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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  
SUPPLEMENTAL AGREEMENT TO  
THE STRATEGIC COOPERATION AGREEMENT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 6 December 2015, the Company and Shenzhen HEC Industrial Development Co., Ltd.\* (深圳市東陽光實業發展有限公司) (“**Shenzhen HEC Industrial**”) entered into a strategic cooperation agreement (《宜昌東陽光長江藥業股份有限公司與深圳市東陽光實業發展有限公司戰略合作協議》) (“**2015 Strategic Cooperation Agreement**”) in relation to technical cooperation, transfer, entrusted research and development and sales of the project. The Company has the acquisition right and pre-emptive right over the research and development results of the pharmaceutical research and development segment of Shenzhen HEC Industrial.

Pursuant to the 2015 Strategic Cooperation Agreement, the term of it is for an initial period of five years from the date of listing of the Company on the Stock Exchange (i.e. 29 December 2015) to 28 December 2020. The Company has an option to extend the 2015 Strategic Cooperation Agreement unilaterally prior to its expiration. In case if the Company exercises the option of renewal, both parties shall enter into a written agreement to extend the term of the 2015 Strategic Cooperation Agreement for a further five years.

The Board of Directors is pleased to announce that on 24 December 2020, the Company decided to renew the 2015 Strategic Cooperation Agreement and entered into a supplemental agreement to the 2015 Strategic Cooperation Agreement (the “**Supplemental Agreement**”) with Shenzhen HEC Industrial. According to the Supplemental Agreement, the term of the 2015 Strategic Cooperation Agreement shall extend five years (i.e. from 29 December 2020 to 28 December 2025). Except for the extension of the cooperation period, the terms and conditions remain the same as the 2015 Strategic Cooperation Agreement. For details of the 2015 Strategic Cooperation Agreement, please refer to the section “Business — Research and

Development — Strategic Cooperation Agreement with Shenzhen HEC Industrial” in the Company’s prospectus dated 15 December 2015.

## **UNDERTAKINGS**

- (1) Shenzhen HEC Industrial undertakes that under equal conditions, Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates will give priority to the Company for the transfer of clinical trial approvals, drug approval numbers or research and development technology. Shenzhen HEC Industrial has priority to accept the Company’s entrustment for the research and development of drug projects, and Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates grant the Company the national agency rights and sales rights for drug products in priority and exclusively, which means the Company has the pre-emptive right to purchase all technologies or projects of Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates.
- (2) The Company undertakes that under equal conditions, the Company will give priority to Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates in the purchase of clinical trial approvals, drug approval numbers, or research and development technology. The Company will give priority to entrust the research and development of drug projects to Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates. The Company will give priority to Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates in seeking national agency rights and sales rights for drug products.
- (3) Both parties undertake that the Company shall have the right to relinquish the approval, technology, services or any other rights that Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates may have to transfer to the Company under their agreement in the event of any factors affecting the operation, market or technology.
- (4) Both parties undertake that upon sufficient negotiations between them, Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates may assign to any third party the approvals, technology, services or rights which Shenzhen HEC Industrial and/or Shenzhen HEC Industrial’s associates may transfer to the Company and relinquished by the Company under the Supplemental Agreement.

## **INFORMATION OF THE PARTIES**

### **The Company**

The Company is a pharmaceutical manufacturing company focusing on the development, manufacturing and sale of pharmaceutical products in the therapeutic areas of anti-virus, endocrine and metabolic diseases as well as cardiovascular diseases. The ultimate beneficial owners of the Company are Mr. Zhang Yushuai and Ms. Guo Meilan.

## **Shenzhen HEC Industrial**

Shenzhen HEC Industrial is a company incorporated in the PRC in 1997. As at the date of this announcement, the Parent Company directly holds approximately 52.79% of the company's equity interest and is therefore a controlling shareholder of the Company. Shenzhen HEC Industrial is the holding company of the Parent Company. Shenzhen HEC Industrial, through the companies controlled by it, engages in various businesses, including manufacturing and supplying of pharmaceuticals and aluminum products, new energy and electric materials.

## **REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

By entering into the Supplemental Agreement, the Company will be continued guaranteeing the acquisition right and pre-emptive right over the research and development results of the pharmaceutical research and development segment of Shenzhen HEC Industrial.

**Shareholders and potential investors of the Company should note that the Supplemental Agreement only sets out the intention of the Company in relation to the future cooperation between Shenzhen HEC Industrial, and is subject to, amongst others, the signing of formal agreement(s) in which the terms and conditions of which are yet to be confirmed and agreed. As at the date of this announcement, no legally binding agreement in relation to any transaction(s) contemplated under the Supplemental Agreement has been entered into. Any transaction contemplated under the Supplemental Agreement, if materialize, may constitute a connected transaction and/or notifiable transaction of the Company and may require independent shareholder's approval under the Listing Rules. The Company will make further announcement(s) as and when necessary. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms and expression have the meanings set forth below:

“Board” or “Board of Director”	the board of directors of the Company
“Company”	YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (宜昌東陽光長江藥業股份有限公司), a stock company with limited liability established in the PRC on 11 May 2015
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange

“Parent Company”	Guangdong HEC Technology Holding Co., Ltd.* (廣東東陽光科技控股股份有限公司), a company incorporated in the PRC and the immediate controlling shareholder of the Company, holding approximately 52.79% of the equity interests in the Company as at the date of this announcement
“PRC” or “China”	the People’s Republic of China and for the purpose of this announcement, excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“Shareholder(s)”	the holder(s) of the ordinary share(s) of the Company
“Shenzhen HEC Industrial”	Shenzhen HEC Industrial Development Co., Ltd.* (深圳市東陽光實業發展有限公司), a company incorporated in the PRC and the holding company of the Parent Company as of the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HEC Research Group”	comprised of Sunshine Lake Pharma and subsidiaries and controlled by Shenzhen HEC Industrial
“2015 Strategic Cooperation Agreement”	the strategic cooperation agreement dated 6 December 2015 between the Company and Shenzhen HEC Industrial in relation to the provision of pre-emptive rights to the Group by Shenzhen HEC Industrial for certain products being or to be developed by HEC Research Group
“Sunshine Lake Pharma”	Sunshine Lake Pharma Co., Ltd.* (廣東東陽光藥業有限公司), a company incorporated in the PRC on 29 December 2003 and a subsidiary of Shenzhen HEC Industrial

*In this announcement, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “connected transaction(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.*

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

Hubei, the PRC  
24 December 2020

*As of 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 and Mr. Eddy HUANG as non-executive Directors; and Mr. TANG Jianxin, Mr. ZHAO Dayao, Ms. XIANG Ling and Mr. LI Xuechen as independent non-executive Directors.*

\* for identification purpose only