

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt** as to any aspect of this circular, or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

**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 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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



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) **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (2) **PROPOSED PROFIT DISTRIBUTION PLAN AND DECLARATION OF 2022 FINAL DIVIDEND;**
- (3) **PROPOSED REMUNERATION OF DIRECTORS AND SUPERVISORS;**
- (4) **PROPOSED APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR;**
- (5) **PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR;**
- (6) **PROPOSED APPOINTMENT OF A SUPERVISOR;**
- (7) **PROPOSED APPLICATION FOR A COMPREHENSIVE REVOLVING CREDIT LINE OF NO MORE THAN RMB1.8 BILLION FROM BANKS AND PROVISION OF GUARANTEE;**
- (8) **PROPOSAL FOR GENERAL MANDATE TO ISSUE NEW SHARES AND**
- (9) **NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 3 to 13 of this circular. A notice convening the annual general meeting of the Company (the “**AGM**”) to be held at the Conference Room on 2<sup>nd</sup> Floor, No. 33, Liyu Street, Dongchong Town, Nansha District, Guangzhou City, Guangdong Province, PRC at 3:00 p.m. on Wednesday, 31 May 2023, is set out on pages 14 to 19 of this circular.

Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalfs. A proxy need not be a Shareholder. In order to be valid, the proxy form for the AGM must be deposited by hand or post to the 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 3:00 p.m. on Tuesday, 30 May 2023) 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.

29 April 2023



<b>CONTENTS</b>
-----------------

	<i>Pages</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	3
<b>NOTICE OF AGM</b> .....	14

## 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 Wednesday, 31 May 2023 at 3:00 p.m. at the Conference Room on 2 <sup>nd</sup> Floor, No. 33, Liyu Street, Dongchong Town, Nansha District, Guangzhou City, Guangdong Province, PRC or any adjournment thereof, the notice of which is set out on pages 14 to 19 of this circular
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time, and “Article” shall mean an article of the Articles of Association
“Board”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“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, 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 and Jiangyao Group Co. Ltd (江藥集團有限公司)
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of the Company
“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

## DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	24 April 2023, 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, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	the supervisor(s) of the Company
“%”	per cent



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  
Ms. Zhang Hanzi

***Non-executive Director:***

Mr. Yan Jingbin  
Ms. Fu Zheng

***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<sup>th</sup> Floor, Dah Sing Financial Centre  
248 Queen's Road East Wanchai,  
Hong Kong

29 April 2023

*To the Shareholders*

Dear Sir or Madam,

- (1) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
- (2) PROPOSED PROFIT DISTRIBUTION PLAN AND DECLARATION OF 2022 FINAL DIVIDEND ;**
- (3) PROPOSED REMUNERATION OF DIRECTORS AND SUPERVISORS;**
- (4) PROPOSED APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR;**
- (5) PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR**
- (6) PROPOSED APPOINTMENT OF A SUPERVISOR;**
- (7) PROPOSED APPLICATION FOR A COMPREHENSIVE REVOLVING CREDIT LINE OF NO MORE THAN RMB1.8 BILLION FROM BANKS AND PROVISION OF GUARANTEE;**
- (8) PROPOSAL FOR GENERAL MANDATE TO ISSUE SHARES;**
- AND**
- (9) NOTICE OF ANNUAL GENERAL MEETING**

## LETTER FROM THE BOARD

### INTRODUCTION

The purpose of this circular is to provide the Shareholders with information on, among other things, (i) the proposed amendments to the Articles of Association; (ii) the proposed profit distribution plan and declaration of 2022 Final Dividend; (iii) the proposed remuneration of Directors and Supervisors; (iv) the proposed appointment of an independent non-executive director; (v) the proposed appointment of a non-executive Director; (vi) the proposed appointment of a supervisor; (vii) the proposed application of a comprehensive revolving credit line of no more than RMB1.8 billion from banks and provision of guarantee; (viii) the proposal for general mandate to issue Shares; and (ix) the other matters contained in the notice of the AGM, so that the Shareholders may make an informed decision on voting in respect of these solutions to be tabled at the AGM.

### I. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the AGM to approve the amendment of Article 1.4 and Article 2.2 of the Articles of Association, details of which are set out as follows:

#### Article 1.4

**which originally read as:**

The legal representative of the Company is the Chairman of the Board.

**is amended as follows:**

The legal representative of the Company is the **General Manager** of the Company.

#### Article 2.2

**which originally read as:**

“The business scope of the Company:

Licensed items: drug wholesale, distribution of Class III medical devices, food sale, road transportation of goods (excluding dangerous goods), urban distribution and transportation services (excluding dangerous goods), sale of disinfection equipment, online drug information services, and online medical device information services.

General items: sale of Class I medical devices, sale of Class II medical devices, sale of health foods (prepackaged), sale of foods (only prepackaged foods), domestic cargo transportation agency, information consulting services (excluding information consulting services subject to licensing), health consulting services (excluding medical services), enterprise management consulting, general cargo warehousing services (excluding hazardous chemicals and other items subject to licensing and approval), low-temperature warehousing (excluding hazardous chemicals and other items subject to licensing and approval), information technology consulting services, advertisement design and agency, non-residential real estate leasing, warehousing equipment leasing services, office equipment leasing services, sale of disinfectants (excluding hazardous chemicals), sale of sanitary pesticides, cosmetics wholesale and retail, sale of sanitary products and disposable medical products, sale of personal hygiene products, sale of food detergents, sale of daily groceries, wholesale of daily

## LETTER FROM THE BOARD

necessities, sale of chemical products (excluding chemical products subject to licensing), sale of labor protection products, sale of special labor protection products, purchase of primary agricultural products, sale of agricultural by-products, primary processing of edible agricultural products, sale of infant formula milk powder and other infant formula foods, sale of formula foods for special medical purposes, loading and unloading, cargo transportation and packing services, packaging services, consulting and planning services, online sale (except for sale of commodities subject to licensing), online sale of foods (only prepackaged foods), retail and wholesale of medical masks, sale of daily masks (non-medical), domestic trade agency, and leasing services (excluding leasing services subject to licensing).

The business scope of the Company is subject to the same being approved by the authority in which the Company registered.

The Company may adjust its business scope and go through the relevant adjustment formalities based on changes in market conditions at home and abroad, its own business needs and self-capability.”

### **is amended as follows:**

“The business scope of the Company:

Licensed items: drug wholesale, distribution of Class III medical devices, food sale, road transportation of goods (excluding dangerous goods), urban distribution and transportation services (excluding dangerous goods), sale of disinfection equipment, online drug information services, online medical device information services, and **import and export of drugs**.

General items: sale of Class I medical devices, sale of Class II medical devices, sale of health foods (prepackaged), sale of foods (only prepackaged foods), domestic cargo transportation agency, information consulting services (excluding information consulting services subject to licensing), health consulting services (excluding medical services), enterprise management consulting, general cargo warehousing services (excluding hazardous chemicals and other items subject to licensing and approval), low-temperature warehousing (excluding hazardous chemicals and other items subject to licensing and approval), information technology consulting services, advertisement design and agency, non-residential real estate leasing, warehousing equipment leasing services, office equipment leasing services, sale of disinfectants (excluding hazardous chemicals), sale of sanitary pesticides, cosmetics wholesale and retail, sale of sanitary products and disposable medical products, sale of personal hygiene products, sale of food detergents, sale of daily groceries, wholesale of daily necessities, sale of chemical products (excluding chemical products subject to licensing), sale of labor protection products, sale of special labor protection products, purchase of primary agricultural products, sale of agricultural by-products, primary processing of edible agricultural products, sale of infant formula milk powder and other infant formula foods, sale of formula foods for special medical purposes, loading and unloading, cargo transportation and packing services, packaging services, consulting and planning services, online sale (except for sale of commodities subject to licensing), online sale of foods (only prepackaged foods), retail and wholesale of medical masks, sale of daily masks (non-medical), domestic trade agency, leasing services (excluding leasing services subject to licensing), **labor services (excluding labor dispatching), import and export of technology, import and export of foods and import and export of goods**.



## LETTER FROM THE BOARD

The business scope of the Company is subject to the same being approved by the authority in which the Company registered.

The Company may adjust its business scope and go through the relevant adjustment formalities based on changes in market conditions at home and abroad, its own business needs and self-capability.”

The above amendments to the Articles of Association are in line with the current business management and business needs of the Company.

## II. PROPOSED PROFIT DISTRIBUTION PLAN AND DECLARATION OF 2022 FINAL DIVIDEND

In accordance with the Company’s annual results announcement dated 31 March 2023 for the year ended 31 December 2022, the Board proposes to pay a final dividend of RMB0.45 per share (inclusive of tax) for the year ended 31 December 2022 to shareholders on the register of members of the Company as at 13 June 2023 (“**2022 Final Dividend**”). Based on the number of 108,000,000 shares issued on the Latest Practicable Date, the amount of 2022 Final Dividend (if approved and paid) will be in total RMB48.6 million (inclusive of tax). With respect to the distribution of the 2022 Final Dividend, the final dividend of the holders of H shares whose H Shares were converted from domestic shares of the Company under the Company’s implementation of H Share full circulation will be paid in RMB and the other holders of H shares will be paid in HK\$ (the exchange rate for the calculation of the final dividend distributable in HK\$ is based on the average benchmark exchange rate of RMB to HK\$ as announced by the People’s Bank of China in the five business days prior to the date of approval of the final dividend at the AGM). The proposed payment of the 2022 Final Dividend is subject to the approval of shareholders at the AGM, and the payout date will be set on 20 July, 2023. The specific arrangements for the payment of the 2022 Final Dividend (including the arrangement for withholding and remitting income tax) are as follows:

In accordance with the relevant provisions of the Law of the People’s Republic of China on Enterprise Income Tax and its implementing rules, as well as the Document (GSH [2008] No. 897) issued by the State Administration of Taxation of PRC, the Company is obliged to withhold and remit corporate income tax at a rate of 10% when distributing the 2022 Final Dividend to shareholders of non-resident enterprises registered on the register of holders of H shares. Any H shares registered in the name of a non-individual registered shareholder such as HKSCC Nominees Limited, other nominee or trustee or other organisation or body will be treated as shares held by shareholders of non-resident enterprises and therefore dividends received thereon will be subject to corporate income tax. In accordance with the relevant provisions of the Law of the People’s Republic of China on Individual Income Tax and its implementing regulations, as well as the Document (GSH [2011] No. 348) issued by the State Administration of Taxation of PRC, the Company is required to withhold and remit non-resident individual income tax for non-resident individual holders of H shares. Overseas resident individual shareholders holding shares issued in Hong Kong by domestic non-foreign-invested enterprises are entitled to relevant tax incentives in accordance with the tax treaties signed between the countries in which they are residents and the PRC as well as the provisions of the taxation arrangements between the PRC and Hong Kong (or Macau). For individual holders of H shares, the Company will generally withhold and remit

<b>LETTER FROM THE BOARD</b>
------------------------------

individual income tax on dividends at a rate of 10%, unless otherwise provided by tax laws, regulations and relevant tax treaties.

As far as the holders of shares in full circulation are concerned, in accordance with the relevant provisions of the Law of the PRC on Enterprise Income Tax and its implementing rules, their tax on dividend income shall be paid by themselves when the 2022 Final Dividends are distributed by the Company to the domestic corporate holders of H shares in full circulation and the Company will not withhold and remit enterprise income tax on their behalf. In accordance with the relevant provisions of the Law of the PRC on Individual Income Tax, the Company will withhold and remit on behalf of the individual shareholders whose names appear on the register of H shares in full circulation at a rate of 20% when the Company distributes the 2022 Final Dividend to them.

The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the Shareholders or any disputes over the withholding and paying mechanism or arrangements.

### III. PROPOSED REMUNERATION OF DIRECTORS AND SUPERVISORS

In accordance with the Articles of Association and the relevant regulatory requirements, and with reference to the actual conditions of the Company and the industry remuneration level the Directors and Supervisors, the remuneration package for the Directors and Supervisors for 2023 is proposed as follows:

Name	Position	Remuneration and Allowance of Directors and Supervisors (before Tax)
Yao Chuanglong	Executive Director	RMB50,000.00
Zheng Yuyan	Executive Director	RMB50,000.00
Zhang Hanzi	Executive Director	RMB50,000.00
Yan Jingbin	Non-executive Director	—
Fu Zheng	Non-executive Director	—
Guan Jian	Independent Non-executive Director	RMB50,000.00
Zhou Tao	Independent Non-executive Director	RMB50,000.00
Wan Chi Wai Anthony	Independent Non-executive Director	HK\$144,000.00
Zhang Ling	Independent Supervisor	RMB40,000.00
Lin Zhijie	Supervisor	RMB40,000.00
Zheng Xiyue	Supervisor	RMB40,000.00

## LETTER FROM THE BOARD

The remuneration package for the Directors and Supervisors proposed to be appointed for 2023 is proposed as follows:

Name	Position	Remuneration and Allowance of Directors and Supervisors (before Tax)
Xu Fei	Non-executive Director	—
Li Hanguo	Independent Non-executive Director	RMB50,000.00
Zhu Minghong	Supervisor	—

As for the Directors and Supervisors who work in the Company, their actual remuneration and benefits are subject to their management duties.

The remuneration package has been reviewed by the remuneration committee of the Board and was determined having regard to, among other things, the Company's results performance, individual performance and contributions, and industry and market trends.

#### IV. PROPOSED APPOINTMENT OF AN INDEPENDENT NON-EXECUTIVE DIRECTOR

Upon nomination by Jiangyao Group Co., Ltd. (江藥集團有限公司) (“**Jiangyao**”), the controlling shareholder, and upon review and recommendation by the nomination committee of the Board and the Board, it is proposed to appoint Mr. Li Hanguo (“**Mr. Li**”) as an independent non-executive director. Mr. Li's biography is summarised as follows:

Li Hanguo, aged 66, obtained his master's degree in Economics from Zhongnan University of Economics and Law in 1996. Mr. Li is a professor and postgraduate supervisor of School of Finance, Jiangxi University of Finance and Economics. He served as deputy director of the Accounting Department of Jiangxi University of Finance and Economics, director of the Institute of Securities and Futures of Jiangxi University of Finance and Economics, president of Jiangxi Ruiqi Futures Co., Ltd. and director of Xingqi Audit Firm, general vice president of Fujian Minfa Securities Co., Ltd., executive president of China Sifang Holdings Co., Ltd., director of the Research Center of Securities and Futures of Jiangxi University of Finance and Economics, counselor to the People's Government of Nanchang City, expert adviser to the Jiangxi Development and Reform Commission, the young and middle-aged academic leader of Jiangxi Province(江西省中青年學科帶頭人), and a pace-setter in the new Long March of Jiangxi Province(江西省新長征突擊手). He is currently the chairman of Zhejiang Maihong Capital Management Company Limited, and has been an independent director of Chinese Universe Publishing and Media Group Co., Ltd. (stock code: 600373.SH, a company listed on the Shanghai Stock Exchange) since 26 April 2019, an independent director of Jiangxi WG Tech Co., Ltd (stock code: 603773.SH, a company listed on the Shanghai Stock Exchange) since 15

## LETTER FROM THE BOARD

November 2022, an independent director of Zhongda Construction Company Limited (stock code: 835483, a company listed on the National Equities Exchange and Quotations) since 21 May 2020, and an external director of Jiangxi Railway & Aviation Investment Group Co., Ltd.

Save as disclosed above, Mr. Li has confirmed that, as at the Latest Practicable Date, he (i) has not held any directorship in any other public company in the past three years whose securities are listed in Hong Kong or any overseas securities market; (ii) has no relationship with any Director, Supervisor, senior management or substantial or controlling shareholder of the Company, nor has he held any position in the Company or any of its subsidiaries; and (iii) has no rights or interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other matter relating to the proposed appointment of Mr. Li that needs to be brought to the attention of the Shareholders, nor is there any other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Base on the disclosed above, the Board considers that Mr. Li is independent and the appointment of Mr. Li, who was rich knowledge and experience, will provide valuable insights on the strategic planning and development of the Company and add diversity and balanced skill sets to the Board, having due regard to the nomination policy and the board diversity of the Company.

Subject to the approval of the Shareholders at the AGM, the Company will enter into a letter of appointment with Mr. Li, and Mr. Li will serve as an independent non-executive director from the date of approval by the AGM to the date of expiry of the term of office of the third session of the Board. Mr. Li will receive an annual remuneration of RMB50,000 (before tax).

According to the Articles of Association and relevant PRC laws and regulations, Mr. Li may be appointed only after the Shareholders' approval at the AGM.

### **V. PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR**

Upon nomination by Jiangyao, the controlling shareholder, and upon review and recommendation by the nomination committee of the Board and the Board, it is proposed to appoint Mr. Xu Fei (“**Mr. Xu**”) as a non-executive director. Mr. Xu's biography is summarised as follows:

Xu Fei, aged 39, obtained his bachelor's degree in Financial Management from Hangzhou University of Electronic Science and Technology in 2006. He is a senior accountant, and holds professional qualification certificates of certified public accountant and tax accountant. Mr. Xu has served as an accounting accountant and accounting supervisor of China National Accord Medicines Corporation Ltd., director of the financial department of Sinopharm Zhijun (Suzhou) Pharmaceutical Co., Ltd., chief financial officer of Jiangsu Jointown Pharmaceutical Co., Ltd., and director of the financial management department of Jointown Pharmaceutical Group Co., Ltd. (in charge of the joint ventures). He has been the deputy general manager of Jiangyao since February 2022.

## LETTER FROM THE BOARD

Save as disclosed above, Mr. Xu has confirmed that, as at the Latest Practicable Date, he (i) has not held any directorship in any other public company in the past three years whose securities are listed in Hong Kong or any overseas securities market; (ii) has no relationship with any Director, Supervisor, senior management or substantial or controlling shareholder of the Company, nor has he held any position in the Company or any of its subsidiaries; and (iii) has no rights or interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other matter relating to the proposed appointment of Mr. Xu that needs to be brought to the attention of the Shareholders, nor is there any other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Subject to the approval of the Shareholders at the AGM, the Company will enter into a letter of appointment with Mr. Xu, and Mr. Xu will serve as a non-executive Director from the date of approval by the AGM to the date of expiry of the term of office of the third session of the Board. Mr. Xu will not receive any remuneration for serving as a non-executive Director.

According to the Articles of Association and relevant PRC laws and regulations, Mr. Xu may be appointed only after the Shareholders' approval at the AGM.

### VI. PROPOSED APPOINTMENT OF A SUPERVISOR

Upon nomination by Jiangyao, the controlling shareholder, the Board of Supervisory agreed the proposal of appointing Mr. Zhu Minghong (“**Mr. Zhu**”) as a supervisor. Mr. Zhu's biography is summarised as follows:

Zhu Minghong, aged 46, obtained his master's degree in laws from Jiangxi University of Finance and Economics in 2010, He has a professional title of senior economist and the qualifications of lawyer, legal advisor and securities practitioner. Mr. Zhu has served as the director of the legal affairs department and securities law department of Jiangxi Hongdu Aviation Industry Group Corporation and Jiangxi Hongdu Aviation Industry Co., Ltd., and the manager of the compliance risk department of Huazhang Tiandi Media Investment Holding Group Co., Ltd. He has been the assistant general manager of Jiangyao since September 2020.

Save as disclosed above, Mr. Zhu has confirmed that, as at the Latest Practicable Date, he (i) has not held any directorship in any other public company in the past three years whose securities are listed in Hong Kong or any overseas securities market; (ii) has no relationship with any Director, Supervisor, senior management or substantial or controlling shareholder of the Company, nor has he held any position in the Company or any of its subsidiaries; and (iii) has no rights or interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other matter relating to the proposed appointment of Mr. Zhu that needs to be brought to the attention of the Shareholders, nor is there any other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

## LETTER FROM THE BOARD

Subject to the approval of the Shareholders at the AGM, the Company will enter into a letter of appointment with Mr. Zhu, and Mr. Zhu will serve as a supervisor from the date of approval by the AGM to the date of expiry of the term of office of the third session of the Board of Supervisors. Mr. Zhu will not receive any remuneration for serving as a supervisor.

According to the Articles of Association and relevant PRC laws and regulations, Mr. Zhu may be appointed only after the Shareholders' approval at the AGM.

### **VII. PROPOSED APPLICATION FOR A COMPREHENSIVE REVOLVING CREDIT LINE OF NO MORE THAN RMB1.8 BILLION FROM BANKS AND PROVISION OF GUARANTEE**

According to the Company's financing situation in 2022 and the financing plan arrangement in 2023, in order to meet the capital needs of the Company and its subsidiaries (the "Group") for future business development, it is proposed that the Group will apply for a comprehensive revolving credit line of no more than RMB1.8 billion from banks in 2023. The variety of the comprehensive revolving 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, factoring, letters of credit, trade financing, mortgage loans and pledge loan.

The Group will use its assets to provide limited or joint and several liability guarantees for credit and loan applications from banks within the Group (between the Company and its subsidiaries) depending on the specific circumstances, with specific guarantees including but not limited to credit support, guarantee, mortgage and pledge.

The above-mentioned comprehensive revolving credit line is valid from the date of approval at the AGM to the date of the next annual general meeting of the Company. In order to streamline the procedures of bank loans, Mr. Yao Chuanglong, the general manager of the Company, is authorized in full to represent the Group in completing relevant procedures within the comprehensive revolving credit line approved by the bank and to sign all contracts, agreements, certificates and other legal documents related to the credit granting and guarantee within the approved credit line. The specific credit granting bank, credit line, credit term and guarantee status shall be subject to the actually signed agreement.

### **VIII. PROPOSAL FOR GENERAL MANDATE TO ISSUE 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. 12 in the notice of the AGM set out on page 15 of this circular.

As at the Latest Practicable Date, the Company had 108,000,000 issued 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 21,600,000 Shares (i.e. 20% of the issued Shares).

## LETTER FROM THE BOARD

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 any general meeting.

### **IX. CLOSURE OF BOOKS**

In order to determine the Shareholders who are entitled to attend the AGM, the register of members of the Company will be closed from Thursday, 25 May 2023 to Wednesday, 31 May 2023 (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, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's shares registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 May 2023. Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 31 May 2023 are entitled to attend and vote at the AGM.

In order to determine the Shareholders who are entitled to receive the 2022 Final Dividend, the register of members of the Company will be closed from Tuesday, 6 June 2023 to Tuesday, 13 June 2023 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2022 Final Dividend, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's shares registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 5, June 2023. Shareholders whose names appear on the register of members of the Company on Tuesday, 13 June 2023 are entitled to receive the 2022 Final Dividend. The proposed 2022 Final Dividend will be paid on Thursday, 20 July 2023 following the approval at the AGM.

### **X. AGM**

A notice convening the AGM to be held at the Conference Room on 2<sup>nd</sup> Floor, No. 33, Liyu Street, Dongchong Town, Nansha District, Guangzhou City, Guangdong Province, PRC at 3:00 p.m. on Wednesday, 31 May 2023, is set out on pages 14 to 19 of this circular.

Shareholders who are entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalfs. A proxy need not be a Shareholder. In order to be valid, the proxy form for the AGM must be deposited by hand or post, for holders of Shares, to the 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. no later than 3:00 p.m. on Tuesday, 30 May 2023) before the time for holding the AGM (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person

## LETTER FROM THE BOARD

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 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 of the AGM are all 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 resolutions in respect of their respective shareholdings in the Company and recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### **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 3:00 p.m. on Wednesday, 31 May 2023 at the Conference Room on 2<sup>nd</sup> Floor, No. 33, Liyu Street, Dongchong Town, Nansha District, Guangzhou City, Guangdong Province, 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 2022;
2. to consider and, if thought fit, approve the report of board of supervisors of the Company for the year ended 31 December 2022;
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 2022;
4. to consider and, if thought fit, approve the appointment of Mr. Li Hanguo as an independent non-executive Director;
5. to consider and, if thought fit, approve the appointment of Mr. Xu Fei as a non-executive Director;
6. to consider and, if thought fit, approve the appointment of Mr. Zhu Minghong as a supervisor of the Company;
7. 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 2023, to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration;
8. to consider and, if thought fit, approve the remuneration of the Directors and supervisors of the Company for the year 2023;
9. to consider and, if thought fit, approve the profit distribution plan and declaration of final dividend for the year ended 31 December 2022;
10. to consider and, if thought fit, approve the Company and its subsidiaries' application of a comprehensive revolving credit line of no more than RMB1.8 billion from banks and

## NOTICE OF ANNUAL GENERAL MEETING

provision of guarantee, and fully authorized the general manager Mr. Yao Chuanglong to handle the relevant procedures and sign all the relevant documents.

### AS SPECIAL RESOLUTIONS

11. to consider and, if thought fit, approve the proposed amendments to the articles of association of the Company (the “**Articles of Association**”) (details of which are set out in the circular of the Company dated 29 April 2023) (please see Appendix 1), 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 of the Company; and
12. to grant a general mandate to the Board to allot, issue and deal with shares not exceeding 20% of the issued shares of the Company 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 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 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;
  - (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 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 the total number of shares 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

## NOTICE OF ANNUAL GENERAL MEETING

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 a 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 April 2023

## NOTICE OF ANNUAL GENERAL MEETING

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 Thursday, 25 May 2023 to Wednesday, 31 May 2023 (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 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 no later than 4:30 p.m. on Wednesday, 24 May 2023.
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.
4. In order to be valid, the proxy form for the AGM must be deposited by hand or post to the 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 3:00 p.m. on Tuesday, 30 May 2023) 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 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 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 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 shares are transferred, 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 holders of 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.

*As at the date of this notice, the executive Directors are Mr. Yao Chuanglong, Ms. Zheng Yuyan and Ms. Zhang Hanzi; the non-executive Directors are Mr. Yan Jingbin and Ms. Fu Zheng; 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 ANNUAL GENERAL MEETING

## APPENDIX 1

The special resolution on the amendment to the Articles, details of which are set out as follows:

### Article 1.4

**which originally read as:**

“The legal representative of the Company is the Chairman of the Board.”

**is amended as follows:**

“The legal representative of the Company is the **General Manager** of the Company.”

### Article 2.2

**which originally read as:**

“The business scope of the Company:

Licensed items: drug wholesale, distribution of Class III medical devices, food sale, road transportation of goods (excluding dangerous goods), urban distribution and transportation services (excluding dangerous goods), sale of disinfection equipment, online drug information services, and online medical device information services.

General items: sale of Class I medical devices, sale of Class II medical devices, sale of health foods (prepackaged), sale of foods (only prepackaged foods), domestic cargo transportation agency, information consulting services (excluding information consulting services subject to licensing), health consulting services (excluding medical services), enterprise management consulting, general cargo warehousing services (excluding hazardous chemicals and other items subject to licensing and approval), low-temperature warehousing (excluding hazardous chemicals and other items subject to licensing and approval), information technology consulting services, advertisement design and agency, non-residential real estate leasing, warehousing equipment leasing services, office equipment leasing services, sale of disinfectants (excluding hazardous chemicals), sale of sanitary pesticides, cosmetics wholesale and retail, sale of sanitary products and disposable medical products, sale of personal hygiene products, sale of food detergents, sale of daily groceries, wholesale of daily necessities, sale of chemical products (excluding chemical products subject to licensing), sale of labor protection products, sale of special labor protection products, purchase of primary agricultural products, sale of agricultural by-products, primary processing of edible agricultural products, sale of infant formula milk powder and other infant formula foods, sale of formula foods for special medical purposes, loading and unloading, cargo transportation and packing services, packaging services, consulting and planning services, online sale (except for sale of commodities subject to licensing), online sale of foods (only prepackaged foods), retail and wholesale of medical masks, sale of daily masks (non-medical), domestic trade agency, and leasing services (excluding leasing services subject to licensing).

The business scope of the Company is subject to the same being approved by the authority in which the Company registered.

The Company may adjust its business scope and go through the relevant adjustment formalities based on changes in market conditions at home and abroad, its own business needs and self-capability.”

**is amended as follows:**

“The business scope of the Company:

Licensed items: drug wholesale, distribution of Class III medical devices, food sale, road transportation of goods (excluding dangerous goods), urban distribution and transportation

## NOTICE OF ANNUAL GENERAL MEETING

services (excluding dangerous goods), sale of disinfection equipment, online drug information services, online medical device information services, and **import and export of drugs**.

General items: sale of Class I medical devices, sale of Class II medical devices, sale of health foods (prepackaged), sale of foods (only prepackaged foods), domestic cargo transportation agency, information consulting services (excluding information consulting services subject to licensing), health consulting services (excluding medical services), enterprise management consulting, general cargo warehousing services (excluding hazardous chemicals and other items subject to licensing and approval), low-temperature warehousing (excluding hazardous chemicals and other items subject to licensing and approval), information technology consulting services, advertisement design and agency, non-residential real estate leasing, warehousing equipment leasing services, office equipment leasing services, sale of disinfectants (excluding hazardous chemicals), sale of sanitary pesticides, cosmetics wholesale and retail, sale of sanitary products and disposable medical products, sale of personal hygiene products, sale of food detergents, sale of daily groceries, wholesale of daily necessities, sale of chemical products (excluding chemical products subject to licensing), sale of labor protection products, sale of special labor protection products, purchase of primary agricultural products, sale of agricultural by-products, primary processing of edible agricultural products, sale of infant formula milk powder and other infant formula foods, sale of formula foods for special medical purposes, loading and unloading, cargo transportation and packing services, packaging services, consulting and planning services, online sale (except for sale of commodities subject to licensing), online sale of foods (only prepackaged foods), retail and wholesale of medical masks, sale of daily masks (non-medical), domestic trade agency, leasing services (excluding leasing services subject to licensing), **labor services (excluding labor dispatching), import and export of technology, import and export of foods, and import and export of goods**.

The business scope of the Company is subject to the same being approved by the authority in which the Company registered.

The Company may adjust its business scope and go through the relevant adjustment formalities based on changes in market conditions at home and abroad, its own business needs and self-capability.”

The above amendments to the Articles of Association are in line with the current business management and business needs of the Company.