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If you have sold or transferred all your shares in Charmacy Pharmaceutical Co., Ltd. (創美藥業股份有限公司) (the “**Company**”), you should at once hand this circular and the accompanying form of proxy and reply slip to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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創美·CH'MEI

CHARMACY PHARMACEUTICAL CO., LTD.

創美藥業股份有限公司

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

(Stock Code: 2289)

**PROPOSAL FOR
DISTRIBUTION OF 2016 INTERIM DIVIDEND
AND
NOTICE OF THE 2016 FIRST EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 3 to 6 of this circular.

Please read pages 7 to 9 of this circular for the notice convening the EGM.

Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H shares of the Company) or to the headquarters in the PRC of the Company (for holders of Domestic Shares) on or before 20 October 2016.

Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the proxy form for the EGM must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and, for holders of domestic shares of the Company, to the headquarters in the PRC of the Company not less than 24 hours before the time for holding the EGM (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

23 September 2016

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DEFINITIONS

In this circular, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:

“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemental from time to time
“Board”	the board of Directors of the Company
“Company”	Charmacy Pharmaceutical Co., Ltd. (創美藥業股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares are listed and traded on the Stock Exchange (stock code: 2289)
“Director(s)”	director(s) of the Company
“Domestics Shares”	ordinary share(s) issued by the Company in the PRC with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB by PRC natural persons or entities established under the laws of the PRC
“EGM”	the 2016 first extraordinary general meeting of the Company to be held at 3 p.m. on Wednesday, 9 November 2016 at the Conference Room on 3rd floor, No. 235 Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the PRC, notice of which is set out on pages 7 to 9 of this circular, and any adjournment thereof
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company with nominal value of RMB1.00 each, which is/are listed and traded on the Stock Exchange
“Latest Practicable Date”	20 September 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemental from time to time
“PRC”	The People’s Republic of China which shall, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shares(s)”	the Domestic Share(s) and the H Share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



創美·CH'MEI

CHARMACY PHARMACEUTICAL CO., LTD.

創美藥業股份有限公司

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

(Stock Code: 2289)

Executive Directors:

Mr. Yao Chuanglong (*Chairman*)

Ms. Zheng Yuyan

Mr. Fan Jianbo

Mr. Lin Zhixiong

Non-executive Director:

Ms. You Zeyan

Independent Non-executive Directors:

Mr. Wan Chi Wai Anthony

Mr. Zhou Tao

Mr. Guan Jian (also known as Guan Suzhe)

Registered Office and

Headquarters in the PRC:

No. 235

Song Shan North Road

Longhu District, Shantou City

Guangdong Province, PRC

Principal Place of

Business in Hong Kong:

18/F, Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

23 September 2016

To the Shareholders

Dear Sir or Madam,

PROPOSAL FOR DISTRIBUTION OF 2016 INTERIM DIVIDEND AND NOTICE OF THE 2016 FIRST EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the interim results announcement for the six months ended 30 June 2016 published by the Company on 22 August 2016.

The purpose of this circular is to provide the Shareholders with further information on the proposed distribution of 2016 interim dividend, so that the Shareholders may make an informed decision on voting in respect of the resolution to be tabled at the EGM.

2. PROPOSED DISTRIBUTION OF 2016 INTERIM DIVIDEND

According to the interim results announcement of the Company for the six months ended 30 June 2016, the Board has proposed the payment of an interim dividend of

LETTER FROM THE BOARD

RMB0.20 (tax inclusive) per Share for the six months ended 30 June 2016 to the Shareholders whose names appear on the register of members of the Company on Monday, 21 November 2016 (the “**2016 Interim Dividend**”). Based on the number of issued Shares of 108,000,000 Shares as at the Latest Practicable Date, the 2016 Interim Dividend, if declared and paid, will amount to an aggregate amount of RMB21,600,000 (tax inclusive). For distribution of the 2016 Interim Dividend, dividends on Domestic Shares will be paid in Renminbi and dividends on H Shares will be paid in Hong Kong Dollars (at the average medium price of the related foreign exchange rate as announced by the People’s Bank of China for a calendar week immediately prior to the date of EGM). The proposed payment of 2016 Interim Dividend is subject to the approval by the Shareholders at the EGM.

Pursuant to the Corporate Income Tax Law of the PRC and its implementation rules and relevant regulations including Guo Shui Han [2008] No. 897 issued by China’s State Administration of Taxation, where the Company distributes the 2016 Interim Dividend to non-resident enterprise Shareholders whose names appear on the register of members for H Shares, it is obliged to withhold corporate income tax at the tax rate of 10%. Any H Shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees or trustees, or other organisations or groups, will be treated as Shares being held by non-resident enterprise Shareholders, and consequently the dividends received will be subject to the withholding of the corporate income tax.

Pursuant to the PRC Individual Income Tax Law and its implementation regulations and relevant regulations including Guo Shui Han [2011] No. 348 issued by China’s State Administration of Taxation, the Company is required to withhold non-resident individual income tax for non-resident individual Shareholders of H Shares. The overseas resident individual Shareholders who hold the shares issued in Hong Kong by the domestic non-foreign-invested enterprises are entitled to relevant tax concessions pursuant to the provisions in the tax treaties between the country(ies) in which they are domiciled and the PRC, and the tax arrangements between the Mainland and Hong Kong (Macau). As for the individual Shareholders of H Shares, the Company will generally withhold the individual income tax of the dividends at the tax rate of 10%, except for the other requirements of the tax regulations and relevant tax treaties.

3. CLOSURE OF BOOKS

In order to determine the Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Saturday, 8 October 2016 to Wednesday, 9 November 2016 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s H shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares) or the headquarters in the PRC of the Company at No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on Friday, 7 October 2016.

LETTER FROM THE BOARD

Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 9 November 2016 are entitled to attend and vote at the EGM.

In order to determine the Shareholders who are entitled to receive the 2016 Interim Dividend, the register of members of the Company will be closed from Wednesday, 16 November 2016 to Monday, 21 November 2016 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2016 Interim Dividend, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's H shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or the headquarters in the PRC of the Company at No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on Tuesday, 15 November 2016.

Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 21 November 2016 are entitled to receive the 2016 Interim Dividend. The proposed 2016 Interim Dividend will be paid on or about Thursday, 15 December 2016 following the approval at the EGM.

4. EGM

A notice convening the EGM to be held at the Conference Room on 3rd floor, No. 235 Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the PRC at 3 p.m. on Wednesday, 9 November 2016, is set out on pages 7 to 9 of this circular.

Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H shares of the Company) or to the headquarters in the PRC of the Company (for holders of domestic shares of the Company) on or before 20 October 2016.

Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the proxy form for the EGM must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and, for holders of domestic shares of the Company, to the headquarters in the PRC of the Company not less than 24 hours before the time for holding the EGM (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

Responsibility Statement

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

Recommendations

The Directors consider that the proposed resolution set out in the notice of the EGM is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, together with their associates, intend to vote in favour of the resolution in respect of their respective shareholdings in the Company and recommend Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

Miscellaneous

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
For and on behalf of the Board
Charmacy Pharmaceutical Co., Ltd.
Yao Chuanglong
Chairman

NOTICE OF EGM



創美·CH'MEI

CHARMACY PHARMACEUTICAL CO., LTD.

創美藥業股份有限公司

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NOTICE OF THE 2016 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Charmacy Pharmaceutical Co., Ltd. (the “**Company**”) will be held at 3 p.m. on 9 November 2016 (Wednesday) at the Conference Room on 3rd floor, No. 235 Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the People’s Republic of China for the purpose of considering and, if thought fit, passing the following resolution:

AS ORDINARY RESOLUTION

1. to consider and approve the distribution of the 2016 interim dividend for the six months ended 30 June 2016.

By order of the Board
Charmacy Pharmaceutical Co., Ltd.
Yao Chuanglong
Chairman

Hong Kong, 23 September, 2016

Notes:

1. All resolution(s) at the meeting will be taken by poll pursuant to the Listing Rules. The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited and the Company in accordance with the Listing Rules.
2. In order to determine the Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Saturday, 8 October 2016 to Wednesday, 9 November 2016 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s H shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or the headquarters in the PRC of the Company at No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on Friday, 7 October 2016.

Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 9 November 2016 are entitled to attend and vote at the EGM.

NOTICE OF EGM

3. The Board has recommended the interim dividend of RMB0.20 (tax inclusive) per Share for the six months ended 30 June 2016 (the “**2016 Interim Dividend**”) and, if such dividend is approved by the Shareholders at the EGM, it is expected to be paid on or about Thursday, 15 December 2016 to those Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 21 November 2016.

In order to determine the Shareholders who are entitled to receive the 2016 Interim Dividend, the register of members of the Company will be closed from Wednesday, 16 November 2016 to Monday, 21 November 2016 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2016 Interim Dividend, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company’s H shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for holders of H Shares) or the headquarters in the PRC of the Company at No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on Tuesday, 15 November 2016.

4. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder.
5. In order to be valid, the proxy form for the EGM must be deposited by hand or post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong and, for holders of domestic shares of the Company, to the headquarters in the PRC of the Company not less than 24 hours before the time for holding the EGM (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the EGM or any adjourned meetings should they so wish.

If the proxy is a legal person, its legal representative or any representative authorised by a resolution of its board of directors or by other governing body shall attend the above meeting of the Company on its behalf. If the shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the shareholder may authorise one or more persons it considers appropriate as its representative(s) at the above meeting; however, if more than one person are authorized, the power of attorney shall contain the number and class of shares for which such persons are authorized, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company’s individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they have been duly authorised.

A vote provided in according to the instruments in such proxy forms shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the above meeting.

6. Shareholders or their proxies shall provide their identity documents when attending the EGM.
7. Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H shares of the Company) or to the headquarters in the PRC of the Company (for holders of domestic shares of the Company) on or before 20 October 2016.

NOTICE OF EGM

8. In case of joint shareholder for any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the shares.
9. The address of the headquarters in the PRC of the Company is No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC.

As at the date of this notice, the executive Directors are Mr. Yao Chuanglong, Ms. Zheng Yuyan, Mr. Fan Jianbo and Mr. Lin Zhixiong; the non-executive Director is Ms. You Zeyan; and the independent non-executive Directors are Mr. Wan Chi Wai Anthony, Mr. Zhou Tao and Mr. Guan Jian (also known as Guan Suzhe).