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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
INSIDE INFORMATION

PROPOSAL ON APPLICATION FOR "FULL CIRCULATION" OF THE DOMESTIC SHARES OF YICHANG HEC CHANGJIANG PHARMACEUTICAL CO., LTD. HELD BY GUANGDONG HEC TECHNOLOGY HOLDING CO., LTD.

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 (the "**Listing Rules**") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 15 November 2019, the China Securities Regulatory Commission (the "**CSRC**") issued the "Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies" (CSRC Announcement [2019] No. 22) (《H股公司境內未上市股份申請「全流通」業務指引》(中國證券監督管理委員會公告[2019]22號)) and the supporting catalogue of materials for application for "Full Circulation" of H shares and key points for review and of concern, to comprehensively roll out the "Full Circulation" reform of H shares.

On 22 November 2019, Guangdong HEC Technology Holding Co., Ltd. ("**HEC**"), a shareholder of the Company, held the eighteenth meeting of the tenth session of the board of directors at which the Proposal on Application for "Full Circulation" of the Domestic Shares of YiChang HEC ChangJiang Pharmaceutical Co., Ltd. held by Guangdong HEC Technology Holding Co., Ltd. (《關於申請廣東東陽光科技控股股份有限公司持有的宜昌東陽光長江藥業股份有限公司內資股股份「全流通」的議案》) was considered and approved, pursuant to which HEC decided to convert all the domestic shares of the Company held by it to overseas listed shares and list the same on the Main Board of the Stock Exchange of Hong Kong

Limited (the "**Hong Kong Stock Exchange**") (the "**Application**" or "**Share Conversion**"), and entrust the Company to make the application to the CSRC for "Full Circulation" of H shares and proceed with other matters related to the Share Conversion. Particulars are as follows:

PLAN ON THE SHARE CONVERSION

1. Underlying shares under the Share Conversion: the domestic shares of the Company held by HEC.

2. Size of the Share Conversion: HEC proposes to convert all the 226,200,000 domestic shares of the Company held by it to overseas listed shares and list the same on the Main Board of the Hong Kong Stock Exchange. The shares to be converted represent approximately 50.40% of the total share capital of the Company as at the date of this announcement.

   In case of bonus issue, conversion of capital reserve to share capital and other matters prior to the completion of the Share Conversion for the shares of the Company, the maximum number of domestic shares to be converted under the application will be adjusted accordingly.

3. Time of the Share Conversion: The Share Conversion will be completed in due course within the validity period of the approval document issued by the CSRC in relation to the application.

The Share Conversion is still subject to the performance of necessary decision-making procedures by the Company, approval by the CSRC, completion of share transfer registration with China Securities Depository and Clearing Corporation Limited, and performance of registration and listing of shares and other relevant procedures as required by the Hong Kong Stock Exchange and other relevant domestic and overseas regulatory authorities. Investors are advised to pay attention to investment risks.

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 Xinfa
Chairman

Hubei, the PRC
22 November 2019

As of the date of this announcement, the Board of the Company consists of Mr. JIANG Juncai, Mr. WANG Danjin, Mr. CHEN Yangui and Mr. LI Shuang as executive directors; Mr. TANG Xinfa and Mr. Eddy HUANG as non-executive directors; and Mr. TANG Jianxin, Mr. FU Hailiang and Mr. ZHAO Dayao as independent non-executive directors.