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創美·CH'MEI

CHARMACY PHARMACEUTICAL CO., LTD.

創美藥業股份有限公司

(A joint stock limited liability company established in the PRC)

(Stock Code: 2289)

VOLUNTARY ANNOUNCEMENT TRANSFER OF DOMESTIC SHARES BY DOMESTIC SHAREHOLDERS

This announcement is made by Charmacy Pharmaceutical Co., Ltd. (the “**Company**”) on a voluntary basis.

Transfer of Domestic Shares

The board of directors of the Company (the “**Board**”) has been informed that on 6 January 2022, You Zeyan, Wu Binhua, Liu Jigui and Wu Wanping, the domestic shareholders of the Company, (collectively referred to as “**Domestic Shareholders**”) (as sellers) entered into a share transfer agreement with Jiangxi Jiangzhong Pharmaceutical Commercial Operation Co., Ltd.* (江西江中醫藥商業運營有限責任公司)(“**Jiangzhong Pharmaceutical Commercial**”), under which the Domestic Shareholders agreed to transfer an aggregate of 29,050,000 domestic shares in the Company (the “**Domestic Shares**”) held by them (representing approximately 26.90% of total share capital issued by the Company as of the date of this announcement) to Jiangzhong Pharmaceutical Commercial at RMB6.22 per share and a total consideration of RMB180,691,000. In respect of this share transfer, ownership transfer procedures have been completed with the Shenzhen Branch of China Securities Depository and Clearing Company Limited (“**CSDCC Shenzhen**”) on 6 January 2022, with the *Transfer Registration Confirmation* obtained from CSDCC Shenzhen.

The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, Jiangzhong Pharmaceutical Commercial and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited).

Benefits of Transfer of Domestic Shares

Jiangzhong Pharmaceutical Commercial is a Jiangxi provincial state-owned enterprise under mixed ownership. Leveraging the strength in policy, resource and brand as a state-owned enterprise, it strives to become a pharmaceutical business platform for sales only that provides

private-owned drugstores, small and medium-sized chain drugstores and clinics (non-bidding market) in China's rural and county markets with specialized solutions. Expanding such strategic business fronts as medicine production, modern intelligent logistics, third-party entrusted distribution, "Internet plus finance" and "Internet plus retail", Jiangzhong Pharmaceutical Commercial commits itself to building a modern pharmaceutical industrial platform across all channels, all product varieties, all industrial chains and all Chinese markets.

Jiangzhong Pharmaceutical Commercial is positive about the Company's future development. The transfer of Domestic Shares demonstrates Jiangzhong Pharmaceutical Commercial's confidence in the Company's business, operations and continued growth. The transfer of Domestic Shares may channel new business development resources into and enhance the market influence of the Company, further strengthen the Company's soft power and competitiveness, and drive the Company's development.

Changes in the Company's Shareholding Structure

Detailed changes in the shareholding of the Company by the relevant shareholders following the completion of the transfer of Domestic Shares are set forth below:

| Shareholder | Before the completion of the Domestic Share Transfer | | | After the completion of the Domestic Share Transfer | | |
|--------------------------------------|--|---|---|---|---|---|
| | Number of Domestic Shares Held | Percentage in Domestic Shares issued by the Company (Note 1) | Percentage in total share capital already issued by the Company (Note 2) | Number of Domestic Shares Held | Percentage in Domestic Shares issued by the Company (Note 1) | Percentage in total share capital already issued by the Company (Note 2) |
| You Zeyan | 14,750,000 | 18.44% | 13.66% | 0 | 0.00% | 0.00% |
| Wu Binhua | 5,400,000 | 6.75% | 5.00% | 0 | 0.00% | 0.00% |
| Liu Jigui | 5,400,000 | 6.75% | 5.00% | 0 | 0.00% | 0.00% |
| Wu Wanping | 3,500,000 | 4.38% | 3.24% | 0 | 0.00% | 0.00% |
| Jiangzhong Pharmaceutical Commercial | 0 | 0.00% | 0.00% | 29,050,000 | 36.31% | 26.90% |

Notes:

1. Calculated based on 80,000,000 Domestic Shares in issue as of the date of this announcement.
2. Calculated based on the total 108,000,000 shares in issue as of the date of this announcement.

After the completion of the transfer of Domestic Shares, Jiangzhong Pharmaceutical Commercial will own approximately 26.90% of the share capital issued by the Company as of the date of this announcement, and thus become a substantial shareholder of the Company.

The Board expects that the transfer of Domestic Shares will not have any significant impact on the Company's business operations. Shareholders and/or investors of the Company should exercise caution when dealing in the Company's securities.

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

Shantou, the PRC, 6 January 2022

As at the date of this announcement, the executive Directors are Mr. Yao Chuanglong, Ms. Zheng Yuyan and Mr. Lin Zhixiong; the non-executive Director is Mr. Li Weisheng; and the independent non-executive Directors are Mr. Wan Chi Wai Anthony, Mr. Zhou Tao and Mr. Guan Jian (also known as Guan Suzhe).