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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)

**SUPPLEMENTAL ANNOUNCEMENT
WITH RESPECT TO CONNECTED TRANSACTIONS**

Reference is made to the announcement of Sunshine Lake Pharma Co., Ltd. dated 26 June 2026 (the “**Announcement**”). Unless otherwise defined, terms used herein shall have the same meanings as defined in the Announcement. This announcement is made to provide further details in relation to the establishment of the Limited Partnership Fund and the Acquisition.

ESTABLISHMENT OF LIMITED PARTNERSHIP FUND

The Board would like to provide the following additional information in relation to the establishment of the Limited Partnership Fund.

(1) Principal terms of the Partnership Agreement

Further information with respect to the principal terms of the Partnership Agreement are set out below:

*Investment Scope and
strategy of the Limited
Partnership Fund*

Subject to applicable laws and regulations, the Limited Partnership Fund shall primarily engage in equity investments in projects and/or sub-funds focusing on healthcare, biopharmaceuticals, artificial intelligence and other related sectors.

Further, the Limited Partnership Fund shall not engage in any of the following activities:

1. engaging in guarantee, mortgage, entrusted loan or similar businesses;

2. investing in secondary market stocks, futures, real estate, securities investment funds, corporate bonds with a credit rating below AAA, trust products, non-principal guaranteed wealth management products, insurance plans and other financial derivatives;
3. providing financial assistance or donations to any third party (excluding approved public welfare donations);
4. absorbing or covertly absorbing deposits, or granting loans and interbank lending to third parties;
5. carrying out equity-for-debt arrangements and other businesses that implicitly increase government liabilities;
6. making external investments that incur unlimited joint and several liability;
7. raising funds by issuing trusts or collective wealth management products; and
8. other businesses prohibited by national laws and regulations.

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.

Profits derived from project investments of the Limited Partnership Fund shall, in principle, be distributed within 90 days after receipt of the funds by the Limited Partnership Fund according to the following sequence:

1. the partners shall first receive a return proportionate to their capital contributions made in the Limited Partnership Fund until all partners have recovered their full paid-in capital.
2. if there is a surplus in profits after returning paid-in capital of the partners, the partners shall receive a threshold return on their capital contributions made to the Limited Partnership Fund based on the formula below:

Threshold return = partner's capital contribution × days since the capital contribution was made × 5% ÷ 365; and

3. if there is further surplus in profits, 20% of the remaining profits shall be paid to the general partner as performance remuneration, and the remaining 80% of profits shall be distributed amongst the partners in proportion to their capital contributions.

Income derived from project investments shall not be reinvested unless unanimously agreed upon by all partners of the Limited Partnership Fund.

*Management fee of the
general partner*

In addition to being entitled to 20% of the remaining profits after the partners recover their paid-in capital and receive the threshold return as stipulated by the Partnership Agreement, the general partner is also entitled to the management fees as stipulated below:

- (1) during the first five-year period of the term of the Limited Partnership Fund, the general partner is entitled to 0.5% of the actual paid-in capital contribution of the Limited Partnership Fund per year as management fees; and
- (2) during the second five-year period of the term of the Limited Partnership Fund, the general partner is entitled to 0.5% of the outstanding principal balance of the investments made by the Limited Partnership Fund that are yet to be exited per year as management fees.

The Directors (including the independent non-executive Directors) are of the view that the threshold return and management fees to which the general partner is entitled under the Limited Partnership Fund are fair and reasonable, and the transaction is in the interest of the Company and the Shareholders as a whole¹.

Exit clause

Subject to compliance with applicable laws and regulations, a limited partner may withdraw from the Limited Partnership Fund by transferring its partnership interests upon approval by the general partner and limited partners holding more than two-thirds of the total paid-in capital contribution of the limited partners present at the partner's meeting voting on the relevant resolution.

¹ In considering the fairness and reasonableness of establishment of the Limited Partnership Fund to the Company, the Directors have considered the threshold return rates and management fees of other comparable funds, which ranges from 5% to 6% and 0.5% to 2%, respectively.

Removal of the general partner

If the general partner causes material losses to the Limited Partnership Fund or its assets through any act of wilful misconduct or gross negligence, the general partner can be removed upon a resolution by the limited partners of the Limited Partnership Fund. For avoidance of doubt, the general partner and any limited partner that is an affiliate of the general partner shall abstain from voting on the aforesaid resolution.

(2) Reasons for and benefits of the establishment of the Limited Partnership Fund

As stipulated in the Partnership Agreement, the Limited Partnership Fund shall primarily engage in equity investments in projects and/or sub-funds focusing on healthcare, biopharmaceutics, artificial intelligence and other related sectors. As such, the Company strives to benefit from both investments in projects as well as in sub-funds to be made by the Limited Partnership Fund.

In terms of equity investments

Whilst the Company is not responsible for making the investment decisions of the Limited Partnership Fund, pursuant to the Partnership Agreement, the Company is entitled to participate in partners' meetings to provide information, analysis and suggestions concerning the investment strategies of the Limited Partnership Fund, as well as to receive financial and operational information of the target investment projects. Within such a framework, through the Limited Partnership Fund's equity investments in projects, the Company, by taking advantage of its information rights in reaching out to such investment project owners and managers, can 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. Further, upon building extensive connections with target projects, the Company can conveniently obtain business information with respect of such projects, which will facilitate the Company in keeping abreast of cutting-edge technological trends and project information, thereby securing abundant market information to support the Company's core business innovation, technological reserves and identification of potential strategic opportunities. The Company can also reach out to such projects and explore opportunities for industrial collaboration such as business cooperation and technology transfer as appropriate to achieve deeper synergy with its resources across the biopharmaceutical and healthcare industry chains. In particular, leveraging strategic investments of the Limited Partnership Fund 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.

In terms of investments in sub-funds

The Limited Partnership Fund's investments in sub-funds enables the Company to further expand diversified revenue streams, optimize its profitability structure, and support the Company's medium to long-term industrial upgrading and ecosystem development. In particular, the funds of funds structure of the Limited Partnership Fund enables the Company to be broadly exposed to various project portfolios, thereby eliminating the risk of over-concentration on a particular project; allows the Company to leverage the expertise of Shenzhen HEC Technology (as general partner of the Limited Partnership Fund) in screening, research, investment in projects and operation of partnership funds, thereby saving investment costs while maximizing investment returns. Such benefits allow the Company to pursue better potential returns than traditional principal-guaranteed investments (such investments of which typically yield merely annual return rates ranging from 0.65% to 1.6%) while managing investment risks.

(3) Internal control measures

The Company has implemented the following internal control measures to ensure the terms of the Partnership Agreement are fair and reasonable and in the best interests of the Shareholders as a whole.

Prior to entering into the Partnership Agreement, the Company conducted the following due diligence work:

1. upon being aware of the investment opportunity, the business department of the Company initiated a project application for the proposed establishment of the Limited Partnership Fund, specifying key information such as the background and operational structure of the Limited Partnership Fund, as well as its proposed investment strategy;
2. the business and legal departments of the Company conducted due diligence on the Limited Partnership Fund, including due diligence on the background and investment experience of Shenzhen HEC Technology and Zhejiang HEC Health, research on the proposed investment scope and structure of the Limited Partnership Fund, and produced a complete due diligence and recommendation report;
3. upon completion of the due diligence process, the due diligence and recommendation reports were tabled for consideration and approval by the Board at the Board meeting. Directors who have a material interest in the transaction, namely, Mr. Zhang Yushuai, Mr. Tang Xinfu and Mr. Zhu Yingwei abstained from voting on the Board resolution approving the establishment of the Limited Partnership Fund; and
4. upon the approval of the establishment of the Limited Partnership Fund, the business department of the Company was authorized by the relevant Board resolution to complete all subsequent implementation procedures including the execution of the Partnership Agreement and effecting the capital subscription of the Limited Partnership Fund in accordance with relevant internal regulations.

Further, after the establishment of the Limited Partnership Fund, the post-investment manager of the business department of the Company, who has more than 10 years of investment management experience, shall be responsible for the post-investment management of the Limited Partnership Fund. Such designated personnel shall continuously monitor key matters of the Limited Partnership Fund such as daily operation, fund disbursement, transactions of the Limited Partnership Fund with connected parties and the implementation of underlying projects, as well as risk identification, and shall report to the Board immediately should they identify any potential abnormalities. Further, a periodic reporting mechanism has been established, where the designated personnel shall submit reports to the Board on a quarterly basis reporting the post-investment operation status, income and risk management of the Limited Partnership Fund. The Board shall conduct phased reviews and adjust management requirements and investment strategies based on the actual operating performance of the Limited Partnership Fund.

(4) Information about the Parties

Shenzhen HEC Technology

Shenzhen HEC Technology is registered as a private fund and venture capital fund manager with the Asset Management Association of China, holding all statutory qualifications required for the management of private partnership funds. The management team of Shenzhen HEC Technology has an average of over 10 years of investment experience, having completed field research, due diligence, investment and post-investment management for numerous projects. Further, Shenzhen HEC Technology is currently the investment manager of three funds with an aggregate share capital of RMB450 million.

ACQUISITION OF LAND USE RIGHT

The Board would like to provide the following additional information with respect to the original acquisition cost and valuation of the Target Land.

(1) Original acquisition Cost of the Target Land

The original acquisition cost of the land use right of the Target Land paid by the Vendor amounted to RMB13 million.

(2) Valuation of the Target Land

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. The valuation of the Target Land is separated into two parts, namely, valuation of the land use right of the Target Land, which was conducted via the market approach, and valuation of the buildings and structures being constructed or erected on the Target Land, which was conducted via the cost approach.

Selection of valuation methodology

(1) Land Use right

The independent valuer adopted the market approach for the valuation of the land use right of the Target Land. This approach was selected as most appropriate for the valuation of the land use right of the Target Land, as opposed to the cost approach and income approach, for the following reasons:

- (i) the income approach is a method that forecasts the future net income to be generated by the valuation subject, applies a reasonable land capitalisation rate, and discounts the future perpetual or limited-term income to the valuation date to determine the present value of the Target Land. The income approach was considered inappropriate as the Target Land are located in an economic development zone where the lease of standalone industrial land is scarce. Reasonable market rental levels for the Target Land cannot be reliably determined, and hence the income approach is incapable of producing an accurate valuation for the land use right of the Target Land;
- (ii) the cost approach is a method that determines the price of the land mainly based on the sum of various expenses incurred in land development, plus certain interest, profits, taxes payable and land appreciation income, with adjustments for individual factors and tenure factors. The cost approach was also considered inappropriate as precise quantification of all the cost items associated with the Target Land is not feasible; and
- (iii) the market approach is a method that compares the Target Land with similar land transactions that have occurred in the recent period. Given that there are ample comparable transaction records of industrial land in the surrounding area, and site investigations and data collation by the independent valuer confirm that recent transaction cases of industrial land within the same zone are comparable to the Target Land, hence the market approach was considered as the most appropriate method.

(2) Buildings and structures

The independent valuer adopted the cost approach for the valuation of the buildings and structures being constructed or erected on the Target Land. This approach was selected as most appropriate for the valuation of the buildings and structures being constructed or erected of the Target Land, as opposed to the market approach and income approach, for the following reasons:

- (i) the income approach was considered inappropriate as the buildings and structures being constructed or erected on the Target Land are located within an economic development zone with low surrounding commercial activity. Therefore, its future net income cannot be reliably forecasted. Further, an on-going construction project is incapable of generating independent operating income;

- (ii) the market approach is a method which involves selecting a certain number of comparable transaction cases, comparing them with the valuation subject, and adjusting the transaction prices of such comparables for material differences to arrive at the value or price of the subject property. The market approach was also considered inappropriate as there are few comparable on-going construction projects in the surrounding area. As such, the preconditions for applying the market comparison approach were not satisfied; and
- (iii) the cost approach is a valuation method that calculates the full investment required to reconstruct comparable buildings (i.e. the reconstruction cost) under market conditions prevailing as at the valuation date and based on the structural characteristics of the subject property. As the buildings and structures being constructed and erected on the Target Land have a clear cost structure and are well documented in the relevant financial ledgers, its reconstruction cost can be properly determined.

Valuation Methodology

In preparing the valuation of the land use right of the Target Land, the independent valuer identified and analyzed three relevant sales of land in the locality which have similar characteristics as the Target Land in terms of nature, use, site area, layout and accessibility of the property. The unit rates of these comparable land sites ranges from RMB782 to RMB1,095 per sq.m. for industrial use. Appropriate adjustments and analysis are made to the differences in location, size, time and other characteristics between the comparable lands.

In preparing the valuation of the buildings and structures being constructed or erected on the Target Land, the independent valuer considered the early-stage construction costs, construction and installation costs, as well as the cost of capital.

Valuation assumptions

In performing the valuation exercise, the independent valuer made the following assumptions:

- (1) the Target Land can be traded freely in a fully competitive market, and its price is determined by the value judgment of independent buyers and sellers of the Target Land under the supply and demand conditions of a certain market;
- (2) it is assumed that the Target Land is already in the process of simulated transactions;
- (3) it is assumed that the Target Land will be used continuously in its original location or installation and will continue to be applied in its current use;
- (4) it is assumed that the acquisition, procurement, improvement, construction and development of all assets pertaining to the appraisal object comply with applicable national laws, regulations and provisions;

- (5) save for matters known to the independent valuer, it is assumed that no encumbrances, liabilities or restrictions that may impair asset value are attached to the Target Land; and
- (6) save for matters known to the independent valuer, the land use right, construction-in-progress and other real estate included in the Target Land have no major defects hindering continued use. No hazardous substances that would adversely affect asset value exist on the Target Land, and no dangerous articles or other adverse environmental conditions at the asset location impair the value of the Target Land.

Valuation Conclusion

According to the valuation, the approximate market values of the land use right of and buildings and structures being constructed on Target Land as at 11 May 2026 (the “**Valuation Date**”) are summarized below:

Items	Approximate market value as at the Valuation Date (RMB)
Land Use right of the Target Land	18,010,000
Buildings and structures being constructed or erected on the Target Land	<u>8,540,000</u>
Total:	<u><u>26,550,000</u></u>

Save as disclosed above, all the information in the Announcement remains unchanged and shall continue to be valid. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Dongguan, the PRC
31 August 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 Xinfu, 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.