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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)

THIRD AGREEMENT IN RELATION TO THE PARTIAL REPURCHASE OF THE H SHARE CONVERTIBLE BONDS

Reference is made to the announcements of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the “**Company**”) dated 14 August 2018, 20 February 2019, 16 June 2020, 8 September 2022, 13 January 2023 and 27 February 2023 (the “**Announcements**”) and the circular of the Company dated 11 September 2018 (the “**Circular**”), in relation to, among others, the US\$400,000,000 3.0% H Share convertible bonds issued by the Company (the “**Bonds**”) and the partial repurchases of the Bonds. Terms defined in the Announcements and the Circular have the same meaning when used in this announcement unless the context otherwise requires.

Pursuant to the Conditions of the Bond Instrument, the Company may at any time and from time to time purchase the Bonds at any price in the open market or otherwise. In accordance with the Conditions, the Company entered into a third bond purchase agreement with holders of the Bonds (the “**Sellers**”) on 9 March 2023, pursuant to which the Company agreed to purchase certain Bonds (the “**Partial Repurchase of Bonds**”) (i) in the aggregate principal amount of US\$38,547,623 from the Sellers at the total purchase price of US\$54,075,477 on or before 3 April 2023; and (ii) in the aggregate principal amount of US\$194,161,057 from the Sellers at the total purchase price of US\$278,191,332 on or before 30 June 2023. The total purchase price for the Partial Repurchase of Bonds was determined after arm’s length negotiation between the Company and the Sellers.

As of the date of this announcement, the Partial Repurchase of Bonds has not yet been completed. Upon completion of the Partial Repurchase of Bonds, the principal amount of the Bonds will be repurchased in full and the Seller will no longer have any interest in the Bonds and/or any rights arising thereof. Accordingly, no further Shares will be issuable by the Company pursuant to the terms of the Bonds after the completion of the Partial Repurchase of Bonds.

The Board considers that Partial Repurchase of the Bonds provides a good opportunity for the Group to manage its capital structure. As such, the Board is of the view that the Partial Repurchase of Bonds is in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hubei, the PRC
9 March 2023

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 Xinfu as a non-executive Director; and Mr. TANG Jianxin, Ms. XIANG Ling and Mr. LI Xuechen as independent non-executive Directors.