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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)

Profit Warning

This announcement is made by Charmacy Pharmaceutical Co., Ltd. (the “**Company**”, together with its subsidiaries referred to as the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary review of the management accounts of the Group for the Year and the information currently available to the Board, the Group is expected to record a decrease of approximately 38% to 48% in the Group’s net profit attributable to the shareholders of the parent company for the Year as compared with that of the year ended 31 December 2020.

The information contained in this announcement is only based on a preliminary review of the management accounts of the Group for the Year and the information currently available to the Board. Such accounts have not been audited or reviewed by the Company’s auditors or the audit committee of the Board.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the management accounts of the Group for the year ended 31 December 2021 (the “**Year**”) and the information currently available to the Board, the Group is expected to report a net profit attributable to the shareholders of the parent company of approximately RMB21.00 million to RMB25.00 million for the Year, representing a decrease of approximately 38% to 48% as compared with that of the year ended 31 December 2020 (the Group’s audited net profit attributable to the shareholders of the parent company for the year ended 31 December 2020 amounted to RMB40.56 million). The anticipated substantial decrease is mainly due to (i) with construction project of Guangzhou Pharmaceutical Sorting and Distribution Center carried forward as fixed assets, the depreciation expenses increased, and on the other hand, after the capitalisation of loan interest came to an end, the subsequent loan cost was recognised in current profit and loss, resulting in an increase in financial expenses; (ii) the increase in administrative expenses as during the year, the Group was no longer entitled to the the preferential policy for the payment of social insurance during the COVID-19 pandemic; and (iii) during the year, due to the fluctuations in the COVID-19 pandemic in Guangdong Province, retail pharmacies were subject to prevention and control measures such as restrictions on customer flow and sales, the customer flow and sales of pharmacies were affected as a result, which dragged down the revenue and the gross profit.

The Company is still in the process of finalising the Group’s annual results for the Year. The information contained in this announcement is only the preliminary assessment according to the management accounts of the Group and the information currently available to the Board, which have not been audited or reviewed by the Company’s auditors or the audit committee of the Board. Financial information and other details of the Group will be disclosed in the announcement of annual results of the Group for the Year which is expected to be announced in March 2022.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board

Charmacy Pharmaceutical Co., Ltd.

Yao Chuanglong

Chairman

Shantou, the PRC, 28 February 2022

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