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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 forms of proxy 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)

- (1) PROPOSALS FOR PROFIT DISTRIBUTION PLAN AND DECLARATION OF FINAL DIVIDENDS FOR THE YEAR 2019;**
(2) PROPOSED PROJECTED DAILY RELATED TRANSACTIONS OF THE COMPANY IN 2020;
(3) PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES;
(4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
(5) NOTICE OF ANNUAL GENERAL MEETING;
(6) NOTICE OF THE 2020 SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING;
AND
(7) NOTICE OF THE 2020 SECOND H SHAREHOLDERS' CLASS MEETING

A letter from the Board is set out on pages 3 to 11 of this circular. A notice convening the annual general meeting of the Company (the "AGM"), and the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting immediately after the conclusion of the AGM 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 Monday, 25 May 2020, is set out on pages AGM-1 to AGM-5, DSCM-1 to DSCM-3 and HSCM-1 to HSCM-3 of this circular.

Shareholders who are entitled to attend and vote at the AGM and/or the Class Meeting(s) 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 AGM and/or the Class Meeting(s) 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 (not later than 10 a.m. on Sunday, 24 May 2020) before the time for holding the AGM and/or the Class Meeting(s) (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 AGM or any adjourned meetings should they so wish.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held on Monday, 25 May 2020 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 or any adjournment thereof, the notice of which is set out on pages AGM-1 to AGM-5 of this circular
“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
“Class Meeting(s)”	the H Shareholders’ Class Meeting and/or the Domestic Shareholders’ Class Meeting (as the case may be)
“Company”, “Charmacy Pharmaceutical” or “our”	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, the H Shares of which are listed and traded on the Stock Exchange (stock code: 2289)
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Yao Chuanglong
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“Domestic Share(s)”	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
“Domestic Shareholders’ Class Meeting”	the class meeting of the holders of Domestic Shares to be convened and held at 10:30 a.m. (or immediately after the conclusion of the AGM) on 25 May 2020 (or any adjournment thereof) at Conference Room on 3rd Floor, No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the PRC to consider, if appropriate, to approve, among other things, the proposed amendments to the Articles of Association

DEFINITIONS

“Group”	the Company and its subsidiaries
“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
“H Shareholders’ Class Meeting”	the class meeting of the holders of H Shares to be convened and held at 11:00 a.m. (or immediately after the conclusion of the Domestic Shareholders’ Class Meeting) on 25 May 2020 (or any adjournment thereof) at Conference Room on 3rd Floor, No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the PRC to consider, if appropriate, to approve, among other things, the proposed amendments to the Articles of Association
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	15 April 2020, 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
“PRC”	The People’s Republic of China which shall, for the purpose of this circular, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(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
“Supervisor(s)”	the supervisor(s) of the Company
“%”	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. 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:

40th Floor, Sunlight Tower

No. 248 Queen's Road East

Wanchai, Hong Kong

22 April 2020

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSALS FOR PROFIT DISTRIBUTION PLAN AND DECLARATION OF FINAL DIVIDENDS FOR THE YEAR 2019;**
(2) PROPOSED PROJECTED DAILY RELATED TRANSACTIONS OF THE COMPANY IN 2020;
(3) PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES;
(4) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
(5) NOTICE OF ANNUAL GENERAL MEETING;
(6) NOTICE OF THE 2020 SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING;
AND
(7) NOTICE OF THE 2020 SECOND H SHAREHOLDERS' CLASS MEETING

I. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information on, among other things, the proposals for (i) profit distribution plan and declaration of final dividends for the year 2019; (ii) projected daily related transactions of the Company in 2020; (iii) proposal for general mandate to issue Shares; (iv) the proposed amendments to the Articles of Association; and the other matters contained in the notices of AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting, so that the Shareholders may make an informed decision on voting in respect of those resolutions to be tabled at the AGM, the Domestic Shareholders' Class Meeting and the H Shareholders' Class Meeting.

LETTER FROM THE BOARD

II. PROPOSED PROFIT DISTRIBUTION PLAN AND DECLARATION OF FINAL DIVIDENDS FOR THE YEAR 2019

According to the annual results announcement of the Company for the year ended 31 December 2019 dated 30 March 2020, the Board proposed the payment of a final dividend of RMB0.20 (tax inclusive) per Share for the year ended 31 December 2019 (the “**2019 Final Dividend**”) to the Shareholders whose names appear on the register of members of the Company on 3 June 2020. Based on the number of issued Shares of 108,000,000 Shares as at the Latest Practicable Date, the 2019 Final Dividend, if approved and paid, will amount to an aggregate amount of RMB21.6 million (tax inclusive). For distribution of the 2019 Final Dividend, dividends on Domestic Shares will be paid in RMB and dividends on H Shares will be paid in HK\$ (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 AGM). The proposed payment of 2019 Final Dividend is subject to the approval by the Shareholders at the AGM.

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 2019 Final 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.

LETTER FROM THE BOARD

III. PROPOSED PROJECTED DAILY RELATED TRANSACTIONS OF THE COMPANY IN 2020

As at the Latest Practicable Date, Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited (廣藥白雲山香港有限公司) (“**Baiyunshan HK**”), a wholly-owned subsidiary of Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd.* (廣州白雲山醫藥集團股份有限公司) (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, the non-executive Director of the Company, serves as the general manager in 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 2020 would amount to approximately RMB0.82 billion (tax inclusive). This proposal has been approved by the Board (other than Mr. Li Weisheng who has abstained in the voting of this proposal) and shall be submitted to the AGM for consideration and approval by way of ordinary resolution. Baiyunshan HK will abstain from voting in relation to this resolution at the AGM.

IV. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE NEW SHARES

The general mandate to issue new Shares will be put forward at the AGM for Shareholders’ approval as a special resolution. For details, please refer to special resolution No. 10 in the notice of the AGM set out on pages AGM-2 to AGM-4 of this circular.

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 AGM and on the basis that no further Shares are issued before the AGM, the Board will have the power to issue up to 16,000,000 Domestic Shares and 5,600,000 H Shares (i.e. 20% of the Domestic Shares and H Shares of the Company in issue, respectively).

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 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 AGM; or (c) the revocation or variation of the authority given under this resolution by a special resolution of the Company in general meeting.

* for identification purpose only

LETTER FROM THE BOARD

V. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

On 14 November 2019, the China Securities Regulatory Commission issued the Guidance on Application for “Full Circulation” for Domestic Unlisted Shares of H Shares Companies (CSRC [2019] No.22) (《H 股公司境內未上市股份申請「全流通」業務指引》(中國證券監督管理委員會公告[2019]22號)) and the supporting catalogue of materials for application for “Full Circulation” of H shares and key points for review and of concern. Since then, on 30 March 2020, the Board proposed to amend the following provisions relevant to the terms of the “Full Circulation” of H shares under the Article of Association of Charmacy Pharmaceutical Co., Ltd., as well as the terms relevant to our business scope in accordance with the operation need of the Company, subject to the approval at the AGM and the Class Meetings:

Before Amendments	After Amendments
<p>Article 2.2 The business scope of the Company: pharmaceutical business; medical device business; distribution of health products and food; freight transport business; domestic freight forwarder; third-party pharmaceutical products and medical devices logistics business; commodity information consultancy; management and planning service for pharmaceutical enterprises; logistics information consulting service; advertising business; lease of properties; distribution of sterilizing and bactericidal equipments and instruments, disinfectant, hygienic insecticide, cosmetics, sanitary products, detergent, daily provisions and chemical products (excluding hazardous chemicals); purchasing and initial processing of agricultural by-products, seafood and local specialties; private warehouses locating at 1F and 2F No. 235 Song Shan North Road, Shantou City.</p> <p>The business scope of the Company is subject to the same being approved by the authority in which the Company registered.</p> <p>...</p>	<p>Article 2.2 The business scope of the Company: pharmaceutical business; medical device business; distribution of health products and food; freight transport business; domestic freight forwarder; third-party pharmaceutical products and medical devices logistics business; commodity information consultancy; management and planning service for pharmaceutical enterprises; logistics information consulting service; advertising business; lease of properties; distribution of sterilizing and bactericidal equipments and instruments, disinfectant, hygienic insecticide, cosmetics, sanitary products, detergent, daily provisions and chemical products (excluding hazardous chemicals), <i>labour protective products</i>; purchasing and initial processing of agricultural by-products, seafood and local specialties; private warehouses locating at 1F and 2F No. 235 Song Shan North Road, Shantou City.</p> <p>The business scope of the Company is subject to the same being approved by the authority in which the Company registered.</p> <p>...</p>

LETTER FROM THE BOARD

Before Amendments	After Amendments
<p>Article 3.5 Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares which are listed overseas shall be referred to as overseas-listed foreign shares.</p> <p>...</p> <p>Subject to the approval of the securities regulatory authorities of the State Council, the domestic shareholders of the Company may transfer their shares to foreign investors, and such shares may be listed or traded in overseas markets. The listing and trading of the transferred shares on the overseas stock exchange do not require any meeting of class shareholders.</p>	<p>Article 3.5 Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares which are listed overseas shall be referred to as overseas-listed foreign shares.</p> <p>...</p> <p>Subject to the approval of the securities regulatory authorities of the State Council, the domestic shareholders of the Company may transfer their shares to foreign investors, and such shares may be listed or traded in overseas markets. The listing and trading of the transferred shares on the overseas stock exchange do not require any meeting of class shareholders.</p> <p><u>Subject to the approval of the securities regulatory authorities of the State Council, the shareholders of the Company may convert all or part of the unlisted shares they hold to overseas listed foreign shares, and list and trade such shares on overseas stock exchanges. Unlisted shares converted and listed and traded on overseas stock exchanges shall comply with regulatory procedures, provisions and requirements of the overseas stock market. Conversion of unlisted shares and listing and trading of such shares on foreign stock exchanges are not subject to the approval at the general meeting or shareholders class meeting. Unlisted shares converted and listed and traded on foreign stock exchanges are referred to as the same category of shares as existing overseas listed foreign shares.</u></p>

LETTER FROM THE BOARD

Before Amendments	After Amendments
<p>Article 9.2 Rights conferred on any class of shareholders may not be varied or abrogated save with the approval by a special resolution at a shareholders' general meeting and by shareholders of the affected class at a separate meeting convened in accordance with Article 9.4 to Article 9.8.</p> <p>...</p> <p>The holders of domestic shares of the Company referred to in Article 3.5 of these Articles may transfer their shares to overseas investors and list the said shares overseas, which shall not be deemed to be a proposed variation or abrogation of the rights conferred on any class of shareholders.</p>	<p>Article 9.2 Rights conferred on any class of shareholders may not be varied or abrogated save with the approval by a special resolution at a shareholders' general meeting and by shareholders of the affected class at a separate meeting convened in accordance with Article 9.4 to Article 9.8.</p> <p>...</p> <p>The holders of domestic shares of the Company referred to in Article 3.5 of these Articles may transfer their shares to overseas investors and list the said shares overseas, which shall not be deemed to be a proposed variation or abrogation of the rights conferred on any class of shareholders.</p> <p><u>The conversion of all or part of the unlisted shares held by holders of shares of the Company to overseas listed foreign shares and listing and trading such shares on overseas stock exchanges referred to in Article 3.5 of these Articles shall not be deemed to be a proposed variation or abrogation of the rights conferred on any class of shareholders.</u></p>

LETTER FROM THE BOARD

Before Amendments	After Amendments
<p>Article 9.8 Except shareholders of other class of shares, shareholders of domestic shares and shareholders of overseas listed foreign shares shall be considered as different class of shareholders. Shareholders of domestic shares and overseas listed foreign shares shall enjoy equal rights in any distribution of dividend and other benefits.</p> <p>The special voting procedures for class meetings do not apply to the following circumstances:</p> <p>...</p> <p>(III) upon the approval of the securities regulatory authority of the State Council, the shareholders of the Company have their unlisted shares listed and traded on overseas stock exchanges.</p>	<p>Article 9.8 Except shareholders of other class of shares, shareholders of domestic shares and shareholders of overseas listed foreign shares shall be considered as different class of shareholders. Shareholders of domestic shares and overseas listed foreign shares shall enjoy equal rights in any distribution of dividend and other benefits.</p> <p>The special voting procedures for class meetings do not apply to the following circumstances:</p> <p>...</p> <p>(III) upon the approval of the securities regulatory authority of the State Council, the shareholders of the Company have <u>all or part of</u> their unlisted shares <u>converted to overseas listed foreign shares and</u> listed and traded such shares on <u>overseas stock exchanges</u>.</p>

The English version of the above Articles to the Articles of Association is an unofficial translation of its Chinese version. In case of any discrepancy between the two versions, the Chinese version shall prevail.

LETTER FROM THE BOARD

VI. CLOSURE OF BOOKS

In order to determine the Shareholders who are entitled to attend the AGM and the Class Meetings, the register of members of the Company will be closed from Tuesday, 19 May 2020 to Monday, 25 May 2020 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the AGM and the Class Meetings, 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, the PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on Monday, 18 May 2020. Shareholders whose names appear on the register of members of the Company at the close of business on Monday, 18 May 2020 are entitled to attend and vote at the AGM and the Class Meetings.

In order to determine the Shareholders who are entitled to receive the 2019 Final Dividend, the register of members of the Company will be closed from Friday, 29 May 2020 to Wednesday, 3 June 2020 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2019 Final 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, the PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on Thursday, 28 May 2020. Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 3 June 2020 are entitled to receive the 2019 Final Dividend. The proposed 2019 Final Dividend will be paid on or about Friday, 10 July 2020 following the approval at the AGM.

VII. NOTICES OF THE AGM AND CLASS MEETINGS

The AGM will 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 Monday, 25 May 2020. The Domestic Shareholders' Class Meeting will be held at 10:30 a.m. (or immediately after the conclusion of the AGM) on the same date at the same place, and the H Shareholders' Class Meeting will be held at 11:00 a.m. (or immediately after the conclusion of the Domestic Shareholders' Class Meeting) on the same date at the same place. Notices dated 22 April 2020 convening the AGM and the Class Meetings together with the relevant forms of proxy have been despatched to the Shareholder in accordance with the Listing Rules.

Shareholders who are entitled to attend and vote at the AGM and/or the Class Meeting(s) 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 AGM and/or the Class Meeting(s) must be deposited by hand or post, for holders of H Shares, to the H

LETTER FROM THE BOARD

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 (not later than 10 a.m. on Sunday, 24 May 2020) before the time for holding the AGM (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 AGM or any adjourned meetings should they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the AGM and/or the Class Meeting(s) 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.

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 resolutions set out in the notice(s) of the AGM and/or the Class Meeting(s) are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, together with their associates, intend to vote in favor of the relevant resolutions in respect of their respective shareholdings in the Company and recommend the Shareholders to vote in favor of the relevant resolutions to be proposed at the AGM and/or the Class Meeting(s).

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

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**AGM**”) of Charmacy Pharmaceutical Co., Ltd. (the “**Company**”) will be held at 10 a.m. on Monday, 25 May 2020 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 (the “**PRC**”) for the purpose of considering and, if thought fit, passing the following resolutions:

AS ORDINARY RESOLUTIONS

1. to consider and, if thought fit, approve the report of the board (the “**Board**”) of directors (the “**Directors**”) of the Company for the year ended 31 December 2019;
2. to consider and, if thought fit, approve the report of supervisory committee of the Company (the “**Supervisory Committee**”) for the year ended 31 December 2019;
3. to consider and, if thought fit, approve the report of the auditors and the audited financial statements of the Company for the year ended 31 December 2019;
4. to consider and, if thought fit, approve the re-appointment of SHINEWING Certified Public Accountants (LLP) as the auditors of the Company for the year 2020, to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration;
5. to consider and, if thought fit, authorise the Board to fix the remuneration of the Directors and supervisors;
6. to consider and, if thought fit, approve the Company's profit distribution plan and declaration of final dividends for the year ended 31 December 2019;
7. to consider and, if thought fit, approve the projected daily related transactions of the Company in 2020;

NOTICE OF ANNUAL GENERAL MEETING

8. to consider, if thought fit, and approve the Company and its subsidiaries' application for a comprehensive credit line of no more than RMB1.8 billion from banks in 2020, with a credit period of one year. Such credit line is reusable. The variety of the comprehensive credit line includes but is not limited to short-term working capital loans, long-term borrowings, bank acceptance bills, commercial acceptance bills, letters of guarantee, letters of credit, mortgage loans, and pledged loans. From the date of the passing of this resolution until the conclusion of the next annual general meeting, the Chairman is authorized to represent the Company in completing relevant procedures within the comprehensive credit line approved by the bank and to sign all the legal documents, such as contracts, agreements and proofs, relating to credit products including but not limited to loans, credits, trusts and finance leases.
9. to consider and, if thought fit, approve the Company's absolute discretion to provide support (including but not limited to guarantee and credit support) for the matters of the Company and its subsidiaries in 2020, as long as the aggregate amount does not exceed RMB2.5 billion, including but not limited to loans, credits, trusts and finance leases. From the date of the passing of this resolution until the conclusion of the next annual general meeting, the Chairman is authorized to represent the Company in completing all relevant procedures within the total credit line of the above support, and to sign all the legal documents, such as contracts, agreements and proofs, relating to the above financing support for the subsidiaries (including but not limited to loans, credits, trusts and finance leases).

AS SPECIAL RESOLUTIONS

10. to grant a general mandate to the 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 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 of the Company (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

NOTICE OF ANNUAL GENERAL MEETING

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;
 - (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;
- (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 total 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 AGM; 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 ANNUAL 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.”

11. to consider and, if thought fit, approve the proposed amendments to the Articles of Association (details of which are set out in the Circular), and that any Director be and is hereby authorised to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the shareholders of the Company) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interest of the Company in order to deal with other related issues arising from the amendments to the Articles of Association.

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

Shantou, the PRC, 22 April 2020

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 Tuesday, 19 May 2020 to Monday, 25 May 2020 (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 AGM, 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 Monday, 18 May 2020.
3. Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a shareholder.

NOTICE OF ANNUAL GENERAL MEETING

4. In order to be valid, the proxy form for the AGM 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 (not later than 10 a.m. on Sunday, 24 May 2020) before the time for holding the AGM (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 AGM or any adjourned meetings should they so wish.

If the proxy is a legal person, its legal representative or any representative authorized 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 authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, and shall be signed by an authorised personnel of the recognized clearing house. The person(s) so authorized 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 notarized 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 AGM.
6. 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.
7. 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).



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)

**NOTICE OF THE 2020 SECOND DOMESTIC SHAREHOLDERS'
CLASS MEETING**

NOTICE IS HEREBY GIVEN that the class meeting (the “**Domestic Shareholders’ Class Meeting**”) of the holders of domestic shares (the “**Domestic Shares**”) of Charmacy Pharmaceutical Co., Ltd. (the “**Company**”) will be held at 10:30 a.m. (or immediately after the conclusion of the annual general meeting (the “**AGM**”) of the Company held at the same date) on Monday, 25 May 2020 at Conference Room on 3rd Floor, No. 235 Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the People’s Republic of China (the “**PRC**”) or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution:

Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 22 April 2020 (the “**Circular**”).

AS SPECIAL RESOLUTION

1. to consider and, if thought fit, approve the proposed amendments to the Articles of Association (details of which are set out in the Circular).

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

Shantou, the PRC, 22 April 2020

NOTICE OF THE 2020 SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING

Notes:

1. Resolution at the meeting will be taken by poll.
2. The register of members of the Company will be closed from Tuesday, 19 May 2020 to Monday, 25 May 2020 (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 Domestic Shareholders' Class Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the headquarters in the PRC of the Company at No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the PRC, no later than 4:30 p.m. on Monday, 18 May 2020.
3. Holders of Domestic Shares ("**Domestic Shareholders**") who are entitled to attend and vote at the Domestic Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Domestic Shareholder of the Company.
4. The instrument appointing a proxy must be in writing under the hand of a Domestic Shareholder or his attorney duly authorised in writing. If the Domestic Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
5. In order to be valid, the form of proxy for the Domestic Shareholders' Class Meeting must be deposited by hand or post to the headquarters in the PRC of the Company not less than 24 hours (i.e. not later than 10:30 a.m. on Sunday, 24 May 2020) before the time for holding the Domestic Shareholders' Class Meeting (or any adjournment thereof) for taking the poll. If the form of proxy 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 form of proxy. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Domestic Shareholders' Class Meeting 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 Domestic Shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the Domestic 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 authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, 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 forms of proxy 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.

NOTICE OF THE 2020 SECOND DOMESTIC SHAREHOLDERS' CLASS MEETING

6. In case of joint shareholder for any Domestic 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.
7. Domestic Shareholders or their proxies shall provide their identity documents when attending the Domestic Shareholders' Class Meeting. If corporate Domestic Shareholders appoint authorised representative to attend the Domestic Shareholders' Class Meeting, the authorised representative shall produce his/her identity documents and a notarial copy of the relevant authorisation instrument signed by the Board or other authorised parties of the corporate Shareholders or other notarial documents allowed by the Company. Proxies shall produce their identity documents and the form of proxy signed by the Shareholders or their attorney when attending the Domestic Shareholders' Class Meeting.
8. Domestic shareholders attending the Domestic Shareholders' Class Meeting shall bear their own traveling and accommodation expenses.

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).

NOTICE OF THE 2020 SECOND H SHAREHOLDERS' CLASS MEETING



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)

**NOTICE OF THE 2020 SECOND H SHAREHOLDERS'
CLASS MEETING**

NOTICE IS HEREBY GIVEN that the class meeting (the "H Shareholders' Class Meeting") of the holders of H shares (the "H Shares") of Charmacy Pharmaceutical Co., Ltd. (the "Company") will be held at 11:00 a.m. (or immediately after the conclusion of the class meeting of the holders of domestic shares of the Company (the "Domestic Shareholders' Class Meeting", together with the H Shareholders' Class Meeting, the "Class Meetings") held at the same date) on Monday, 25 May 2020 at Conference Room on 3rd Floor, No. 235 Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the People's Republic of China (the "PRC") or any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolution:

Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated 22 April 2020 (the "Circular").

AS SPECIAL RESOLUTION

1. to consider and, if thought fit, approve the proposed amendments to the Articles of Association (details of which are set out in the Circular).

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

Shantou, the PRC, 22 April 2020

NOTICE OF THE 2020 SECOND H SHAREHOLDERS' CLASS MEETING

Notes:

1. Resolution at the meeting will be taken by poll.
2. The register of members of the Company will be closed from Tuesday, 19 May 2020 to Monday, 25 May 2020 (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 H Shareholders' Class Meeting, 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, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on Monday, 18 May 2020.
3. Holders of H Shares ("**H Shareholders**") who are entitled to attend and vote at the H Shareholders' Class Meeting may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a H Shareholder of the Company.
4. The instrument appointing a proxy must be in writing under the hand of a H Shareholder or his attorney duly authorised in writing. If the H Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same on its behalf.
5. In order to be valid, the form of proxy for the H Shareholders' Class Meeting 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 not less than 24 hours (i.e. not later than 11:00 a.m. on Sunday, 24 May 2020) before the time for holding the H Shareholders' Class Meeting (or any adjournment thereof) for taking the poll. If the form of proxy 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 form of proxy. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the H Shareholders' Class Meeting 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 H Shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the H 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 authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, 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 forms of proxy 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.

NOTICE OF THE 2020 SECOND H SHAREHOLDERS' CLASS MEETING

6. In case of joint shareholder for any H 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.
7. H shareholders or their proxies shall provide their identity documents when attending the H Shareholders' Class Meeting. If corporate H Shareholders appoint authorised representative to attend the H Shareholders' Class Meeting, the authorised representative shall produce his/her identity documents and/or a notarial copy of the relevant authorisation instrument signed by the Board or other authorised parties of the corporate Shareholders or other notarial documents allowed by the Company. Proxies shall produce their identity documents when attending the H Shareholders' Class Meeting.
8. H Shareholders attending the H Shareholders' Class Meeting shall bear their own traveling and accommodation expenses.

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).