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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)**

**ANNOUNCEMENT  
POSITIVE PROFIT ALERT**

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

The board of directors (the “**Board**”) of the Company hereby informs the shareholders and potential investors of the Company of the following major financial figures based on the currently available unaudited management accounts of the Group and the preliminary assessment by the Company’s management:

1. For the year ended 31 December 2023, the Group is expected to record a revenue of approximately RMB6,295 million, representing an increase of approximately 68.09% as compared to the revenue of approximately RMB3,745 million in the corresponding period of last year;
2. For the year ended 31 December 2023, the Group is expected to record a profit before tax between approximately RMB2,027 million and RMB2,227 million, representing an increase of approximately 5,097.44% to 5,610.26% as compared to the profit before tax of approximately RMB39 million in the corresponding period of last year; and
3. For the year ended 31 December 2023, the Group is expected to record a net profit attributable to the parent company between approximately RMB1,900 million and RMB2,100 million, representing an increase of approximately 2,367.53% to 2,627.27% as compared to the net profit attributable to the parent company of approximately RMB77 million in the corresponding period of last year;

Such expected increase is mainly attributable to the gradual improvement in socio-economic performance, the normalization of flow of people and daily social activities. It is further attributable to the fact that the Group had stepped up its effort in promoting academic research and brand building during the year, increasing the brand awareness of Kewei, one of the Group’s core products, and satisfactory performance of its other business pipelines and that the overall business has reflected trend of common development of multiple product lines.

**(1) ANTI-VIRAL PAEDIATRICS BUSINESS PIPELINE REPRESENTED BY KEWEI (OSELTAMIVIR PHOSPHATE)**

In 2023, the Group was firmly committed to academic promotion and brand building. In the in-hospital market, the Group has been increasing activities in academic promotion to constantly strengthening the influence of Kewei among doctors and patients, especially paediatricians and parents. In the out-of-hospital market, the Group has been implementing the concept of brand building, dedicated to establish Kewei as the No.1 brand of anti-influenza drugs through vigorous brand building and doctor-patient education over the years and to continuously enhance the brand awareness of Kewei among patients. Riding on the huge potential of the primary care market, secured by solid supply chain and brand influence, Kewei is set to embrace further market growth.

**(2) CHRONIC DISEASE BUSINESS PIPELINE REPRESENTED BY INSULIN**

The Group experienced robust growth in chronic disease business represented by insulin. The Group's chronic disease pipeline business entered into a period of rapid growth fueled by the Group's continuous effort in strengthening its professional promotion team, introduction of elite reputable institutions, cultivating the primary care market and exploring new patients markets as one of its priorities. Currently, the Group has developed a customer base comprising approximately 9,000 institutions, laying a solid foundation for faster growth in the future.

**(3) NEW DRUGS BUSINESS PIPELINE REPRESENTED BY EMITASVIR PHOSPHATE**

The Group's new drugs business pipeline, represented by Emitasvir Phosphate, have attained a satisfactory business progress. The Action Plan Against Public Health Hazards and Hepatitis C (2021–2030) (《消除丙型肝炎公共卫生危害行动方案(2021–2030年)》) promulgated by nine departments including the National Health Commission in 2021 put forward an aim that, within a period of 10 years, the clinical cure rate of antiviral treatment for hepatitis C patients should attain at least 95%, and the treatment rate of chronic hepatitis C should attain at least 80%. With these goals in mind, the Group has conducted targeted development and promoted the establishment of diagnosis and treatment protocols in Henan, Sichuan, Jiangsu and many other provinces in the PRC, getting actively involved in the elimination of Hepatitis C. At this stage, Emitasvir Phosphate has been shortlisted in the National Medical Reimbursement Drug List.

**(4) CENTRALIZED PROCUREMENT AND NEW RETAIL LINE**

As of today, a total of 12 of the Group's chemical generic drugs have been selected for national centralized procurement, and the centralized procurement business has become a fast-growing segment of the Group. With the gradual enrichment of the variety of the Group's product profile, the Company also attached great importance to the construction of the new retail system. In 2023, the Group strives to develop its pharmaceutical new retail product profile through cooperating with parties including leading corporates and sizeable pharmacy chains, so that the growth of the out-of-the-hospital retail business could be driven by in-hospital prescriptions through the integration of online and offline sales channels for pharmaceutical new retail. Currently, the Group's new retail system has matured and formed a relatively stable business model. Pharmaceutical new retail is a very broad market, and the Company will continue to diversify its new retail product line, expand the market channels for pharmaceutical retail, and provide patients with more medical choices that are of high quality and at fair price.

The Company is still in course of finalizing its annual results announcement for the year ended 31 December 2023. The information set out in this announcement is only based on a preliminary assessment by the management of the Company based on the unaudited management accounts of the Group for the year ended 31 December 2023 and other information currently available to the Company, which has not been reviewed or audited by the Company's auditors. Details of the financial information for the year ended 31 December 2023 of the Group will be disclosed in the annual results announcement of the Company, which is expected to be published on 28 March 2024.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

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

Hubei, the People's Republic of China  
12 March 2024

*As at the date of this 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 a non-executive director; and Mr. TANG Jianxin, Ms. XIANG Ling and Mr. LI Xuechen as independent non-executive directors.*