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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)

INSIDE INFORMATION THE H SHARE FULL CIRCULATION LISTING APPROVAL GRANTED BY THE STOCK EXCHANGE

INTRODUCTION

This announcement is made by Charmacy Pharmaceutical Co., Ltd. (the “**Company**”) 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 15 February 2022 and 6 June 2022 (the “**Announcements**”) in relation to the proposed participation in the H share full circulation programme by the Company and the approval by China Securities Regulatory Commission (the “**CSRC**”) of the application of H share full circulation programme. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

LISTING APPROVAL GRANTED BY THE STOCK EXCHANGE

The Company has applied to the Listing Committee of the Stock Exchange for the approval (the “**Listing Approval**”) of the listing of and permission to deal in 80,000,000 H Shares (the “**Converted H Shares**”), representing the maximum number of the Unlisted Shares. The Company is pleased to announce that the Listing Approval was granted by the Stock Exchange on 14 June 2022.

SHAREHOLDING STRUCTURE OF THE COMPANY BEFORE AND AFTER THE COMPLETION OF THE CONVERSION AND LISTING

The Conversion and Listing will involve a total of five participating holders (the “**Participating Shareholders**”) of 80,000,000 Unlisted Shares who will, after the Conversion and Listing, hold approximately 74.07% of the total issued H Shares. Set out below is the percentage holding of those Participating Shareholders upon completion of the Conversion and Listing:

Name of the Participating Shareholders	Number of Converted H Shares	Approximate percentage of total issued H Shares upon completion of the Conversion and Listing
Yao Chuanglong (姚創龍)	44,250,000	40.97%
Jiangxi Jiangzhong Pharmaceutical Commercial Operation Co., Ltd.* (江西江中醫藥商業運營有限責任公司)	29,050,000	26.90%
Shantou Meizhi Investment Management Limited Partnership* (汕頭市美智投資管理合夥企業(有限合夥))	3,200,000	2.96%
Shantou Youran Investment Management Limited Partnership* (汕頭市悠然投資管理合夥企業(有限合夥))	1,700,000	1.57%
Shantou Zhichuang Investment Management Limited Partnership* (汕頭市智創投資管理合夥企業(有限合夥))	1,800,000	1.67%
Total	80,000,000	74.07%

The share capital structure of the Company immediately before and upon completion of the Conversion and Listing is set out below:

Class of shares	Immediately before completion of the Conversion and Listing		Upon completion of the Conversion and Listing	
	Number of shares	Approximate percentage	Number of shares	Approximate percentage
Domestic shares	80,000,000	74.07%	0	0
H shares	28,000,000	25.93%	108,000,000	100.00%
Total	108,000,000	100.00%	108,000,000	100.00%

CONVERSION AND TRADING PROCEDURES

With their authorisation and on behalf of the Participating Shareholders, the Company is applying for the cancellation registration of the Unlisted Shares held by the Participating Shareholders in China Securities Depository and Clearing Corporation Limited (“China Clearing”) Shenzhen Branch.

The Company will complete the following procedures in connection with the Conversion and Listing:

- (i) The Company will apply to China Clearing as the nominee to deposit their relevant securities (the “**Relevant Securities**”) at China Securities Depository and Clearing (Hong Kong) Company Limited (“**China Clearing HK**”) and China Clearing HK in its own name shall deposit the relevant securities at Hong Kong Securities Clearing Company Limited (“**HKSCC**”). China Clearing as the nominee of the Participating Shareholders shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions etc. relating to the Converted H Shares for the Participating Shareholders;
- (ii) The Company will instruct the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, in relation to the issue of the relevant share certificates of the Converted H Shares; and
- (iii) The Company will make arrangements to enable the Converted H Shares be accepted as eligible securities by HKSCC for deposit, clearance and settlement in the Central Clearing and Settlement System (“**CCASS**”).

The holders of the Converted H Shares can only conduct share trading after the below arrangement procedures relating to the registration, depositary and transaction settlement of the Conversion and Listing are completed:

- (i) The Company will apply to China Clearing, Shenzhen Branch for the maintenance of the detailed record of the initial holding of the Converted H Shares held by the Participating Shareholders. Meanwhile, the Company will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by China Clearing, Shenzhen Branch pursuant to the authorisation of the Shenzhen Stock Exchange (the “**Shenzhen Stock Exchange**”);
- (ii) The Shenzhen Stock Exchange authorises Shenzhen Securities Communication Co., Ltd. to provide services relating to trading entrustment orders and transmission of trading messages between a domestic securities company (the “**Domestic Securities Company**”) and a Hong Kong securities company (the “**Hong Kong Securities Company**”) for the Converted H Shares, and the real-time market forwarding services of the relevant overseas listed shares;
- (iii) According to the “Circular of the State Administration of Foreign Exchange on Issues concerning the Administration of Foreign Exchange Involved in Overseas Listing” (《國家外匯管理局關於境外上市外匯管理有關問題的通知》), the Participating Shareholders should complete the overseas shareholding registration with the local foreign exchange administration bureau before the shares are sold, and after the overseas shareholding registration, open a specified bank account for the holding of shares overseas by onshore investors at an onshore bank with relevant qualifications, open a fund account for H share “Full Circulation” at the Domestic Securities Company. The Domestic Securities Company shall open a securities trading account for H share “Full Circulation” at the Hong Kong Securities Company; and
- (iv) The Participating Shareholders shall submit entrusted trading orders of the Converted H Shares through the Domestic Securities Company. The relevant orders of the Participating Shareholders will be submitted to the Stock Exchange for trading through the securities trading account opened by the Domestic Securities Company at Hong Kong Securities Company. After completion of the transaction, Hong Kong Securities Company and China Clearing HK, China Clearing HK and China Clearing, China Clearing and the Domestic Securities Company, the Domestic Securities Company and the Participating Shareholders will conduct settlement respectively.

The Company will make further announcement(s) on the progress of the Conversion and Listing in compliance with the requirements under the Listing Rules and the applicable laws, as and when appropriate.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Shantou, the PRC, 15 June 2022

As at the date of this announcement, the executive directors of the Company are Mr. Yao Chuanglong and Ms. Zheng Yuyan; the non-executive directors of the Company are Mr. Li Weisheng and Mr. Yan Jingbin; 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).

** For identification purpose only*