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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
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF THE 2018 SECOND EXTRAORDINARY
GENERAL MEETING**

A letter from the Board is set out on pages 3 to 5 of this circular. A notice convening the 2018 second extraordinary general meeting of the Company (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 10 a.m. on 14 December 2018, is set out on pages 6 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 24 November 2018.

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 (i.e. not later than 10 a.m. on 13 December 2018) 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.

29 October 2018

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DEFINITIONS

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

“EGM”	the 2018 second extraordinary general meeting of the Company to be convened and held on 14 December 2018 at 10 a.m. 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 6 to 9 of this circular, and any adjournment thereof
“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)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Domestic 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
“General Mandate”	the general mandate to issue Domestic Shares and/or H Shares representing up to the limit of 20% of each of the total number of the Domestic Shares and/or H Shares respectively in issue as at the date of passing such resolution to grant the general mandate
“Group”	the Company and its subsidiaries

DEFINITIONS

“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	26 October 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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



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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. Lin Zhixiong

Non-executive Director:

Mr. Li Weisheng

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:

40/F, Sunlight Tower

248 Queen's Road East

Wanchai, Hong Kong

29 October 2018

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR
GENERAL MANDATE TO ISSUE SHARES
AND
NOTICE OF THE 2018 SECOND EXTRAORDINARY
GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information on, among other things, the proposal for the general mandate to issue Shares and the other matters contained in the notice of EGM, so that the Shareholders may make an informed decision on voting in respect of the resolution to be tabled at the EGM.

II. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE NEW SHARES

The General Mandate to issue new Shares will be put forward at the EGM for Shareholders' approval as a special resolution. For details, please refer to special resolution No. 1 of the notice of the EGM contained in pages 6 to 9 of this circular.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the issued share capital of the Company is comprised of 80,000,000 Domestic Shares and 28,000,000 H Shares. Subject to the passing of the General Mandate to issue new Shares at the EGM and on the basis that no further Shares are issued before the EGM, the Board will have the power to issue up to 16,000,000 Domestic Shares and 5,600,000 H Shares.

Any exercise of the power by the Board under the General Mandate shall comply with the Company Law of the PRC and the Listing Rules (as amended from time to time) and only if all necessary approvals from the CSRC and/or other relevant PRC government authorities are obtained. The Board has no plan to issue new Shares pursuant to the General Mandate at present.

The General Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of a period of 12 months after this resolution as a special resolution has been passed at the EGM; or (c) the revocation or variation of the authority given under this resolution by a special resolution of the Company in general meeting.

III. 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 10 a.m. on 14 December 2018, is set out on pages 6 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 head office in the PRC of the Company (for holders of Domestic Shares of the Company) on or before 24 November 2018.

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 (i.e. not later than 10 a.m. on 13 December 2018) 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 relevant 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 Chinese text of this circular shall prevail over the English text for the purpose of interpretation.

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



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(Stock Code: 2289)

**NOTICE OF THE 2018 SECOND EXTRAORDINARY
GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2018 second extraordinary general meeting (the “EGM”) of Charmacy Pharmaceutical Co., Ltd. (the “**Company**”) will be held at 10 a.m. on 14 December 2018 (Friday) at the Conference Room on 3rd Floor, No. 235 Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the PRC for the purpose of considering and, if thought fit, passing the following resolution:

AS SPECIAL RESOLUTION

1. To give a general mandate to the board of directors of the Company (“**Board**”) to allot, issue and deal with additional domestic shares not exceeding 20% of the domestic shares of the Company in issue and additional H shares not exceeding 20% of the H shares of the Company in issue and authorise the Board to make corresponding amendments to the articles of association of the Company (“**Articles of Association**”) as it thinks fit so as to reflect the new capital structure upon the allotment or issuance of shares:

“THAT

- (A) (a) subject to paragraph (c) and in accordance with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association and the applicable laws and regulations of the People’s Republic of China, the exercise by the Board during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with, either separately or concurrently, additional domestic shares and H shares of the Company and to determine the terms and conditions for the allotment and issue of new shares including the following terms:
 - (i) class and number of new shares to be issued;
 - (ii) issue price of new shares;
 - (iii) starting and closing dates for the issue;

NOTICE OF THE 2018 SECOND EXTRAORDINARY GENERAL MEETING

- (iv) class and number of new shares to be issued to existing shareholders of the Company; and
 - (v) making or granting of offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) each of the number of the domestic shares and H shares allotted, issued and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of each of the total number of Domestic Shares and H Shares respectively in issue as at the date of passing this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the 12-month period following the passing of this resolution as a special resolution at the EGM; or
- (iii) the revocation or variation of the authority given under this resolution by a special resolution of the Company in general meeting.

NOTICE OF THE 2018 SECOND EXTRAORDINARY GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the directors to the holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong) and an offer, allotment or issue of shares by way of rights shall be construed accordingly.

- (B) The Board be and is hereby authorised to make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new capital structure upon the allotment or issue of shares as provided in sub-paragraph (a) of paragraph (A) of this resolution.”

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

Shantou, the PRC, 29 October, 2018

Notes:

1. All resolutions 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. The register of members of the Company will be closed from 14 November 2018 to 14 December 2018 (both days inclusive), during which period no transfer of shares of the Company can be registered. In order to qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (for holders of H shares of the Company) or the headquarters in the PRC of the Company (for holders of domestic shares of the Company), no later than 4:30 p.m. on 13 November 2018.
3. 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.
4. 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 (i.e. not later than 10 a.m. on 13 December 2018) 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.

NOTICE OF THE 2018 SECOND EXTRAORDINARY GENERAL MEETING

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.

5. Shareholders or their proxies shall provide their identity documents when attending the EGM.
6. 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 head office in the PRC of the Company (for holders of domestic shares of the Company) on or before 24 November 2018.
7. 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.
8. 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 and Mr. Lin Zhixiong; the non-executive Director is 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).