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YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

宜昌東陽光長江藥業股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01558)

INSIDE INFORMATION PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

This announcement is made by YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 31 August 2021, 11 November 2021, 10 December 2021, 20 December 2021, 30 December 2021 and 22 April 2022 (collectively, the “**Announcements**”) in relation to (i) the transfer of shares of the Company from Guangdong HEC Technology to Sunshine Lake Pharma and HEC (Hong Kong); and (ii) the security of the Pledged Shares by Sunshine Lake Pharma in favour of an independent third-party lender as the collateral for a loan provided by the independent third-party lender to Sunshine Lake Pharma. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As at 14 October 2022, as informed by HEC (Hong Kong) that it has pledged the 226,200,000 H shares in the issued share capital of the Company held by it, representing approximately 25.71% of the issued share capital of the Company as of the date of this announcement (the “**Pledged H Shares**”), in favour of an independent third-party lender for a loan provided by the independent third-party lender to Sunshine Lake Pharma (the “**Loan**”). The Loan is used for the acquisition of H shares of the Company by HEC (Hong Kong), which has been completed on 29 December 2021. Meanwhile, an independent third-party custodian was appointed by HEC (Hong Kong) to hold the Pledged H Shares on trust.

HEC (Hong Kong) is wholly-owned by Sunshine Lake Pharma. As at the date of this announcement, HEC (Hong Kong) held 226,200,000 H shares of the Company, representing approximately 25.71% of the issued share capital of the Company.

The Pledged H Shares do not fall within the scope under Rule 13.17 of the Listing Rules.

Shareholders and investors of the Company should be aware of the investment risks and exercise caution when trading in the securities of the Company.

On behalf of the Board
YiChang HEC ChangJiang Pharmaceutical Co., Ltd.
TANG Xinfa
Chairman

Hubei, the PRC
14 October 2022

As at the date of this announcement, the Board consists of Mr. JIANG Juncai, Mr. WANG Danjin, Mr. CHEN Yangui and Mr. LI Shuang as executive directors; Mr. TANG Xinfa as a non-executive director; and Mr. TANG Jianxin, Ms. XIANG Ling and Mr. LI Xuechen as independent non-executive directors.