

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHARMACY PHARMACEUTICAL CO., LTD.
創美藥業股份有限公司

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

(Stock Code: 2289)

**(1) PROPOSED A SHARE OFFERING AND
AMENDMENTS TO THE (DRAFT) ARTICLES OF ASSOCIATION;
(2) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
(3) RESIGNATION OF NON-EXECUTIVE DIRECTOR**

**PROPOSED A SHARE OFFERING AND AMENDMENTS TO THE (DRAFT)
ARTICLES OF ASSOCIATION**

The Board announces that, at the Meeting, it has resolved to propose to apply for an initial public offering and listing of the Company's A Shares in order to further optimise the corporate governance structure of the Company, develop domestic and overseas financing platforms and improve the liquidity of all the Shares held by the Shareholders.

The total number of A Shares to be issued will not exceed 20 million, representing approximately 18.52% of the total existing issued share capital of the Company at the date of this announcement and before the issue, and approximately 15.63% of the total issued share capital of the Company as enlarged by the issue; and representing approximately 25% of the existing issued Domestic Shares of the Company at the date of this announcement and before the issue, and approximately 20% of the issued Domestic Shares of the Company as enlarged by the issue, assuming that there are no other changes to the issued share capital of the Company.

In connection with the proposed A Share Offering, the Board proposes to seek the Shareholders' approval for: (1) the proposed A Share Offering; (2) the proposed amendments to the rules of procedures of general meetings of the Company; (3) the proposed amendments to the rules of procedures of the Board of the Company; (4) the proposed amendments to the administration system of related transactions; (5) the proposed amendments to the administration system of external guarantee; (6) the proposed amendments to the administration system of external investment; (7) the proposed amendments to the system concerning the duties of independent Directors; (8) the formulation of the administration system of raised funds; (9) the formulation of the administration system for preventing major Shareholders and related parties from occupying funds; (10) the projected daily related transactions of the Company in 2017; (11) the proposed amendments to the (draft) Articles of Association; (12) the feasibility plan on the investment projects using the proceeds from the A Share Offering; (13) the accumulated profit distribution plan before the A Share Offering; (14) the authorisation to the Board to deal with matters in connection with the Company's application for the A Share Offering at its full discretion; (15) the dividend return plan for Shareholders within three years after the A Share Offering; (16) the price stabilising budget and undertakings for the A Shares of the Company within three years after the A Share Offering; (17) the remedial plan and relevant undertakings on dilution of immediate return arising from the A Share Offering; (18) the undertakings on matters in connection with the A Share Offering and proposed corresponding restrictive measures; (19) the use of raised funds from the H Share Offering; and (20) the termination of the issuance of additional H Shares.

The Board also passed other resolutions in connection with the A Share Offering at the Meeting, including, among others, formulation of the following systems: (i) reception and management system for specific arrivals; (ii) internal reporting system for material information; (iii) investor relations management system; (iv) management system for the shares of the Company held by Directors, supervisors and senior management and the related changes; (v) accountability system for material mistakes in the annual report's information disclosure; (vi) inside information and insider management system; (vii) A share information disclosure management system; and (viii) secretarial function system for the Board.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the EGM by the Company to approve the amendment to Article 10.1 of the Articles of Association.

GENERAL

The Company will convene the EGM and Class Meetings (where applicable) to seek approval from the Shareholders for the above matters.

A circular containing, among other things, the details of (i) the proposed A Share Offering, proposed amendments to the (draft) Articles of Association and other relevant resolutions; (ii) proposed amendments to the Articles of Association; and (iii) the notices of the EGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, will be despatched to the Shareholders in accordance with the Listing Rules and the Articles of Association in due course.

The proposed A Share Offering is subject to certain conditions, including but not limited to the market condition, the Shareholders' approval at the EGM and the Class Meetings, as well as the approvals of the CSRC and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares or other securities of the Company.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board announces that Ms. You Zeyan has resigned as a non-executive Director, with effect from the date on which the aforesaid proposed amendments to the Articles of Association were approved at the EGM.

PROPOSED A SHARE OFFERING AND AMENDMENTS TO THE (DRAFT) ARTICLES OF ASSOCIATION

I. PROPOSED A SHARE OFFERING

The Board announces that, at the Meeting, it has resolved to propose to apply for an initial public offering and listing of A Shares in order to further optimise the corporate governance structure of the Company, develop domestic and overseas financing platforms and improve the liquidity of all the Shares held by the Shareholders.

The proposed A Share Offering and other related resolutions below are conditional upon and subject to market conditions, the Shareholders' approval by way of ordinary resolutions or special resolutions (as the case may be) at the EGM and the Class Meetings (as the case may be), and necessary approvals from the CSRC and other relevant regulatory authorities.

1. Proposed A Share Offering

The details of the proposed A Share Offering are as follows:

- Classes of Shares : Domestic listed RMB ordinary Shares (A Shares)
- Nominal value per Share : RMB1.00
- Stock exchange for the proposed listing of A Shares : Shenzhen Stock Exchange
- Proposed offering size : The total number of A Shares to be issued will not exceed 20 million, representing approximately 18.52% of the total existing issued share capital of the Company at the date of this announcement and before the issue, and approximately 15.63% of the total issued share capital of the Company as enlarged by the issue; and representing approximately 25% of the existing issued Domestic Shares of the Company at the date of this announcement and before the issue, and approximately 20% of the issued Domestic Shares of the Company as enlarged by the issue, assuming that there are no other changes to the issued share capital of the Company. All the Shares under this issuance are new Shares for public issuance, involving no public offering of Shares by the Shareholders of the Company.
- The actual offering size will be determined by the Board as authorised by the Shareholders at the EGM and the Class Meetings based on the prevailing market conditions at the time of the offering.
- Target subscriber : The target subscribers of the A Share Offering are qualified participants in the price consultation process as well as individuals, legal persons and other investors within the PRC who have opened A share accounts at the Shenzhen Stock Exchange (except those prohibited by the PRC laws, regulations and regulatory documents).
- Method of offering : To be conducted by way of combining placing through offline price consultation to targeted investors and online fund subscription for pricing and issuance, or in other ways of issuance approved by CSRC.

- Pricing methodology : To determine the range of issue price through price consultation with targeted investors, and authorize the Board of the Company and the sponsor of the Company (who is also the lead underwriter) to determine the issue price based on price consultation results and market conditions.
- Form of underwriting : The offering will be underwritten by the sponsor (who is also the lead underwriter) on a standby commitment basis.
- Conversion into a joint stock limited liability company with domestic and overseas offering and listing of shares : According to the A Share Offering plan and the actual situation of the issued A Shares, application will be filed to convert the Company into a joint stock limited liability company with domestic and overseas offering and listing of shares.
- Valid period of the resolutions : The proposed A Share Offering shall be subject to approval by the Shareholders at the EGM and the Class Meetings. Upon such approval, the proposed A Share Offering and related resolutions will be valid for 24 months from the date of passing each of the resolutions at the EGM and the Class Meetings.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval a special resolution.

2. **Proposed amendments to the rules of procedures of the general meetings and the Board**

In accordance with the Rules of Shareholders' General Meetings of Listed Companies (2016 Revision) (《上市公司股東大會規則(2016年修訂)》), the Stock Listing Rules of Shenzhen Stock Exchange (2014 Revision) (《深圳證券交易所股票上市規則(2014年修訂)》)(“**Shenzhen Stock Exchange Listing Rules**”), the draft Articles of Association and other related laws, regulations and regulatory documents, the Board proposes to make certain amendments to the rules of procedures of the general meetings and the Board. Details of the proposed amendments to the rules of procedures of the general meetings and the Board will be disclosed in the circular which will be despatched to the Shareholders in due course.

This proposal has been approved by the Board, and shall be submitted to the EGM for consideration and approval by way of ordinary resolution.

3. Proposed amendments to the administration system of related transactions, the administration system of external guarantee and the administration system of external investment

In accordance with the Shenzhen Stock Exchange Listing Rules, the draft Articles of Associations and other related laws, regulations and regulatory documents, the Board proposes to make certain amendments to the administration system of related transactions and the administration system of external investment. The Board further proposes its intention to make certain amendments to the administration system of external guarantee, in accordance with the Code of Practice for Small and Medium-sized Enterprises (SME) Board Listed Companies on Shenzhen Stock Exchange (2015 Revision) (《深圳證券交易所中小企業板上市公司規範運作指引(2015年修訂)》), the draft Articles of Association and other related laws, regulations and regulatory documents.

Details of the proposed amendments to the administration system of related transactions, the administration system of external guarantee and the administration system of external investment will be disclosed in the circular which will be despatched to the Shareholders in due course.

The above proposals have been approved by the Board, and shall be submitted to the EGM for consideration and approval by way of ordinary resolution.

4. Proposed amendments to the system concerning the duties of independent Directors

In accordance with the Code of Corporate Governance for Listed Companies (《上市公司治理準則》), the Measures of the Shenzhen Stock Exchange for the Record-filing of Independent Directors (2017 Revision) (《深圳證券交易所獨立董事備案辦法(2017年修訂)》), the draft Articles of Association and other related laws, regulations and regulatory documents, the Board proposes to make certain amendments to the system concerning the duties of independent Directors. Details of such proposed amendments will be disclosed in the circular which will be despatched to the Shareholders in due course.

The above proposals have been approved by the Board, and shall be submitted to the EGM for consideration and approval by way of ordinary resolution.

5. Formulation of the administration system of raised funds

In accordance with the Measures for Administration of Securities Issuance of Listed Companies (《上市公司證券發行管理辦法》), the Guidelines for the Supervision and Administration of Listed Companies No. 2 – Supervision and Administration Requirements for Listed Companies on the Management and Use of Raised Funds (《上市公司監管指引第2號 – 上市公司募集資金管理和使用的監管要求》), the draft Articles of Associations and other related laws, regulations and regulatory documents, the Board proposes to formulate the system concerning the administration of raised funds. Details of the system will be disclosed in the circular which will be despatched to the Shareholders in due course.

This proposal has been approved by the Board and shall be submitted to the EGM for consideration and approval by way of ordinary resolution.

6. Formulation of the administration system for preventing major Shareholders and related parties from occupying funds

In accordance with the Notice Concerning Some Issues on Regulating the Funds between Listed Companies and Related Parties and Listed Companies' Provision of Guarantee to Other Parties (《關於規範上市公司與關聯方資金往來及上市公司對外擔保若干問題的通知》), the draft Articles of Associations and other related laws, regulations and regulatory documents, the Board propose to formulate the relevant measures concerning the administration of the prevention of major Shareholders and related parties of the Company from occupying funds. Details of the measures will be disclosed in the circular which will be despatched to the Shareholders in due course.

This proposal has been approved by the Board and shall be submitted to the EGM for consideration and approval by way of ordinary resolution.

7. Projected daily related transactions of the Company in 2017

As at the date of this announcement, Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited (廣藥白雲山香港有限公司) (“**Guangzhou Baiyunshan (HK)**”), a wholly-owned subsidiary of Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. (a joint stock company with limited liability established in the PRC with its shares listed on the main board of the Stock Exchange (stock code: 874)(“**Guangzhou Baiyunshan**”), is interested in 5% or more of H Shares and Mr. Li Weisheng, one of the non-executive Directors of the Company, serves as the general manager in Guangzhou Baiyunshan (HK). In this regard, pursuant to the Shenzhen Stock Exchange Listing Rules and according to the substance over form principle, Guangzhou Baiyunshan and its subsidiaries are regarded as the related parties of the Group.

For the purpose of sound management and information disclosure for its related party transactions and in accordance with the Shenzhen Stock Exchange Listing Rules and other laws and regulations, the Board has projected that its transactions with Guangzhou Baiyunshan and its subsidiaries to be conducted in 2017 would amount to approximately RMB1.16 billion (tax inclusive).

This projection has been approved by the Board and shall be submitted to the EGM for consideration and approval by way of ordinary resolution.

8. Proposed amendments to the (draft) Articles of Association

In accordance with the Company Law and the Securities Law of the PRC, the Guidelines for the Articles of Association of Listed Companies (2016) (《上市公司章程指引(2016)》), as well as related laws, regulations and regulatory documents, the Company proposes to make certain amendments to the draft Articles of Association to reflect the share capital and shareholding structure of the Company upon the A Share Offering, which will be effective upon the approval by the Shareholders at the EGM and the Class Meetings. Details of the proposed amendments to the (draft) Articles of Association will be disclosed in the circular which will be despatched to the Shareholders in due course.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval by way of special resolution.

9. Feasibility plan on the investment projects using the proceeds from the A Share Offering

The proceeds from the A Share Offering will be used for the principal business operations of the Group, being the distribution of pharmaceutical products. After deducting the expenses in connection with the offering, the proceeds will be used for the construction project of modern pharmaceutical logistic center, information system deepening project and the extension project for pharmaceutical wholesale business. The total amount of investment project relating to the A Share Offering will not exceed RMB251.56 million.

In preparation for the application of the A Share Offering, the Company has prepared the feasibility analysis report on the investment projects using the proceeds from the A Share Offering, a summary of which will be disclosed in the circular to be despatched to the Shareholders in due course.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval by way of special resolution.

10. Accumulated profit distribution plan before the A Share Offering

In order to balance the interests of both new and existing Shareholders, upon completion of the A Share Offering, all the Shareholders (including the holders of H Shares, Domestic Shares and A Shares) shall be entitled to all the profits of the Company accumulated prior to the A Share Offering.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval by way of special resolution.

11. Authorisation to the Board to deal with matters in connection with the Company's application for the A Share Offering at its full discretion

A special resolution will be proposed at the EGM and Class Meetings, to authorise the Board to deal with all the matters in connection with the Company's application for the A Share Offering under the framework and principles approved by the Shareholders.

The above authorisation shall be valid for 24 months from the date of passing such resolution at the EGM and Class Meetings.

12. Dividend return plan for Shareholders within three years after the A Share Offering

In order to further strengthen and improve the dividend distribution policy and offer clarity on the investment returns to the Shareholders and transparency on the decision-making process of the Company relating to dividend distribution, the Company has formulated the dividend return plan for Shareholders within three years after the A Share Offering based on the relevant rules and regulations as well as the Articles of Association, and taking into full account of its actual operations, the needs of future development and the future prospects of the Company. The plan will also be proposed at the EGM to authorise the Board to adjust the plan based on any changes in laws, regulations, regulatory documents and related policies or the opinions of domestic and overseas regulatory authorities. Details of the plan will be disclosed in the circular which will be despatched to the Shareholders in due course.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval by way of special resolution.

13. Price stabilising budget and undertakings for the A Shares of the Company within three years after the A Share Offering

In order to effectively protect the interests of the Shareholders and boost the investment confidence of the investors and in accordance with the relevant laws and regulations, the Company has formulated a price stabilising budget for the A Shares within three years after the A Share Offering, and the Company, the controlling Shareholders of the Company, the Directors (except independent Directors) and senior management of the Company propose to make certain undertakings. Details of the budget and the relevant undertakings to be given will be disclosed in the circular which will be despatched to the Shareholders in due course.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval by way of special resolution.

14. Remedial plan and relevant undertakings on dilution of immediate return from the A Share Offering

In order to enhance the development of the Company and the protection of the interests of small and medium investors in capital market, the Company has conducted the analysis of the dilution of immediate return arising from the A Share Offering and the controlling Shareholders of the Company, the Directors and the senior management of the Company propose to make certain relevant undertakings. Details of the remedial plan and the relevant undertakings to be given will be disclosed in the circular which will be despatched to the Shareholders in due course.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval by way of special resolution.

15. Undertakings on matters in connection with the A Share Offering and proposed corresponding restrictive measures

In order to protect the interests of public investors and in accordance with the Opinions Regarding Further Promotion of Structural Reforms on Issue of New Shares (《關於進一步推進新股發行體制改革的意見》) issued by CSRS as well as related laws, regulations and regulatory documents, the Company shall issue the undertakings in connection with the A Share Offering. The Company proposes to make certain undertakings for the purpose of the A Share Offering and formulate certain corresponding restrictive measures. Details of the undertakings and relevant restrictive measures will be disclosed in the circular which will be despatched to the Shareholders in due course.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval by way of special resolution.

16. Use of raised funds from the H Share Offering

The Company has prepared the status report on the use of proceeds from the H Share Offering in accordance with the relevant laws and regulations of the PRC. The Company issued in total 28,000,000 Shares in the H Share Offering, and the net proceeds raised after deducting the offering expenses were approximately HK\$199 million. Details of the report will be disclosed in the circular which will be despatched to the Shareholders in due course.

This report has been approved by the Board, and shall be submitted to the EGM and Class Meetings for consideration and approval by way of special resolution.

17. Termination of issuance of additional H Shares

Pursuant to the general mandate granted to the Board on 3 June 2016, the Board has the power to allot and issue additional H Shares not exceeding 20% of the H Shares of the Company in issue, that is, up to 5,600,000 H Shares. The Board has resolved at the meeting to issue not more than 5,600,000 additional H Shares on 24 October 2016. Such issuance of additional H Shares was approved by the CSRC pursuant to the Approval on Issuance of Overseas Listed Foreign Shares of Charmacy Pharmaceutical Co., Ltd. (CSRC Approval [2017] No. 7) (《關於核准創美藥業股份有限公司增發境外上市外資股的批覆》(證監許可[2017] 7號)) issued on 4 January 2017. For the reason that the Company is proposing to apply for the A Share Offering, the Company proposes not to proceed with the plan of issuing new H Shares as resolved by the Board and approved by the CSRC.

This proposal has been approved by the Board, and shall be submitted to the EGM and the Class Meetings for consideration and approval by way of special resolution.

18. Other resolutions relating to the A Share Offering

The Board also passed other resolutions in connection with the A Share Offering at the Meeting, including, among other things, formulation of the measures concerning (i) reception and management system at the arrival of specific targets; (ii) internal reporting system for material information; (iii) investor relations management system; (iv) management system for the shares of the Company held by Directors, supervisors and senior management and the related changes; (v) accountability system for material mistakes in the annual report's information disclosure; (vi) inside information and insider management system; (vii) A share information disclosure management system; and (viii) secretarial function system for the Board.

II. REASONS AND BENEFITS OF THE A SHARE OFFERING

The Directors consider that the A Share Offering will further optimise the corporate governance structure of the Company, develop domestic and overseas financing platforms and improve the liquidity of all the Shares held by the Shareholders.

Since the Company currently focuses mainly on its core business in the PRC, the A Share Offering will enhance the Company's corporate image and brand awareness, further widen the Company's funding channels, increase the Company's working capital and achieve stronger recognition of the capital markets by attracting large institutional as well as medium and small investors in the PRC. The Directors also believe that the A Share Offering will be beneficial to the Company's business growth, financing flexibility and business development. It will also enable the Company to obtain more financial resources and improve the competitiveness of the Company, which would be beneficial to the long-term development of the Company.

Having considered, among other things, the foregoing reasons for the A Share Offering, the Directors consider that the A Share Offering is in the interest of the Company and the Shareholders as a whole.

III. FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

As of the date of this announcement, the Company has not conducted any fund-raising activities in relation to the issue of equity securities of the Company in the 12 months immediately preceding the date of this announcement.

IV. PUBLIC FLOAT

As at the date of this announcement, based on the publicly available information and to the best of the Directors' knowledge, approximately 25.93% of the total issued Shares are held by the H-share public, and the Company has maintained a public float above the minimum requirements as prescribed in the Listing Rules. The Company undertakes that it will continue to comply with the public float requirement as prescribed in the Listing Rules during the application process and after completion of the A Share Offering.

V. EFFECTS OF THE A SHARE OFFERING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For reference and illustration purposes only, assuming that (i) a total of 20 million A Shares are to be issued under the A Share Offering, and (ii) there are no other changes to the issued share capital of the Company, the shareholding structure of the Company (a)

as at the date of this announcement and (b) immediately after completion of the A Share Offering are set out as follows:

	As at the date of this announcement		Immediately after completion of the A Share Offering	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Domestic Shares				
– Issued Domestic Shares	8,000	74.1	8,000	62.5
– A Shares under the proposed A Share Offering	–	–	2,000	15.6
H Shares	<u>2,800</u>	<u>25.9</u>	<u>2,800</u>	<u>21.9</u>
Total	<u>10,800</u>	<u>100.0</u>	<u>12,800</u>	<u>100.0</u>

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the EGM by the Company to approve the amendment to Article 10.1, the details of which are set out below:

Article 10.1

which originally read as:

“The company shall establish a board, which shall be accountable to and report to the shareholders’ general meeting. The board shall consist of not less than eight directors, of which the external directors (hereinafter referred to directors who do not hold any office within the Company) shall represent not less than 50 percent of the members of the Board of Directors. Independent non-executive directors (hereinafter referred to directors who are independent to the shareholders and do not hold any office within the Company) shall represent at least one-third of the members of the Board of Directors.

The Board of Directors shall have one chairman and one vice chairman.”

is amended as follows:

“The company shall establish a board, which shall be accountable to and report to the shareholders’ general meeting. The board shall consist of seven directors, of which the external directors (hereinafter referred to directors who do not hold any office within the Company) shall represent not less than 50 percent of the members of the Board of Directors. Independent non-executive directors (hereinafter referred to directors who are independent to the shareholders and do not hold any office within the Company) shall represent at least one-third of the members of the Board of Directors.

The Board of Directors shall have one chairman and may have one vice chairman.”

The above amendments to Article 10.1 of the Article of Association serve to reflect the structure, quorum and composition of the Board and to improve its operational efficiency.

GENERAL

The Company will convene the EGM and Class Meetings (where applicable) to seek approval from the Shareholders for the above matters.

A circular containing, among other things, the details of (i) the proposed A Share Offering, proposed amendments to the (draft) Articles of Association and other relevant resolutions; (ii) the proposed amendments to the Articles of Association; and (iii) the notices of the EGM, the Domestic Shareholders’ Class Meeting and the H Shareholders’ Class Meeting, will be despatched to the Shareholders in accordance with the Listing Rules and the Articles of Association in due course.

The proposed A Share Offering is subject to certain conditions, including but not limited to the market condition, the Shareholders’ approval at the EGM and the Class Meetings, as well as the approvals of the CSRC and/or other relevant regulatory authorities, and accordingly, may or may not proceed. Shareholders and potential investors are advised to exercise caution in dealing in the H Shares or other securities of the Company.

RESIGNATION OF NON-EXECUTIVE DIRECTOR

The Board announces that Ms. You Zeyan (“**Ms. You**”) has resigned as a non-executive Director, as she wishes to focus on other personal career development, with effect from the date on which the aforesaid proposed amendments to the Articles of Association were approved at the EGM. Ms. You has confirmed that she has no disagreement with the Board and is not aware of any matter in relation to her resignation that needs to be brought to the attention of the Shareholders or the Stock Exchange.

DEFINITIONS

Unless the context otherwise requires, the following expressions in this announcement have the following meanings:

“A Share(s)”	the ordinary share(s) proposed to be issued by the Company pursuant to the A Share Offering and subscribed for in Renminbi
“A Share Offering”	the Company’s proposed initial public offering of not more than 20 million A Shares, which are proposed to be listed on the Shenzhen Stock Exchange
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of directors
“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 main board of the Stock Exchange (stock code: 2289)
“Class Meeting(s)”	the H Shareholders’ Class Meeting and/or the Domestic Shareholders’ Class Meeting (as the case may be)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi by PRC nationals and/or PRC corporate entities
“Domestic Shareholder(s)”	holder(s) of Domestic Share(s)
“Domestic Shareholders’ Class Meeting”	the class meeting of the holders of Domestic Shares to be convened and held on around 5 September 2017 (or any adjournment thereof) immediately after the conclusion of the EGM to be held on the same date at the same place
“EGM”	the forthcoming extraordinary general meeting of the Company to be held on 5 September 2017 or any adjournment thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“H Share(s)”	overseas listed foreign invested shares in the share capital of the Company, which are listed on the main board of the Stock Exchange with a nominal value of RMB1.00 each
“H Shareholders’ Class Meeting”	the class meeting of the holders of H Shares to be convened and held on around 5 September 2017 (or any adjournment thereof) immediately after the conclusion of the Domestic Shareholders’ Class Meeting to be held on the same date at the same place
“H Share Offering”	the initial public offering of the Company’s H Shares globally and the listing of such H Shares on the Stock Exchange on 14 December 2015
“Listing”	the listing of the H Shares on the Stock Exchange which commenced on 14 December 2015
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meeting”	the meeting of the Board held on 20 July 2017
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	prospectus of the Company dated 2 December 2015
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the Domestic Share(s) and/or the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	supervisor(s) of the Company

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

Hong Kong, 20 July 2017

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