in attendance.

## IV. OTHERS

| | | |
|---|---|---|
| 1. | Address: | Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, 2nd Floor, No. 45 Sha Mian North Street, Liwan District, Guangzhou City, Guangdong Province, the PRC |
| | Postal code: | 510130 |
| | Contact: | Board Secretary Office |
| | Tel: | (8620) 6628 1216 |
| | Email: | sec@gybys.com.cn |
| 2. | Address of Computershare Hong Kong Investor Services Limited: | 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for submitting proxy forms)<br><br>Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for submitting share transfer documents) |

3. The EGM is expected to last for half a day. Shareholders attending the EGM shall be responsible for their own travelling and accommodation expenses.

4. Reporters attending the EGM should register in advance during the registration time for shareholders.

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

Guangzhou, the PRC, 15 November 2026

*As at the date of this notice, the Board comprises: (i) Mr. Chen Jiehui, Mr. Yuan Cheng, Mr. Cheng Hongjin, Mr. Tang Heping, Ms. Liu Lan and Mr. Liu Hong as executive Directors; (ii)Mr. Huang Jiyuan as non-executive Director; and (iii) Mr. Wong Lung Tak Patrick, Ms. Sun Baoqing, Mr. Wu Xiangneng and Mr. Yang Yinbao as independent non-executive Directors.*