



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)

2 August 2022

To the Independent Shareholders

Dear Sir or Madam,

- CONTINUING CONNECTED TRANSACTIONS**
- 1. ENERGY PURCHASE FRAMEWORK AGREEMENT;**
 - 2. APIs PURCHASE AGREEMENT;**
 - 3. PACKAGING AND PRODUCTION MATERIALS PURCHASE FRAMEWORK AGREEMENT;**
 - 4. EQUIPMENT PURCHASE AND CIVIL CONSTRUCTION FRAMEWORK AGREEMENT;**
 - 5. ENTRUSTED PROCESSING FRAMEWORK AGREEMENT;**
 - 6. LEASING AND OTHER SERVICES FRAMEWORK AGREEMENT;**
 - 7. APIs AND PHARMACEUTICAL PRODUCTS SALES FRAMEWORK AGREEMENT;**
- AND**
- 8. ENTRUSTED PRODUCTION AND INSPECTION SERVICES FRAMEWORK AGREEMENT**

We refer to the circular of the Company dated 2 August 2022 (the “Circular”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board as the members of the Independent Board Committee to consider the Continuing Connected Transactions Agreements and their respective proposed annual cap and to advise the Independent Shareholders in respect of the Continuing Connected Transactions Agreements and their respective proposed annual cap. Gram Capital has been appointed as the Independent Financial Advisor in this regard.

We wish to draw your attention to the “Letter from the Board” and the “Letter from Independent Financial Advisor” as set out in the Circular. Having considered the principal factors and reasons considered by, and the advice of, the Independent Financial Advisor as set out in their letter of advice, we consider the Continuing Connected Transactions Agreements and their respective proposed annual cap are conducted in the ordinary and usual course of business of the Company, and on normal commercial terms which are fair and reasonable and the transactions under the Continuing Connected Transactions Agreements and their respective

proposed annual cap are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the resolutions the Continuing Connected Transactions Agreements and their respective proposed annual cap at the EGM.

Yours faithfully

For and on behalf of the Independent Board Committee of
YiChang HEC ChangJiang Pharmaceutical Co., Ltd.

TANG Jianxin
*Independent
Non-Executive
Director*

ZHAO Dayao
*Independent
Non-Executive
Director*

XIANG Ling
*Independent
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LI Xuechen
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Handwritten signature in black ink, consisting of three characters: 赵 (Zhao), 大 (Da), and 尧 (Yao).

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