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廣東東陽光藥業股份有限公司
SUNSHINE LAKE PHARMA CO., LTD.*

*(a company incorporated in the People's Republic of
China with limited liability)*

YiChang HEC ChangJiang
Pharmaceutical Co., Ltd.
宜昌東陽光長江藥業股份有限公司
*(a joint stock limited company incorporated in the
People's Republic of China with limited liability)*
(Stock Code: 1558)

**JOINT ANNOUNCEMENT
MONTHLY UPDATE
PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE
IN RELATION TO THE POSSIBLE MERGER OF
THE COMPANY**

This announcement is jointly made by Sunshine Lake Pharma Co., Ltd.* (the “**Potential Offeror**”) and YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the “**Company**”) pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the “**Takeovers Code**”) issued by the Securities and Futures Commission of Hong Kong (the “**SFC**”).

Reference is made to the announcement of the Company dated 8 March 2024 pursuant to Rule 3.7 of the Takeovers Code (the “**Rule 3.7 Announcement**”) in relation to, among others, the possible merger by absorption of the Company by the Potential Offeror by way of share exchange (the “**Possible Merger**”). Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Rule 3.7 Announcement.

UPDATE ON THE POSSIBLE MERGER

The Potential Offeror is pleased to announce that (i) the Executive has granted a waiver of the Potential Offeror's obligation to make a mandatory general offer for the shares of the Company pursuant to Note 6(a)(i) to Rule 26.1 of the Takeovers Code in relation to the Share Transfer and (ii) the Executive has granted a waiver from the requirements under Rule 23.1 for the Potential Offeror to pay cash or offer a cash alternative for the Possible Merger at not less than the Transfer Consideration.

The Potential Offeror is still exploring the proposal on the Possible Merger. As at the date of this joint announcement, the Potential Offeror has not furnished a definitive Possible Merger proposal to the Company. No agreement or other commitment has been made by the Potential Offeror as to whether to proceed with the Possible Merger. The structure, terms and other details of the Possible Merger (including the consideration proposed and the timetable) are yet to be finalised, and there is no certainty that the Possible Merger will proceed.

MONTHLY ANNOUNCEMENTS

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Merger will be made until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the Possible Merger.

Further announcement(s) will be made by the Potential Offeror and/or the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

WARNING: There is no assurance that the Possible Merger or the Possible Listing will materialise or eventually be consummated, and any future discussion between the Potential Offeror and the Company in relation to the Possible Merger or the Possible Listing may or may not result in the privatisation and delisting of the Company from the Stock Exchange or the listing of the New H Shares on the Main Board of the Stock Exchange. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisors.

By order of the board of
Sunshine Lake Pharma Co., Ltd.*

ZHANG Yingjun
Chairman

By order of the board of
**YiChang HEC ChangJiang
Pharmaceutical Co., Ltd.**

TANG Xinfa
Chairman

Hubei, the PRC
8 April 2024

As at the date of this joint announcement, the Potential Offeror's directors are Dr. ZHANG Yingjun, Ms. LI Wenjia, Mr. Zhang Yushuai, Mr. TANG Xinfu, Mr. ZHU Yingwei, Mr. ZHANG Jianbin, Ms. DONG Xiaowei, Ms. WANG Lei, Dr. LI Xintian, Dr. MA Dawei, Dr. YIN Hang Hubert and Dr. LIN Aimei.

The directors of the Potential Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Company or the Directors in their capacity as such) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Company or the Directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

As at the date of this joint announcement, the Board consists of Mr. JIANG Juncai, Mr. WANG Danjin, Mr. LI Shuang and Mr. CHEN Hao as executive Directors; Mr. TANG Xinfu as non-executive Director; and Mr. TANG Jianxin, Ms. XIANG Ling and Mr. LI Xuechen as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than in relation to the Potential Offeror or its directors in their capacity as such) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Potential Offeror or its directors in their capacity as such) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any of the statements in this joint announcement misleading.

** For identification purposes only*