



The Board of Directors
Sunshine Lake Pharma Co., Ltd.
No. 368 Zhen'an Middle Road
Chang'an Town, Dongguan City
Guangdong Province
People's Republic of China

30 June 2025

Dear Sirs,

**PROPOSED CONDITIONAL PRIVATISATION OF
YICHANG HEC CHANGJIANG PHARMACEUTICAL CO., LTD.
BY SUNSHINE LAKE PHARMA CO., LTD.
BY WAY OF MERGER BY ABSORPTION OF
YICHANG HEC CHANGJIANG PHARMACEUTICAL CO., LTD.**

We refer to the composite document dated 30 June 2025 issued by Sunshine Lake Pharma Co., Ltd. and YiChang HEC ChangJiang Pharmaceutical Co., Ltd. in connection with the Merger (the *Composite Document*). Unless otherwise defined, capitalised terms used herein have the same meaning as defined in the Composite Document.

We also refer to the paragraph headed "4. Material Change" of Appendix II of the Composite Document which states the decrease in the Offeror Group's revenue for the first quarter of 2025 by 40.6% as compared with the first quarter of 2024 based on the unaudited management accounts of the Offeror Group for the three months ended 31 March 2025 which in turn had a greater adverse impact on its profitability in the first quarter of 2025 (together, the *Profit Figures*).

The Profit Figures are regarded as a profit forecast under the Takeovers Code and therefore are required to be reported on pursuant to Rule 10 of the Takeovers Code.

The Profit Figures have been prepared by the Offeror based on the unaudited consolidated accounts of the Offeror Group for the three months ended 31 March 2025 (the *2025 Q1 Unaudited Accounts*), which have been reviewed by the auditor of the Offeror, KPMG, and were presented on a basis consistent in all material respects with the accounting policies normally adopted by the Offeror Group as set out in the accountants' report of the Offeror dated 30 June 2025, the text of which is set out in Appendix I to the Listing Document (the *Bases*).

For the purpose of providing this letter, we have conducted the following due diligence:

1. reviewed the Profit Figures, the 2025 Q1 Unaudited Accounts and the Bases upon which the Profit Figures have been made;
2. reviewed and discussed with you and your management, among other things, the financial position of the Offeror Group as at 31 March 2025, including its financial performance and the material factors underlying its financial position as at 31 March 2025 as well as the trading position with respect to the Offeror Group's suppliers and customers for the three months ended 31 March 2025; and

3. considered the report on the Profit Figures from KPMG addressed to the Offeror directors dated 30 June 2025 regarding the accounting policies and calculations upon which the Profit Figures have been made.

We have assumed that the information provided are true, accurate and complete in all material aspects as at the date hereof. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not carried out any independent verification of the information supplied nor verified the computations leading to the Profit Figures.

Based on the above, we are satisfied that the Profit Figures have been made by the board of the directors of the Offeror with due care and consideration.

The work undertaken by us is for the sole purpose of reporting to the Offeror directors under Rule 10 of the Takeovers Code and for no other purposes. We accept no responsibility to any other person in connection with such work.

Yours faithfully,

For and on behalf of

China International Capital Corporation Hong Kong Securities Limited



David CHING
Executive Director