
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSED APPOINTMENT OF AN EXECUTIVE DIRECTOR, PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION AND NOTICE OF EGM

A letter from the Board is set out on pages 3 to 6 of this circular.

A notice convening the EGM to be held at Conference Room, 4/F, Administration Building, Dongyangguang Scientific Park, No. 368 Zhen An Zhong Road, Chang'an County, Dongguan, Guangdong Province, the PRC on Friday, 8 September 2023 at 10:00 a.m., together with the form of proxy for use at the EGM were despatched to the Shareholders on Monday, 21 August 2023. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hec-changjiang.com).

Whether or not you would attend the EGM, please fill in the form of proxy according to relevant instructions and return it as soon as possible, and not less than 24 hours before the fixed time of holding such meeting (i.e. before 10:00 a.m. on Thursday, 7 September 2023) or any adjournment thereof. The completion and return of the form of proxy will not preclude you from attending and voting in person at the aforementioned meeting or any adjournment thereof if you so desire.

21 August 2023

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 14 August 2023 in relation to, among others, the Proposed Appointment of an executive Director and the Proposed Amendments to the Articles of Association
“Board”	the board of Directors
“Company”	YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (宜昌東陽光長江藥業股份有限公司), a company established in the PRC on 11 May 2015 as a joint stock company with limited liability
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	issued ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) subscribed for or credited as fully paid in RMB
“EGM”	the second extraordinary general meeting of the Company to be held at Conference Room, 4/F, Administration Building, Dongyangguang Scientific Park, No. 368 Zhen An Zhong Road, Chang’an County, Dongguan, Guangdong Province, the PRC at 10:00 a.m. on Friday, 8 September 2023
“EGM Notice”	the notice of the EGM dated 21 August 2023 convening the EGM
“Existing Articles of Association”	the existing articles of association of the Company in full force and effect as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which is (are) listed on the Stock Exchange and is (are) subscribed for and traded in Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	15 August 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Mr. Chen Hao”	Mr. CHEN Hao (陳浩), the candidate nominated by the Board and proposed to be appointed as an executive Director at the EGM
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan Region
“Proposed Appointment of an executive Director”	the proposed appointment of Mr. Chen Hao as an executive Director
“Proposed Amendment to the Existing Articles of Association”	the proposed amendment to the Existing Articles of Association as set out in Appendix I of this circular
“Share(s)”	issued share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. JIANG Juncai
Mr. WANG Danjin
Mr. CHEN Yangui
Mr. LI Shuang

*Registered Office and Principal Place
of Business in the PRC:*

No. 38 Binjiang Road
Yidu, Yichang
Hubei Province
the PRC

Non-Executive Directors:

Mr. TANG Xinfa

*Principal Place of Business
in Hong Kong:*

40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Independent Non-Executive Directors:

Mr. TANG Jianxin
Ms. XIANG Ling
Mr. LI Xuechen

21 August 2023

To the Shareholders

**PROPOSED APPOINTMENT OF AN EXECUTIVE DIRECTOR,
PROPOSED AMENDMENT TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF EGM**

I. INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is (i) to provide further information on the Proposed Appointment of an executive Director; and (ii) to provide further information on the Proposed Amendment to the Existing Articles of Association as set out in Appendix I to this circular.

II. PROPOSED APPOINTMENT OF AN EXECUTIVE DIRECTOR

As disclosed in the Announcement, on 14 August 2023, the Board has resolved to nominate Mr. Chen Hao as an executive Director, subject to the approval by the Shareholders at the EGM. The Board also resolved to seek authorisation at the EGM to authorize it to determine the commencement date of the Proposed Appointment of an executive Director.

LETTER FROM THE BOARD

The brief biography of Mr. Chen Hao is set out below:

Mr. Chen Hao (陳浩), aged 48, is currently the general manager of the sales platform of the Company. Since joining the Company in November 2009, he has served as the regional manager and the sales general manager of the Company. Prior to joining the Company, Mr. Chen Hao joined Shenzhen HEC Industrial Development Co., Ltd. in July 1994, and served as the vice president of HEC Research Institute from January 2007 to October 2009.

Mr. Chen Hao graduated from Hangzhou University in July 1994.

Upon the appointment of Mr. Chen Hao as an executive Director becoming effective, the Company will enter into a service contract with Mr. Chen Hao for a term commencing on the effective date of the appointment of Mr. Chen Hao and ending at the expiry of the term of the third session of the Board. The proposed annual remuneration of Mr. Chen Hao will be determined with reference to the results of the Group and the performance of his duties. The Company will disclose the details of his remuneration in its annual report.

As at the Latest Practicable Date, Mr. Chen Hao does not have any interest or short position in shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong).

As at the Latest Practicable Date, save as disclosed above, Mr. Chen Hao confirmed that (i) he did not hold any directorship in any public companies, the securities of which are listed in Hong Kong or overseas, in the last three years preceding the Latest Practicable Date; (ii) he does not hold any position in the Company or other members of the Company; and (iii) he has no relationship with any Director, supervisor, senior management member, substantial Shareholder or controlling Shareholder (having the meaning ascribed to it in the Listing Rules).

Save as disclosed above, Mr. Chen Hao has no involvement in any matter which is required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter in relation to the proposed appointment of Mr. Chen Hao as an executive Director which is required to be brought to the attention of the Shareholders or the Stock Exchange

III. PROPOSED AMENDMENT TO THE EXISTING ARTICLES OF ASSOCIATION

As disclosed in the Announcement, the Board proposed to make amendment to certain article in the Existing Articles of Association in light of the business development needs of the Company. Details of the Proposed Amendment to the Existing Articles of Association are set out in Appendix I to this circular and the Proposed Amendments to the Existing Articles of Association are subject to the approval of the Shareholders by way of a special resolution at the EGM.

LETTER FROM THE BOARD

The Proposed Amendment to the Existing Articles of Association was prepared in the Chinese language; the English translation is for reference only. In the event of any discrepancy between the Chinese and the English version of the Proposed Amendment to the Existing Articles of Association, the Chinese version shall prevail.

The Company has been advised by its legal advisers that the Proposed Amendment to the Existing Articles of Association are not inconsistent with the requirements of the Listing Rules and do not violate the applicable laws and/or regulations of the PRC respectively. The Company also confirms that there is nothing unusual about the Proposed Amendment to the Existing Articles of Association for a company listed on the Stock Exchange.

IV. EGM

A notice convening the EGM, together with the form of proxy for use at the EGM, has been despatched to the Shareholders on Monday, 21 August 2023 and uploaded on the websites of the Stock Exchange and the Company. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Board office at Securities Department, Dongyangguang Scientific Park, No. 368 Zhen An Zhong Road, Chang'an County, Dongguan, Guangdong Province, the PRC (for holders of Domestic Shares) or to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares). In any event, such form of proxy must be returned no later than 24 hours before the time appointed for the EGM (i.e. before 10:00 a.m. on Thursday, 7 September 2023) or any adjournment thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending, and voting in person at the EGM or any adjournment thereof if they so desire.

In order to determine the list of Shareholders who will be entitled to attend and vote at the EGM, the register of members of the Company will be closed for registration of transfer of Shares from Tuesday, 5 September 2023 to Friday, 8 September 2023 (both days inclusive) and during which period no transfer of Shares will be effected. Shareholders whose names appear on the register of members of the Company on Tuesday, 5 September 2023 shall be entitled to attend and vote at the EGM. In order for the Shareholders to be qualified for attending and voting at the EGM, all transfer documents, accompanied by the relevant Share certificates, must be lodged with the Company's Board office at Securities Department, Dongyangguang Scientific Park, No. 368 Zhen An Zhong Road, Chang'an County, Dongguan, Guangdong Province, the PRC (for holders of Domestic Shares), or 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, Wanchai, Hong Kong (for holders of H Shares) no later than 4:30 p.m. on Monday, 4 September 2023 for registration.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, the resolutions set out in the notice of the EGM shall be voted by poll. Shareholders may vote either in person or by proxy.

To the best of the knowledge, information and believes of the Directors having made all reasonable enquiries, none of the Shareholders is required to abstain from voting at the EGM under the Existing Articles of Association and/or the Listing Rules.

LETTER FROM THE BOARD

V. RECOMMENDATION

The Directors believe that all resolutions as set out in the notice of the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions.

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

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

The followings are the Proposed Amendments to the Existing Articles of Association:

Original Article	Revised Article
<p>Article 12</p> <p>The Company’s business scope is as follows:</p> <p>The research, development, production and sales of bulk pharmaceutical chemicals, generic drugs, biological medicine, first generic drugs, and new drugs from the PRC and abroad, sales of insulin medical devices; external investment. (No business activities of these items subject to the approval of relevant authorities can be performed until obtaining such approvals from relevant departments)</p> <p>...</p>	<p>Article 12</p> <p>The Company’s business scope is as follows:</p> <p>The research, development, production and sales of bulk pharmaceutical chemicals, generic drugs, biological medicine, first generic drugs, and new drugs from the PRC and abroad, sales of insulin medical devices; external investment; <u>import and export of pharmaceuticals; import and export of technologies</u>. (No business activities of these items subject to the approval of relevant authorities can be performed until obtaining such approvals from relevant departments)</p> <p>...</p>

Save for the Proposed Amendment to the Existing Articles of Association set out above, other provisions in the Existing Articles of Association remain unchanged.

NOTICE OF EGM



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)

NOTICE OF 2023 SECOND EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2023 second extraordinary general meeting (the “**EGM**”) of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. (the “**Company**”) will be held at Conference Room, 4/F, Administration Building, Dongyangguang Scientific Park, No. 368 Zhen An Zhong Road, Chang’an County, Dongguan, Guangdong Province, the PRC at 10:00 a.m. on Friday, 8 September 2023 to consider and, if thought fit, approve the following resolutions. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 21 August 2023 (the “**Circular**”).

ORDINARY RESOLUTION

1. To consider and approve the appointment of Mr. CHEN Hao as an executive Director and to authorised the Board to determine the commencement date of such appointment.

SPECIAL RESOLUTION

2. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“THAT:

- (a) the existing articles of association of the Company be and are hereby amended in the manner as set out in Appendix I to the circular of the Company dated 21 August 2023 (the “**Circular**”);
- (b) the new articles of association in the form produced to the meeting and marked “A” and initialed by the chairman of this meeting for the purpose of identification, which consolidates all the proposed amendments mentioned in the Circular, be and are hereby approved and adopted as the new set of articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company in its entirety, with immediate effect after the close of this meeting; and

NOTICE OF EGM

- (c) any one director or the company secretary of the Company be and are hereby authorised to sign, execute, perfect, deliver all such document and to do all such things that he/she considers necessary to implement the adoption of the new articles of association of the Company.”

Yours faithfully

On behalf of the Board

YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

TANG Xinfa

Chairman

Hubei, the People's Republic of China

21 August 2023

Notes:

1. In order to determine the list of Shareholders entitled to attend and vote at the EGM, the registers of members of the Company will be closed from Tuesday, 5 September 2023 to Friday, 8 September 2023, both days inclusive, during which period no transfer of shares of the Company will be effected. Shareholders whose names appear on the registers of members of the Company on Tuesday, 5 September 2023 shall be entitled to attend and vote at the EGM. In order for the Shareholders to qualify to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's Board office at Securities Department, Dongyangguang Scientific Park, No. 368 Zhen An Zhong Road, Chang'an County, Dongguan, Guangdong Province, the PRC for holders of domestic shares of the Company, or the Company's H share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for holders of H shares of the Company by 4:30 p.m. on Monday, 4 September 2023 for registration.
2. Shareholders may, by completing the form of proxy of the Company, appoint one or more proxies to attend and vote at the EGM (or any adjournment thereof) on their behalf. A proxy needs not be a Shareholder.
3. Shareholders must use the form of proxy of the Company for appointing a proxy and the appointment must be in writing. The form of proxy must be signed by the relevant Shareholder or by a person duly authorized by the relevant Shareholder in writing (“**power of attorney**”). If the form of proxy is signed by the person authorized by the relevant Shareholder as aforesaid, the relevant power of attorney and other relevant documents of authorization (if any) must be notarized. If a corporate Shareholder appoints a person other than its legal representative to attend the EGM (or any adjournment thereof) on its behalf, the relevant form of proxy must be affixed with the company seal of the corporate Shareholder or duly signed by its director or any other person duly authorized by that corporate Shareholder of the Company as required by the articles of association of such company.
4. To be valid, the form of proxy and the relevant notarized power of attorney (if any) and other relevant documents of authorization (if any) as mentioned in note 3 above must be delivered to the Company's Board office at Securities Department, Dongyangguang Scientific Park, No. 368 Zhen An Zhong Road, Chang'an County, Dongguan, Guangdong Province, the PRC for holders of domestic shares of the Company, or 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 for holders of H shares of the Company not less than 24 hours before the time appointed for the EGM (or any adjournment thereof) (i.e. before 10:00 a.m. on Thursday, 7 September 2023).
5. A Shareholder or his proxy should produce proof of identity when attending the EGM (or any adjournment thereof). If a corporate Shareholder's legal representative or any other person duly authorized by such corporate Shareholder attends the EGM (or any adjournment thereof), such legal representative or other person shall produce his proof of identity, and proof of designation as a legal representative or the valid authorization document (as the case may be).

NOTICE OF EGM

6. The EGM (or any adjournment thereof) is expected to last less than one day. Shareholders or their proxies who attend the EGM (or any adjournment thereof) shall bear their own travelling, meal and accommodation expenses.

7. The Company's principal place of business in the PRC is situated at:

No. 38 Binjiang Road, Yidu, Yichang, Hubei Province, the PRC

Tel No.: 86-769-8176 8886

Fax No.: 86-769-8176 8866

The address of the Company's H share registrar, Computershare Hong Kong Investor Services Limited is:

Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (For lodging share transfer documents)

17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (For deposit of proxy form)

Tel No.: 852-2862-8555

Fax No.: 852-2865-0990

8. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

As at the date of this notice, 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.