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

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6887)

CONNECTED TRANSACTION
(1) ESTABLISHMENT OF LIMITED PARTNERSHIP FUND; AND
(2) ACQUISITION OF LAND USE RIGHTS

ESTABLISHMENT OF LIMITED PARTNERSHIP FUND

INTRODUCTION

The Board announces that on 26 June 2026 (after trading hours), the Company (as a limited partner) has entered into the Partnership Agreement with Shenzhen HEC Technology (as a general partner) and Zhejiang HEC Health (as a limited partner) to jointly establish the Limited Partnership Fund.

The Limited Partnership Fund will primarily focus on equity investments in projects and/or sub-funds in the fields of healthcare, biomedicine, and artificial intelligence.

THE PARTNERSHIP AGREEMENT

The principal terms of the Partnership Agreement are set out below:

Date:	26 June 2026 (after trading hours)
Name of Limited Partnership Fund:	Shenzhen Dongyangguang Houde Jianxing Venture Investment Fund Partnership (Limited Partnership)* (深圳東陽光厚德健行創業投資基金合夥企業(有限合夥))
Type of Limited Partnership Fund:	Venture Capital Fund
Business Scope:	Engaging in equity investments, investments in unlisted companies, investment management, asset management, and other activities related to venture capital.
Term:	The Limited Partnership Fund has a registered term of 12 years.

Capital contributions to the Limited Partnership Fund:	The partners of the Limited Partnership Fund shall make the following capital contributions: (1) Shenzhen HEC Technology shall commit RMB2 million, accounting for 0.1% of the total capital of the Limited Partnership Fund; (2) Zhejiang HEC Health shall commit RMB1,498 million, accounting for 74.9% of the total capital of the Limited Partnership Fund; and (3) the Company shall commit RMB500 million, accounting for 25% of the total capital of the Limited Partnership Fund. The committed capital contribution is determined after arms' length negotiation among the parties with reference to the strategy and the estimated capital requirements of the Limited Partnership Fund. The committed capital contribution of the Company will be financed by the Group's internal resources.
Distribution of Profit and Sharing of Losses	Profits and losses of the Limited Partnership Fund shall be distributed and borne by partners in proportion to their actual capital contributions in the Limited Partnership Fund.
Operation and Management of the Limited Partnership Fund:	Shenzhen HEC Technology serves as the general and executive partner of the Limited Partnership Fund, responsible for executing affairs of the partnership.
Right of Supervision:	Limited partners shall have the right to supervise the general and executive partner. The general and executive partner shall regularly report to the limited partners on the execution of the affairs as well as the business and financial status of the Limited Partnership Fund.
Matters Requiring Unanimous Decision:	The following matters with respect to the Limited Partnership Fund shall require unanimous consent from all partners: (1) change of name of the Limited Partnership Fund; (2) change of the business scope or the location of the principal place of business of the Limited Partnership Fund; (3) disposal of immovable property the Limited Partnership Fund;

(4) transfer or disposal of intellectual property rights and other property rights of the Limited Partnership Fund;

(5) provision of guarantees to third parties in the name of the Limited Partnership Fund; and

(6) appointment of persons other than partners of the Limited Partnership Fund as responsible person for the management of the Limited Partnership Fund.

Non-compete: Partners of the Limited Partnership Fund shall not engage in or cooperate with others to engage in business competing with that of the Limited Partnership Fund. Unless unanimously agreed by all partners, partners shall not conduct transactions with the Limited Partnership Fund. Partners shall not engage in activities detrimental to the interests of the Limited Partnership Fund.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Shenzhen HEC Industrial directly and indirectly controls approximately 44.34% of the total issued share capital of the Company and is therefore a controlling shareholder and connected person of the Company. Zhejiang HEC Health is a wholly owned subsidiary of Shenzhen HEC Industrial and also a controlling shareholder and connected person of the Company. Shenzhen HEC Technology is wholly owned by Shenzhen HEC Industrial. Therefore, Shenzhen HEC Technology is an associate of Shenzhen HEC Industrial and a connected person of the Company. Therefore, the establishment of the Limited Partnership Fund constitutes a connected transaction of the Company.

As the highest applicable percentage ratio (as defined in the Listing Rules) of the transaction contemplated under the Partnership Agreement is more than 0.1% but less than 5%, the connected transaction would be subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As. Mr. Zhang Yushuai, Mr. Tang Xinfa and Mr. Zhu Yingwei are directors of Shenzhen HEC Industrial, which is the holding company of Zhejiang HEC Health and Shenzhen HEC Technology, each of them are deemed to be materially interested in the transaction and has abstained from voting on the Board resolution approving the establishment of the Limited Partnership Fund and the Partnership Agreement. Save as mentioned above, none of the Directors has any material interest in the establishment of the Limited Partnership Fund and the Partnership Agreement and no other Director has abstained from voting on the Board resolution approving the establishment of the Limited Partnership Fund and the Partnership Agreement.

REASONS FOR AND BENEFITS OF THE ESTABLISHMENT OF THE LIMITED PARTNERSHIP FUND

Participation in the establishment of the Limited Partnership Fund will enable the Company to achieve deeper synergy with its resources across the biopharmaceutical and healthcare industry chains. First, through investments in high-quality venture sub-funds via a fund-of-funds structure, the Company will build extensive connections with leading start-up projects, research institutions, and industry talent, thereby securing early access to high-quality targets, including innovative drugs and intelligent biopharmaceutical solutions. This will facilitate the incubation of pipeline projects for the Company's core business and strengthen its pipeline reserve for external mergers and acquisitions. Second, leveraging its strategic investments in the artificial intelligence sector, the Company will further empower the digital transformation of its production processes and the intelligent upgrading of its research and development activities, thereby enhancing efficiency and reducing costs. Third, by utilizing an industrial capital platform to drive integration between industrial operations and investment activities, the Company will further expand diversified revenue streams, optimize its profitability structure, and support the Group's medium- to long-term industrial upgrading and ecosystem development.

In view of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Partnership Agreement are fair and reasonable, the establishment of the Limited Partnership Fund contemplated under the Partnership Agreement is on normal commercial terms and is in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group

The Group is principally engaged in the research, development, production and commercialization of pharmaceutical products with a focus on innovative drugs and are also involved in modified new drugs, generic drugs and biosimilars. The ultimate beneficial owner of the Group is Mr. Zhang Yushuai.

Shenzhen HEC Technology

Shenzhen HEC Technology is principally engaged in medical research and experimental development, as well as health consulting services. Shenzhen HEC Technology is wholly owned by Shenzhen HEC Industrial, which is ultimately beneficially owned by Mr. Zhang Yushuai.

Zhejiang HEC Health

Zhejiang HEC Health is principally engaged in private equity fund management and venture capital fund management services. Zhejiang HEC Health is wholly-owned by Shenzhen HEC Industrial, and is a controlling shareholder of the Company.

ACQUISITION OF LAND USE RIGHT

INTRODUCTION

The Board announces that on 26 June 2026 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Land Use Right Transfer Agreement with the Vendor, pursuant to which, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to transfer, the land use right of the Target Land at a consideration of RMB26,554,687.

THE LAND USE RIGHT TRANSFER AGREEMENT

The principal terms of the Land Use Right Transfer Agreement are set out below:

Date:	26 June 2026 (after trading hours)
Parties:	(1) The Purchaser; and (2) The Vendor
Target Land:	The Target Land is situated at Plot 3, East of Zong Fourteenth Road and North of Heng Third Road, Dongyang Economic Development Zone, Zhejiang province, the PRC with a total site area of approximately 18,735.52 sq.m. The Target Land will be used for industrial purpose.
Consideration and payment terms of the Target Land:	RMB26,554,687, which shall be paid by the Purchaser by electronic transfer within 90 working days from the date of execution of the Land Use Right Transfer Agreement. The Vendor and the Purchaser shall bear their own taxes in relation to the Acquisition. The consideration of the Acquisition is agreed after arm's length negotiations between the Purchaser and the Vendor by reference to the appraisal value of RMB26,554,687 of the Target Land as at 11 May 2026 as appraised by Dongyang Yuantai Real Estate Appraisal Co., Ltd. (東陽市元泰房地產評估有限公司), an independent professional valuer, on taking the cost approach and the income approach. The consideration for the Acquisition will be funded by the internal resources of the Purchaser.

Transfer of the land use right of the Target Land:	Within ninety (90) working days from the execution of the Land Use Right Transfer Agreement, the Vendor shall assist the Purchaser to complete the registration procedures with the competent authorities for the change of the land use right of the Target Land to the Purchaser and to settle the relevant taxes to be borne by it in accordance with relevant regulations. The Vendor shall also provide the Purchaser with documents related to the Target Land, including but not limited to the land use certificate and planning permit of the Target Land.
Warranties of the Vendor:	The Vendor shall ensure that the land use right of the Target Land is not subject to disputes, mortgage, seizure or other encumbrances.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Shenzhen HEC Industrial controlled approximately 44.34% of the total issued share capital of the Company and was therefore a controlling Shareholder and a connected person of the Company. The Vendor is wholly owned by Yidu Shancheng Shuidu. Dongchongxiacao Co., Ltd.* (宜都山城水都冬蟲夏草有限公司), which is in turn controlled as to 58.57% by and and is a subsidiary of Shenzhen HEC Industrial. Therefore, the Vendor is an associate of Shenzhen HEC Industrial and a connected person of the Company, and the Acquisition constitutes a connected transaction of the Company.

As the highest applicable percentage ratio (as defined in the Listing Rules) of the Acquisition is more than 0.1% but less than 5%, the connected transaction contemplated under the Land User Right Transfer Agreement would be subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As. Mr. Zhang Yushuai, Mr. Tang Xinfa and Mr. Zhu Yingwei are directors of Shenzhen HEC Industrial, which is the holding company of the Vendor, each of them are deemed to be materially interested in the Acquisition and has abstained from voting on the Board resolution approving the Acquisition. Save as mentioned above, none of the Directors has any material interest in the Acquisition and no other Director is required to abstain from voting on the Board resolution approving the Acquisition.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company's acquisition of the land use right of the Target Land is a decision made based on the overall strategic development plan. Through the Acquisition, the Company will officially implement the construction of the preparation production project in the Zhejiang region, promote the production and commercialization of preparation drugs in the region, continuously deepen and expand the Company's pharmaceutical industry layout in the East China region, and strengthen the supply guarantee capability and market service capability of pharmaceutical products within the region.

The production project adopts a construction model combining large-scale, standardized production lines with multi-functional flexible production workshops. This can meet both the large-scale, standardized, and stable production capacity supply required for national centralized drug procurement and the batch production needs of small-molecule innovative drugs. The project has outstanding market adaptability and possesses good growth potential and future prospects. After the project is completed and officially put into production, it will effectively expand the production capacity scale of the Company's preparation products, accelerate the launch and industrialization of innovative drug products, and continuously enhance the Company's core competitiveness and sustainable operation capability.

Furthermore, the implementation of the Acquisition will further improve the regional biomedical industry system, assist in the upgrading of the local pharmaceutical industry, and provide strong support for the high-quality development of the regional economy.

In view of the above, the Directors (including the independent non-executive Directors) believe that the terms of the Land Use Right Transfer Agreement are fair and reasonable, the Acquisition contemplated under the Land Use Right Transfer Agreement is on normal commercial terms and is in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group and the Purchaser

The Group is principally engaged in the research, development, production and commercialization of pharmaceutical products with a focus on innovative drugs and are also involved in modified new drugs, generic drugs and biosimilars. The ultimate beneficial owner of the Group is Mr. Zhang Yushuai.

The Purchaser is principally engaged in the production business of innovative drugs, generic drugs and other solid preparations. The Purchaser is an indirect wholly-owned subsidiary of the Company.

The Vendor

The Vendor is principally engaged in the primary processing and packaging related business of cordyceps sinensis. The Vendor is controlled as to 58.57% by Shenzhen HEC Industrial, the controlling shareholder of the Company, and its ultimate beneficial owner is Mr. Zhang Yushuai.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

"Acquisition"	The proposed acquisition of the land use right of the Target Land by the Purchaser from the Vendor on and subject to the terms and conditions of the Land Use Right Transfer Agreement
"associate"	has the meanings ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"Company"	Sunshine Lake Pharma Co., Ltd. (廣東東陽光藥業股份有限公司), a joint stock company with limited liability established on 29 December 2003 and the H Shares of which are listed on the Stock Exchange (stock code: 6887)
"connected person"	has the meanings ascribed to it under the Listing Rules
"controlling shareholder"	has the meanings ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Domestic Shares"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB and are unlisted Shares which are currently not listed or traded on any stock exchange
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"H Share(s)"	shares in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are to be traded in HK$ and listed on the Stock Exchange
"Land Use Right Transfer Agreement"	the land use right transfer agreement dated 26 June 2026 entered into between the Vendor and the Purchaser in relation to the Acquisition

"Limited Partnership Fund"	Shenzhen Dongyangguang Houde Jianxing Venture Investment Fund Partnership (Limited Partnership)* (深圳東陽光厚德健行創業投資基金合夥企業(有限合夥)), a limited partnership to be established in accordance with the Partnership Agreement
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Partnership Agreement"	the Shenzhen Dongyangguang Houde Jianxing Venture Investment Fund Partnership (Limited Partnership) Partnership Agreement (《深圳東陽光厚德健行創業投資基金合夥企業（有限合夥）合夥協議》) entered into by the Company, Shenzhen HEC Technology and Zhejiang HEC Health on 26 June 2026 for jointly establishing the Limited Partnership Fund
"PRC" or "China"	the People's Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and the Taiwan region of the PRC
"Purchaser"	Zhejiang HEC ChangJiang Pharmaceutical Co., Ltd.* (浙江東陽光長江藥業股份有限公司), a company established in the PRC with limited liability on 2 August 2024 and an indirect wholly-owned subsidiary of the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Shares"	ordinary share(s) in the share capital of our Company with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
"Shareholder(s)"	shareholders 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 established in the PRC with limited liability on 27 January 1997 and a controlling shareholder of the Company
"Shenzhen HEC Technology"	Shenzhen HEC Technology Venture Investment Co., Ltd.* (深圳東陽光科技創業投資有限公司), a company established in the PRC with limited liability on 22 June 2022 and wholly owned by Shenzhen HEC Industrial
"Zhejiang HEC Health"	Zhejiang HEC Health Pharmaceutical Co. Ltd.* (浙江東陽光健康藥業有限公司), a company established in the PRC with limited liability on 15 September 2009, a wholly-owned subsidiary of Shenzhen HEC Industrial and a controlling shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary"	has the meanings ascribed to it under the Listing Rules
"Target Land"	land parcels situated at Plot 3, East of Zong Fourteenth Road and North of Heng Third Road, Dongyang Economic Development Zone, Zhejiang province, the PRC (中國浙江東陽市經濟開發區縱十四路以東、橫三路以北地塊三) with a total site area of approximately 18,735.52 sq.m,
"Vendor"	Zhejiang Shancheng Shuidu. Dongchongxiacao Co., Ltd.* (浙江山城水都冬蟲夏草有限公司), a company established in the PRC with limited liability on 21 November 2023 and a connected person of the Company
"sq.m."	square meters
"%"	per cent.

By order of the Board
Sunshine Lake Pharma Co., Ltd.
Dr. ZHANG Yingjun
Chairman

Dongguan, the PRC

26 June 2026

As at the date of this announcement, the executive Directors are Dr. ZHANG Yingjun, Mr. JIANG Juncai and Mr. ZHANG Zhiyong (employee Director), the non-executive Directors are Mr. ZHANG Yushuai, Mr. TANG Xinfa, Mr. ZHU Yingwei and Dr. LI Wenjia, and the independent non-executive Directors are Dr. LI Xintian, Dr. MA Dawei, Dr. LIN Aimei and Dr. YE Tao.