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

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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 and reply slip to the purchaser(s) or transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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創美·CH'MEI

**CHARMACY PHARMACEUTICAL CO., LTD.**

**創美藥業股份有限公司**

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

**(Stock Code: 2289)**

**PROPOSAL FOR  
DISTRIBUTION OF 2017 INTERIM DIVIDEND;  
THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017;  
AND  
NOTICE OF THE 2017 SECOND EXTRAORDINARY GENERAL MEETING**

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A letter from the Board is set out on pages 3 to 7 of this circular.

Please read pages 16 to 18 of this circular for the notice convening the EGM.

Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H Shares) or to the headquarters in the PRC of the Company (for holders of Domestic Shares) on or before 24 October 2017.

Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the proxy form for the EGM must be deposited by hand or by post, for holders of H Shares, 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 or, for holders of Domestic Shares, to the headquarters in the PRC of the Company not less than 24 hours before the time for holding the EGM (or any adjournment thereof) for taking the poll (i.e. not later than 3:00 p.m. on Sunday, 12 November 2017 or 24 hours before the time for holding its adjourned meetings). If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the EGM (or any adjournment thereof) should they so wish.

25 September 2017

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## DEFINITIONS

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

“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemental from time to time
“Board”	the board of Directors of the Company
“Company” or “Charmacy Pharmaceutical”	Charmacy Pharmaceutical Co., Ltd. (創美藥業股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares are listed and traded on the Stock Exchange (stock code: 2289)
“Guangdong Charmacy”	Guangdong Charmacy Pharmaceutical Co., Ltd* (廣東創美藥業有限公司), a wholly-owned subsidiary of Charmacy Pharmaceutical Co., Ltd., established in the PRC with limited liability.
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the 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 corporate entities established under the laws of the PRC
“EGM”	the 2017 second extraordinary general meeting of the Company to be held at 3:00 p.m. on Monday, 13 November 2017 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, notice of which is set out on pages 16 to 18 of this circular
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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

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## DEFINITIONS

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“Latest Practicable Date”	22 September 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemental from time to time
“PRC”	The People’s Republic of China which shall, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“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
“%”	per cent

\* For identification purpose only

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LETTER FROM THE BOARD

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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)**

*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, the PRC

*Principal Place of*

*Business in Hong Kong:*

18/F, Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

25 September 2017

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL FOR  
DISTRIBUTION OF 2017 INTERIM DIVIDEND;  
THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017;  
AND  
NOTICE OF THE 2017 SECOND EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with further information on (i) the proposed distribution of 2017 interim dividend and (ii) the Group's report on the related party transactions for the period from 1 January 2014 to 30 June 2017, so that the Shareholders may make an informed decision on voting in respect of the resolutions to be tabled at the EGM.

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## LETTER FROM THE BOARD

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### 2. PROPOSED DISTRIBUTION OF 2017 INTERIM DIVIDEND

Reference is made to the interim results announcement for the six months ended 30 June 2017 published by the Company on 24 August 2017. The Board has proposed the payment of an interim dividend of RMB0.10 (tax inclusive) per Share for the six months ended 30 June 2017 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 22 November 2017 (the “**2017 Interim Dividend**”). Based on the number of issued Shares of 108,000,000 Shares as at the Latest Practicable Date, the 2017 Interim Dividend, if declared and paid, will amount to an aggregate amount of RMB10,800,000 (tax inclusive). For distribution of the 2017 Interim Dividend, dividends on Domestic Shares will be paid in Renminbi 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 EGM). The proposed payment of 2017 Interim Dividend is subject to the approval by the Shareholders at the EGM.

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 2017 Interim 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.

### 3. THE GROUP’S REPORT ON THE RELATED PARTY TRANSACTIONS FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017

The Group’s related party transactions with the related parties for the period from 1 January 2014 to 30 June 2017 (the “**Reporting Period**”) is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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This proposal was approved by the Board, except Mr. Yao Chuanglong and Mr. Li Weisheng who abstained from voting on this resolution. Pursuant to the Listing Rules of the Shenzhen Stock Exchange, Mr. Yao Chuanglong and Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited\* (廣藥白雲山香港有限公司) will be abstained from voting on this resolution at the EGM.

#### 4. CLOSURE OF REGISTER OF MEMBERS

In order to determine the Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Saturday, 14 October 2017 to Monday, 13 November 2017 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the EGM, 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 Friday, 13 October 2017.

Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 13 October 2017 are entitled to attend and vote at the EGM.

In order to determine the Shareholders who are entitled to receive the 2017 Interim Dividend, the register of members of the Company will be closed from Friday, 17 November 2017 to Wednesday, 22 November 2017 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2017 Interim 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, 16 November 2017.

Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 22 November 2017 are entitled to receive the 2017 Interim Dividend. The proposed 2017 Interim Dividend will be paid on or about Friday, 15 December 2017 following the approval at the EGM.

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## LETTER FROM THE BOARD

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### 5. EGM

A notice convening the EGM to be held at the Conference Room on 3rd Floor, No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the PRC at 3:00 p.m. on Monday, 13 November 2017, is set out on pages 16 to 18 of this circular.

Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H Shares) or to the headquarters in the PRC of the Company (for holders of Domestic Shares) on or before Tuesday, 24 October 2017.

Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder. In order to be valid, the proxy form for the EGM must be deposited by hand or by post, for holders of H Shares 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, to the headquarters in the PRC of the Company not less than 24 hours (i.e. not later than 3:00 p.m. on Sunday, 12 November 2017 or 24 hours before the time for holding any adjournment thereof) before the time for holding the EGM (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 EGM or any adjourned meetings should they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **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.



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## LETTER FROM THE BOARD

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### **Recommendations**

The Directors consider that the proposed resolutions set out in the notice of the EGM is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors, together with their associates, intend to vote in favour of the relevant resolutions in respect of their respective shareholdings in the Company and recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

### **Miscellaneous**

The Chinese text of this circular shall prevail over the English text for the purpose of interpretation.

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

\* *For identification purpose only*

**APPENDIX I THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017**

*The English version of this appendix is an unofficial translation of the Chinese version, should there be discrepancies, the Chinese version shall prevail.*

Each of the Group's related party transactions during the period from 1 January 2014 to 30 June 2017 are reported as follow for the Shareholders to consider and confirm:

**1. RECURRING RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD**

During the Reporting Period, the recurring related party transactions of the Group include procurement of pharmaceutical products from related parties, sale of pharmaceutical products and provision of advisory services to related parties. Pursuant to the Listing Rules of the Shenzhen Stock Exchange and according to the substance over form principle, Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited ("**Guangzhou Baiyunshan**") together with its holding companies and joint ventures are regarded as the related parties of the Group. Hence, such transactions refer to the association with the subsidiaries of Guangzhou Baiyunshan. The recurring related party transactions were as follows:

**(1) Related party transactions on purchase of goods and receiving services**

*UNIT: RMB'0000*

Related parties	Related party transactions	January to June 2017 Aggregate amount of related purchases for the period (Unaudited)	2016 Aggregate amount of related purchases for the period (Unaudited)	2015 Aggregate amount of related purchases for the period (Unaudited)	2014 Aggregate amount of related purchases for the period (Unaudited)
Guangzhou Pharmaceutical Co., Ltd.* (廣州醫藥有限公司)	Procurement of goods	19,034.76	41,718.09	46,042.19	46,718.58
Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd.* (廣州采芝林藥業有限公司)	Procurement of goods	5,805.29	9,530.71	10,794.61	10,038.02
Guangzhou Baiyunshan Pharmaceutical Marketing Co., Ltd.* (廣州白雲山醫藥銷售有限公司)	Procurement of goods	2,527.30	3,202.23	344.44	-

**APPENDIX I THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017**

Related parties	Related party transactions	January to June 2017 Aggregate amount of related purchases for the period (Unaudited)	2016 Aggregate amount of related purchases for the period (Unaudited)	2015 Aggregate amount of related purchases for the period (Unaudited)	2014 Aggregate amount of related purchases for the period (Unaudited)
Guangzhou Wang Lao Ji Pharmaceutical Co., Ltd.* (廣州王老吉藥業股份有限公司)	Procurement of goods	2,257.69	1,761.42	1,185.84	2,406.58
Guangzhou Guo Ying Pharmaceutical Co., Ltd.* (廣州國盈醫藥有限公司)	Procurement of goods	2,151.05	6,525.34	9,571.62	9,736.04
Guangzhou Pharmaceutical Import and Export Company Limited* (廣州醫藥進出口有限公司)	Procurement of goods	1,552.82	0.57	172.01	-
Guangzhou Baiyunshan Xing Qun Pharmaceutical Co., Ltd.* (廣州白雲山星群(藥業)股份 有限公司)	Procurement of goods	1,466.50	2,214.09	1,385.60	4.48
Guangzhou Baiyunshan Pan Gao Shou Pharmaceutical Co., Ltd.* (廣州白雲山潘高壽藥業股份 有限公司)	Procurement of goods	1,319.75	3,735.46	1,051.91	2,250.08
Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. Guangzhou Baiyunshan He Ji Gong Pharmaceutical Factory* (廣州白雲山醫藥集團股份有限 公司白雲山何濟公制藥廠)	Procurement of goods	1,285.19	1,679.73	872.80	660.96
Guangzhou Baiyunshan Chen Li Ji Pharmaceutical Factory Co., Ltd.* (廣州白雲山陳李濟藥廠有限公司)	Procurement of goods	965.24	1,238.98	1,210.21	996.87

**APPENDIX I            THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017**

Related parties	Related party transactions	January to June 2017 Aggregate amount of related purchases for the period (Unaudited)	2016 Aggregate amount of related purchases for the period (Unaudited)	2015 Aggregate amount of related purchases for the period (Unaudited)	2014 Aggregate amount of related purchases for the period (Unaudited)
Guangzhou Baiyunshan Zhong Yi Pharmaceutical Company Limited* (廣州白雲山中一藥業有限公司)	Procurement of goods	625.56	4,302.73	4,288.68	457.32
Guangzhou Baiyunshan Tian Xin Pharmaceutical Co., Ltd* (廣州白雲山天心製藥股份有限 公司)	Procurement of goods	595.10	1,659.43	1,151.62	836.65
Guangzhou Baiyunshan Hutchison Whampoa Chinese Medicine Co., Ltd.* (廣州白雲山和記黃埔中藥有限 公司)	Procurement of goods	474.61	979.79	491.28	141.95
Guangzhou Baiyunshan Qi Xing Pharmaceutical Co., Ltd.* (廣州白雲山奇星藥業有限公司)	Procurement of goods	212.53	1,357.49	332.26	249.03
Guangzhou Baiyunshan Guang Hua Pharmacy Co., Ltd.* (廣州白雲山光華製藥股份有限 公司)	Procurement of goods	143.59	196.31	195.69	179.44
Guangzhou Xin Te Pharmaceutical Co., Ltd.* (廣州欣特醫藥有限公司)	Procurement of goods	137.01	40.31	173.34	93.61
Foshan GPC Jianze Pharmaceutical Co., Ltd.* (佛山市廣藥健擇醫藥有限公司)	Procurement of goods	69.06	634.81	15.75	67.49
Guangzhou Chinese Medicine Corporation Chinese Medical Drink and Pill Factory* (廣州市藥材公司中藥飲片廠)	Procurement of goods	-	24.06	-	-

**APPENDIX I THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017**

Related parties	Related party transactions	January to	2016	2015	2014
		June 2017	Aggregate amount of related purchases for the period (Unaudited)	Aggregate amount of related purchases for the period (Unaudited)	Aggregate amount of related purchases for the period (Unaudited)
Guangzhou Baiyunshan Pharmaceutical Technology Development Co., Ltd.* (廣州白雲山醫藥科技發展有限公司)	Procurement of goods	-	-0.04	830.43	1,041.30
Guangzhou Baiyunshan Jing Xiu Tang Pharmaceutical Co., Ltd.* (廣州白雲山敬修堂藥業股份有限公司)	Procurement of goods	-	-6.63	374.13	344.28
Guangzhou Baiyunshan Mingxing Pharmaceutical Co., Ltd.* (廣州白雲山明興製藥有限公司)	Procurement of goods	-	-	-0.18	-
Zhuhai Guangzhou Guang Yao Kang Ming Medicine Co., Ltd.* (珠海廣藥康鳴醫藥有限公司)	Procurement of goods	-	-	46.34	7.13
<b>Total</b>		<b>40,623.05</b>	<b>80,794.87</b>	<b>80,530.57</b>	<b>76,229.81</b>

\* For identification purpose only

Note: The above amount of procurement excludes trade discounts from the upstream manufacturers and suppliers.

During the Reporting Period, the Company has a relatively large scale in terms of procurement from the subsidiaries of Guangzhou Baiyunshan, and the products procured from the related parties by the Company include western medicines, Chinese patent medicines and healthcare products. The pricing of the transaction is based on the market rate, and is fair.

**APPENDIX I THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017**

**(2) Related party transactions on sales of goods and provision of services**

*UNIT: RMB'0000*

Related parties	Related party transactions	January to June 2017 Aggregate amount of related sales for the period	2016 Aggregate amount of related sales for the period	2015 Aggregate amount of related sales for the period	2014 Aggregate amount of related sales for the period
Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd.* (廣州采芝林藥業有限公司)	Sales of goods	933.97	1,340.76	1,768.09	1,962.71
Guangzhou Pharmaceuticals Corporation* (廣州醫藥有限公司)	Sales of goods	67.36	160.39	90.52	252.83
Foshan GPC Jianze Pharmaceutical Co., Ltd* (佛山市廣藥健擇醫藥有限公司)	Sales of goods	15.74	118.48	13.72	3.75
Guangzhou Pharmaceutical Co., Ltd. Da Zhong Pharmaceutical Sales Branch* (廣州醫藥有限公司大眾藥品銷售 分公司)	Sales of goods	8.19	8.70	-	-
Guangzhou Cai Zhi Lin Corporation Bei Shang Chinese Raw Medicine Co., Ltd.* (廣州采芝林北商藥材有限公司)	Sales of goods	7.96	83.54	8.57	-
Guangzhou Guo Ying Pharmaceutical Co., Ltd.* (廣州國盈醫藥有限公司)	Sales of goods	1.07	0.30	-	-
Guangzhou Jianmin Pharmaceutical Corporation Limited* (廣州健民醫藥有限公司)	Sales of goods	-	-	1.25	0.18
Guangdong Meixian Pharmaceutical Co., Ltd.* (廣東省梅縣醫藥有限公司)	Sales of goods	-	3.75	9.36	8.01

**APPENDIX I THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017**

Related parties	Related party transactions	January to June 2017 Aggregate amount of related sales for the period	2016 Aggregate amount of related sales for the period	2015 Aggregate amount of related sales for the period	2014 Aggregate amount of related sales for the period
Zhuhai Guang Yao Kangming Pharmaceutical Co., Ltd.* (珠海廣藥康鳴醫藥有限公司)	Sales of goods	-	12.71	140.50	184.63
Guangzhou Baiyunshan Chen Li Ji Pharmaceutical Factory Co., Ltd* (廣州白雲山陳李濟藥廠有限公司)	Sales of goods	-	-	-	12.28
Guangzhou Baiyunshan Hutchison Whampoa Chinese Medicine Co., Ltd.* (廣州白雲山和記黃埔中藥有限 公司)	Sales of goods	-	-	0.27	-
Guangzhou Cai Zhi Lin Pharmaceutical Co., Ltd.* (廣州采芝林藥業有限公司)	Rendering of services	-	2.70	-	-
Guangzhou Baiyunshan Hutchison Whampoa Chinese Medicine Co., Ltd.* (廣州白雲山和記黃埔中藥有限 公司)	Rendering of services	-	-	0.27	-
Guangzhou Baiyunshan Chen Li Ji Pharmaceutical Factory Co., Ltd* (廣州白雲山陳李濟藥廠有限公司)	Rendering of services	-	-	-	12.28
<b>Total</b>		<b>1,034.29</b>	<b>1,731.33</b>	<b>2,032.52</b>	<b>2,436.67</b>

\* For identification purpose only

During the Reporting Period, the amount of the related sales between the Company and the subsidiaries of Guangzhou Baiyunshan was relatively small. The pricing of the related party transactions between the Company and the aforementioned related parties were based on the market rates, and the transaction price is fair.

**APPENDIX I THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017**

In view of the above, the related purchases and sales between the Company and the subsidiaries of Guangzhou Baiyunshan during the Reporting Period is reasonable sales and purchase of products, resources and services which are commonly found in the pharmaceutical distribution industry. The business cooperation between the parties is on a buyout basis, which is on normal business terms. The terms of the transactions are fair and reasonable, with fair pricing, and are in the interest of the Group and the Shareholders as a whole without prejudice to any interest of the issuer and its Shareholders.

**2. NON-RECURRING RELATED PARTY TRANSACTIONS DURING THE REPORTING PERIOD**

**(1) Guarantee of the related parties over the Group**

During the Reporting Period, the guarantee of the related parties over the Group was as follows:

*UNIT: RMB'0000*

Guarantor	Guaranteed party	Form of guarantee	Amount of guarantee	Commencement date	Expiry date/ date of release of guarantee
Yao Chuanglong	Charmacy Pharmaceutical	Incidental liability guarantee	8,000.00	2014/3/21	2015/12/9
Yao Chuxiong	Charmacy Pharmaceutical	Incidental liability guarantee	8,000.00	2014/3/21	2015/12/9
You Zeyan	Charmacy Pharmaceutical	Secured guarantee	199.13	2013/6/25	2015/9/23
Yao Chuanglong, You Zeyan, Yao Chuxiong, Li Xiyang	Charmacy Pharmaceutical	Incidental liability guarantee	35,000.00	2014/4/16	2015/4/15
Yao Chuanglong, You Zeyan	Charmacy Pharmaceutical	Incidental liability guarantee	20,000.00	2012/6/2	2015/9/23
Yao Chuanglong, You Zeyan	Charmacy Pharmaceutical	Incidental liability guarantee	15,470.00	2013/3/14	2015/12/4
Yao Chuanglong, You Zeyan	Guangdong Charmacy	Incidental liability guarantee	8,000.00	2013/6/15	2015/10/20
Yao Chuanglong, You Zeyan	Charmacy Pharmaceutical	Incidental liability guarantee	8,000.00	2014/6/1	2015/6/1
Yao Chuanglong, You Zeyan	Charmacy Pharmaceutical, Guangdong Charmacy	Incidental liability guarantee	39,000.00	2015/5/25	2015/12/13



**APPENDIX I THE GROUP'S REPORT ON THE RELATED PARTY TRANSACTIONS  
FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2017**

Guarantor	Guaranteed party	Form of guarantee	Amount of guarantee	Commencement date	Expiry date/ date of release of guarantee
Yao Chuanglong, You Zeyan	Charmacy Pharmaceutical	Incidental liability guarantee	15,000.00	2015/7/7	2015/12/14
Yao Chuangxiong, Zeng Suye	Guangdong Charmacy	Secured guarantee	131.57	2014/5/28	2015/11/18
Yao Chulong, Zhao Huiyun	Guangdong Charmacy	Secured guarantee	116.92	2014/5/28	2015/11/18
Yao Chuanglong	Charmacy Pharmaceutical	<i>Note 1</i>	<i>Note 1</i>	2017/3/15	-

*Note 1:* On 15 March 2017, the people's court of Longhu District, Shantou City, Guangdong Province ruled that plea for the property preservation by Charmacy Pharmaceutical against Puning Jing Han Pharmaceutical Co., Ltd.\* (普宁市靖翰药业有限公司) arising from the dispute over a sales and purchase contract was valid, upon which the bank deposits of RMB670,000.00 of Puning Jing Han Pharmaceutical Co., Ltd. were frozen or confiscated its property of equivalent value. Yao Chuanglong, a shareholder of Charmacy Pharmaceutical, is as the guarantor of property preservation with his self-owned real estates. On 17 April 2017, the people's court of Longhu District, Shantou City overruled the objection by Puning Jing Han Pharmaceutical Co., Ltd.\*, as the defendant, on the jurisdiction in such case. Defendant was dissatisfied with such ruling and appealed against the jurisdiction to the intermediate people's court of Shantou City within the statutory period. The appeal of the objection over the jurisdiction is currently pending in the intermediate people's court of Shantou City and no ruling has been made. The guarantee by Yao Chuanglong, the shareholder, with his self-owned real estates against such cash remains unreleased.

\* For identification purpose only

To facilitate with the development of the Company and to meet the capital requirement for the Company's operations, Yao Chuanglong, the controlling shareholder of the Company, and his close relatives, namely You Zeyan, Yao Chuxiong, Yao Chulong, Yao Chuangxiong, Li Xiyang, Zeng Suye and Zhao Huiyun had provided guarantee to secured the bank facilities of the Group. In 2015, the Company commenced its process for the listing in Hong Kong. To meet the requirement of standard operation, and maintain operation independence, the guarantee over the facilities provided by the personnel as mentioned above was released by the Company.

**(2) Payment of remuneration**

During the Reporting Period, the payment of remuneration to the Directors, Supervisors and senior management members by the Company was as follow:

*Unit: RMB'0000*

Items	January to June 2017	2016	2015	2014
Total remuneration	184.33	247.04	156.02	76.42

*Note:* The above remuneration includes wages, bonus and allowance.

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## NOTICE OF EGM

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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)**

#### NOTICE OF THE 2017 SECOND EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (the “EGM”) of Charmacy Pharmaceutical Co., Ltd. (the “Company”) will be held at 3:00 p.m. on Monday, 13 November 2017 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 for the purpose of considering and, if thought fit, passing the following resolutions:

#### AS ORDINARY RESOLUTIONS

1. to consider and approve the distribution of the 2017 interim dividend for the six months ended 30 June 2017;
2. to consider and approve the increasing of the registered capital of the Company's subsidiary Guangdong Charmacy Pharmaceutical Co., Ltd\* (廣東創美藥業有限公司) by RMB50 million;
3. to consider and confirm the Group's report on the related party transactions for the period from 1 January 2014 to 30 June 2017.

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

Hong Kong, 25 September, 2017

*Notes:*

1. All resolution(s) at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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.

\* For identification purpose only

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## NOTICE OF EGM

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2. In order to determine the Shareholders who are entitled to attend the EGM, the register of members of the Company will be closed from Saturday, 14 October 2017 to Monday, 13 November 2017 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to attend and vote at the EGM, 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 Friday, 13 October 2017.

Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 13 October 2017 are entitled to attend and vote at the EGM.

3. The Board has recommended the distribution of the interim dividend of RMB0.10 (tax inclusive) per Share for the six months ended 30 June 2017 (the "2017 Interim Dividend") and, if such dividend is approved by the Shareholders at the EGM, it is expected to be paid on or around Friday, 15 December 2017 to those Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 22 November 2017.

In order to determine the Shareholders who are entitled to receive the 2017 Interim Dividend, the register of members of the Company will be closed from Friday, 17 November 2017 to Wednesday, 22 November 2017 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2017 Interim 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, 16 November 2017.

4. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder.
5. In order to be valid, the form of proxy for the EGM must be deposited by hand or by post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong and, for holders of domestic shares of the Company, to the headquarters in the PRC of the Company not less than 24 hours (i.e. not later than 3:00 p.m. on Sunday, 12 November 2017) before the time for holding the EGM (or any adjournment thereof) for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarial copy of that power of attorney or authority shall be deposited at the same time as mentioned in the form of proxy. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM 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 authorized, the power of attorney shall contain the number and class of shares for which such persons are authorized, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/she/they have been duly authorised.

A vote provided in according to the instruments in such proxy forms shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the above meeting.

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## NOTICE OF EGM

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6. Shareholders or their proxies shall provide their identity documents when attending the EGM.
7. Shareholders who intend to attend the EGM should complete the reply slip and return it by hand or by post to the H share registrar of the Company (for holders of H shares of the Company) or to the headquarters in the PRC of the Company (for holders of domestic shares of the Company) on or before Tuesday, 24 October 2017.
8. 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.
9. The address of the headquarters in the PRC of the Company is No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, the 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).*