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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 PRC)*

**(Stock Code: 2289)**

**MONTHLY UPDATE ANNOUNCEMENT PURSUANT TO  
RULE 3.7 OF THE TAKEOVERS CODE**

This announcement is made by Charmacy Pharmaceutical Co., Ltd. (the “**Company**”) pursuant to Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Reference is made to the announcements of the Company dated 21 October 2021 and 19 November 2021 (the “**Announcements**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

**PROGRESS OF THE POSSIBLE TRANSACTION**

The Board of Directors wishes to update the Shareholders and the potential investors that, as at the date of this announcement, the Potential Purchaser is in the process of conducting due diligence on the Company. The Potential Purchaser and Mr. Yao are still in negotiation of the terms of the Formal Agreement.

Due to the family planning reason and for the purpose of enabling the Potential Purchaser to smoothly obtain the control over the Company in a timely manner under the Letter of Intent, Mr. Yao intends to transfer the 14,750,000 Domestic Shares held by him (representing 25% of all Domestic Shares held by him, and approximately 13.66% of the total issued share capital of the Company) to his spouse, Ms. You Zeyan (“**Ms. You**”), at the consideration of its par value at RMB1 per Domestic Share before 31 December 2021 (the “**Share Transfer**”). In case the Share Transfer is completed before 31 December 2021, the Selling Restriction for the purpose of the Possible Transaction will be lifted on the commencement of next year (i.e. 1 January 2022), and the Possible Transaction is intended to be implemented as follows in 2022: Instead of transferring the Domestic Shares in two batches as disclosed in the announcement of the Company dated 21 October 2021, Mr. Yao will transfer 11,062,500 Domestic Shares held by him (representing 25% of all Domestic Shares held by him after the Share Transfer, and approximately 10.24% of the total issued share capital of the Company) to the Potential Purchaser, and procure Ms. You to transfer 14,750,000 Domestic Shares held by her (representing approximately 13.66% of the total issued share capital of the

Company) and other Domestic Shareholders to transfer 14,300,000 Domestic Shares (representing approximately 13.24% of the total issued share capital of the Company) to the Potential Purchaser. After the completion of the above transfers, Mr. Yao shall hold 33,187,500 (representing approximately 30.73% of the total issued share capital of the Company) and the Potential Purchaser shall hold 40,112,500 Domestic Shares, representing approximately 37.14% of the total issued share capital of the Company, thereby obtaining the control over the Company.

After the Share Transfer is completed, Mr. Yao and the Potential Purchaser will duly modify the Letter of Intent to reflect the above-mentioned by signing a supplementary agreement or include the relevant provisions in the Formal Agreement (as the case may be).

As of the date of this announcement, no agreement has been made in relation to the Possible Transaction.

## **MONTHLY ANNOUNCEMENT**

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Transaction will be made until an announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

**WARNINGS: THE COMPANY HAS BEEN INFORMED THAT NO LEGALLY BINDING AGREEMENT HAS BEEN ENTERED INTO FOR THE POSSIBLE TRANSACTION AS AT THE DATE OF THIS ANNOUNCEMENT. ACCORDINGLY, THERE IS NO ASSURANCE THAT THE POSSIBLE TRANSACTION OR ANY SIMILAR TRANSACTION WILL MATERIALISE OR ULTIMATELY BE CONSUMMATED AND THE DISCUSSIONS MAY OR MAY NOT LEAD TO A MANDATORY GENERAL OFFER UNDER RULE 26.1 OF THE TAKEOVERS CODE. SHAREHOLDERS AND POTENTIAL INVESTORS ARE URGED TO EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.**

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

Shantou, the PRC, 20 December 2021

*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 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).*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*