

**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 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).

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) AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**
  - (2) PROPOSALS FOR PROFIT DISTRIBUTION PLAN AND DECLARATION OF FINAL DIVIDENDS FOR THE YEAR 2017;**
  - (3) PROPOSED ELECTION OF DIRECTORS OF THE SECOND SESSION OF THE BOARD;**
  - (4) PROPOSED ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISOR AND INDEPENDENT SUPERVISOR OF THE SECOND SESSION OF THE SUPERVISORY COMMITTEE;**
  - (5) PROPOSED REMUNERATIONS OF DIRECTORS AND SUPERVISORS;**
  - (6) PROPOSED PROJECTED DAILY RELATED TRANSACTIONS OF THE COMPANY IN 2018;**
- AND**
- (7) NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 3 to 10 of this circular. A notice convening the annual general meeting of the Company (the "AGM") to be held at the Conference Room on 3rd Floor, No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC at 10 a.m. on Monday, 28 May 2018, is set out on pages 16 to 20 of this circular.

Shareholders who intend to attend the AGM 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, 8 May 2018.

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 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 (not later than 10:00 a.m. on Sunday, 27 May 2018) 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.

12 April 2018

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

|   | <i>Pages</i> |
|---|--------------|
| <b>DEFINITIONS</b> .....  | 1            |
| <b>LETTER FROM THE BOARD</b> .....  | 3            |
| <b>APPENDIX I - BIOGRAPHICAL DETAILS OF<br/>THE DIRECTOR CANDIDATES</b> .....   | 11           |
| <b>APPENDIX II - BIOGRAPHICAL DETAIL OF THE CANDIDATES FOR<br/>SHAREHOLDER REPRESENTATIVE SUPERVISOR<br/>AND INDEPENDENT SUPERVISOR</b> ..... | 15           |
| <b>NOTICE OF AGM</b> .....  | 16           |

## 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 Monday, 28 May 2018 at 10 a.m. at the Conference Room on 3rd Floor, No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC or any adjournment thereof, the notice of which is set out on pages 16 to 20 of this circular |
| “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”, “Charmacy Pharmaceutical” or “our” | 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   |
| “Director(s)”                                 | director(s) of the Company   |
| “Domestics Shares”                            | 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 entities established under the laws of the PRC   |
| “Group”                                       | the Company and its subsidiaries   |
| “Guangdong Charmacy”                          | Guangdong Charmacy Pharmaceutical Co., Ltd. (廣東創美藥業有限公司*), a company established in the PRC with limited liabilities and a wholly-owned subsidiary of the Company  |
| “Guangzhou Charmacy”                          | Guangzhou Charmacy Pharmaceutical Limited (廣州創美藥業有限公司*), a company established in the PRC with limited liabilities and a subsidiary of the Company   |
| “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” | 9 April 2018, 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  |
| “Shares(s)”               | the Domestic Share(s) and the H Share(s) of the Company   |
| “Shareholder(s)”          | holder(s) of the Share(s)   |
| “Shenzhen Charmacy”       | Shenzhen Charmacy Pharmaceutical Limited (深圳創美藥業有限公司*), a company established in the PRC with limited liabilities and a wholly-owned subsidiary of the Company  |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |
| “Supervisor(s)”           | the supervisor(s) of the Company  |
| “Supervisory Committee”   | the Company’s supervisory committee   |
| “Zhuhai Charmacy”         | Zhuhai Charmacy Hengxiang Pharmaceutical Limited (珠海創美恒祥醫藥有限公司*), a company established in the PRC with limited liabilities and a subsidiary of the Company     |
| “%”                       | per cent  |

\* for identification purpose only

LETTER FROM THE BOARD



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. ZhouTao

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:*

18/F, Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

12 April 2018

*To the Shareholders*

Dear Sir or Madam,

- (1) AMENDMENTS TO THE ARTICLES OF ASSOCIATION;**  
**(2) PROPOSALS FOR PROFIT DISTRIBUTION PLAN AND DECLARATION OF FINAL DIVIDENDS FOR THE YEAR 2017;**  
**(3) PROPOSED ELECTION OF DIRECTORS OF THE SECOND SESSION OF THE BOARD;**  
**(4) PROPOSED ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISOR AND INDEPENDENT SUPERVISOR OF THE SECOND SESSION OF THE SUPERVISORY COMMITTEE;**  
**(5) PROPOSED REMUNERATIONS OF DIRECTORS AND SUPERVISORS;**  
**(6) PROPOSED PROJECTED DAILY RELATED TRANSACTIONS OF THE COMPANY IN 2018;**  
**AND**  
**(7) NOTICE OF ANNUAL GENERAL MEETING**

**I. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information on, among other things, the proposals for (i) amendments to the Articles of Association; (ii) profit distribution plan and declaration of final dividends for the year 2017; (iii) election of Directors of the second session of the Board; (iv) election of Shareholder Representative

## LETTER FROM THE BOARD

Supervisor and independent supervisor of the second session of the Supervisory Committee; (v) remunerations of directors and supervisors; (vi) projected daily related transactions of the Company in 2018 and the other matters contained in the notices of AGM, so that the Shareholders may make an informed decision on voting in respect of these solutions to be tabled at the AGM.

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

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

#### Article 2.2

##### which originally read as:

“The business scope of the Company: pharmaceutical business; medical device business; distribution of health products and food; freight transport business; domestic freight forwarder; third-party pharmaceutical products and medical devices logistics business; commodity information consultancy; management and planning service for pharmaceutical enterprises; logistics information consulting service; advertising business; lease of properties; distribution of sterilizing and bactericidal equipments and instruments, cosmetics, sanitary products, detergent, daily provisions and chemical products (excluding hazardous chemicals); purchasing and initial processing of agricultural by-products, seafood and local specialties; private warehouses locating at 1F and 2F No. 235 Song Shan North Road, Shantou City.

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 from home and abroad, its own business development and self-capability.”

##### is amended as follows:

“The business scope of the Company: pharmaceutical business; medical device business; distribution of health products and food; freight transport business; domestic freight forwarder; third-party pharmaceutical products and medical devices logistics business; commodity information consultancy; management and planning service for pharmaceutical enterprises; logistics information consulting service; advertising business; lease of properties; distribution of sterilizing and bactericidal equipments and instruments, disinfectant, hygienic insecticide cosmetics, sanitary products, detergent, daily provisions and chemical products (excluding hazardous chemicals); purchasing and initial processing of agricultural by-products, seafood and local specialties; private warehouses locating at 1F and 2F No. 235 Song Shan North Road, Shantou City.

## 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 relevant adjustment formalities based on changes in market conditions from home and abroad, its own business development and capability.”

The above amendment to Article 2.2 is to ensure that the Company complies with and operates its business within the business scope registered with the Administration for Industry and Commerce of the PRC.

### **III. PROPOSED PROFIT DISTRIBUTION PLAN AND DECLARATION OF FINAL DIVIDENDS FOR THE YEAR 2017**

According to the annual results announcement of the Company for the year ended 31 December 2017 dated 21 March 2018, the Board proposed the payment of a final dividend of RMB0.2 (tax inclusive) per Share for the year ended 31 December 2017 (the “**2017 Final Dividend**”) to the Shareholders whose names appear on the register of members of the Company on 6 June 2018. Based on the number of issued Shares of 108,000,000 Shares as at the Latest Practicable Date, the 2017 Final Dividend, if approved and paid, will amount to an aggregate amount of RMB21.6 million (tax inclusive). For distribution of the 2017 Final Dividend, dividends on Domestic Shares will be paid in Renminbi and dividends on H Shares will be paid in Hong Kong Dollars (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 AGM). The proposed payment of 2017 Final Dividend is subject to the approval by the Shareholders at the AGM.

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 Final 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.

## LETTER FROM THE BOARD

### **IV. PROPOSED ELECTION OF DIRECTORS OF THE SECOND SESSION OF THE BOARD**

The term of the first session of the Board shall expire on 25 May 2018, and shall continue to perform their duties as a Director before the election and formation of the second session of the Board at the AGM. The Board has considered and approved the following candidates for Directors of the second session of the Board:

- (1) candidates for executive Directors: Mr. Yao Chuanglong, Ms. Zheng Yuyan and Mr. Lin Zhixiong;
- (2) candidate for non-executive Director: Mr. Li Weisheng; and
- (3) candidates for independent non-executive Directors: Mr. Wan Chi Wai Anthony, Mr. Zhou Tao and Mr. Guan Jian (also known as Guan Suzhe).

The above candidates for Directors meet the qualification requirements to serve as Directors as stipulated in relevant PRC laws, regulations and the Articles, and the Board agreed to submit the above list of candidates for consideration at the AGM. The AGM will elect three executive Directors, one non-executive Director and three independent non-executive Directors, and these seven Directors will comprise the second session of the Board.

The Directors of the second session of the Board will serve for a term of three years. In accordance with the requirements of relevant PRC laws, regulations and the Articles, the candidates for Directors of the second session of the Board are subject to the approval by the Shareholders at the AGM. The term of office of candidates for executive Directors, non-executive Director, and independent non-executive Directors will take effect from the date of approval by the AGM and will expire when members are elected for the new session of the Board. The biographical details of the candidates of the Directors for the second session of the Board are set out in the Appendix I to this circular.

### **V. PROPOSED ELECTION OF SHAREHOLDER REPRESENTATIVE SUPERVISOR AND INDEPENDENT SUPERVISOR OF THE SECOND SESSION OF THE SUPERVISORY COMMITTEE**

The term of the first session of the Supervisory Committee shall expire on 25 May 2018, and shall continue to perform their duties as a Supervisor before the election and formation of the second session of the Supervisory Committee at the AGM. The Supervisory Committee agreed to nominate two candidates to the Supervisory Committee, including one Shareholder representative Supervisor and one independent Supervisor, as detailed below. Pursuant to the Articles, the staff representative Supervisors shall account for not less than one-third of the Supervisors in the Supervisory Committee, and shall be elected and dismissed at the staff representative meeting by the employees of the Company through democratic procedures. The Company will convene a staff representative meeting to elect one staff representative Supervisor.



## LETTER FROM THE BOARD

The following is the list of candidates for the Shareholder representative Supervisor and independent Supervisor of the second session of the Supervisory Committee, which has been considered and approved by the Supervisory Committee:

- (1) candidate for Shareholder representative Supervisor: Mr. Lin Zhijie; and
- (2) candidate for independent Supervisor: Ms. Zhang Ling.

The above Supervisor candidates meet the qualification requirements to serve as Supervisors as stipulated in relevant PRC laws, regulations and the Articles, and the Supervisory Committee agreed to submit the above list of candidates for consideration at the AGM.

The Supervisors of the second session of the Supervisory Committee will serve for a term of three years, and the term of office of Shareholder Representative Supervisor and independent Supervisor will take effect from the date of approval by the AGM and will expire when members are elected for the new session of the Supervisory Committee.

The biographical details of the candidates of the Shareholder representative Supervisor and independent Supervisor of the second session of the Supervisory Committee are set out in the Appendix II to this circular.

### VI. PROPOSED REMUNERATIONS OF DIRECTORS AND SUPERVISORS

The remuneration package for the Directors and Supervisors of the Company in 2018 was determined with reference to the actual conditions of the Company and the industry remuneration level, and specified as follows:

| Name                | Position                                 | Remuneration<br>and Allowance<br>of the Director<br>and the<br>Supervisor | Currency |
|---------------------|--|---|----------|
| Yao Chuanglong      | Director                                 | 50,000.00   | RMB      |
| Zheng Yuyan         | Director                                 | 50,000.00   | RMB      |
| Lin Zhixiong        | Director                                 | 50,000.00   | RMB      |
| Li Weisheng         | Non-executive Director                   | –   | RMB      |
| Guan Jian           | Independent<br>Non-executive<br>Director | 50,000.00   | RMB      |
| Zhou Tao            | Independent<br>Non-executive<br>Director | 50,000.00   | RMB      |
| Wan Chi Wai Anthony | Independent<br>Non-executive<br>Director | 144,000.00  | HKD      |
| Zheng Xiyue         | Supervisor                               | 40,000.00   | RMB      |
| Lin Zhijie          | Supervisor                               | 40,000.00   | RMB      |
| Zhang Ling          | Independent Supervisor                   | 40,000.00   | RMB      |

## LETTER FROM THE BOARD

The remuneration and allowance of the Directors and the Supervisors are represented by pre-tax amounts. As for the Directors and Supervisors who work in the Company, their remuneration and benefits are subject to their management duties.

### VII. PROPOSED PROJECTED DAILY RELATED TRANSACTIONS OF THE COMPANY IN 2018

As at the Latest Practicable Date, Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited (廣藥白雲山香港有限公司) (“**Baiyunshan HK**”), a wholly-owned subsidiary of Guangzhou Baiyunshan Pharmaceutical Holdings Co., Ltd. (a joint stock company with limited liability established in the PRC with its shares listed on the main board of the Stock Exchange (stock code: 874) (“**Guangzhou Baiyunshan**”), is interested in 5% or more of H Shares and Mr. Li Weisheng, the non-executive Director of the Company, serves as the general manager in Baiyunshan HK. In this regard, pursuant to the Shenzhen Stock Exchange Listing Rules and according to the substance over form principle, Guangzhou Baiyunshan and its subsidiaries are regarded as the related parties of the Group. For the purpose of sound management and information disclosure for its related party transactions and in accordance with the Shenzhen Stock Exchange Listing Rules and other laws and regulations, the Board has projected that its transactions with Guangzhou Baiyunshan and its subsidiaries to be conducted in 2018 would amount to approximately RMB1.04 billion (tax inclusive). This proposal has been approved by the Board (other than Mr. Li Weisheng who has abstained in the voting of this proposal) and shall be submitted to the AGM for consideration and approval by way of ordinary resolution. Pursuant to the Shenzhen Stock Exchange Listing Rules, Baiyunshan HK will abstain from voting in relation to this resolution at the AGM.

### VIII. 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 Saturday, 28 April 2018 to Monday, 28 May 2018 (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 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, PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on Friday, 27 April 2018. Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 27 April 2018 are entitled to attend and vote at the AGM.

In order to determine the Shareholders who are entitled to receive the 2017 Final Dividend, the register of members of the Company will be closed from Friday, 1 June 2018 to Wednesday, 6 June 2018 (both days inclusive), during which period no transfer of Shares can be registered. In order to be qualified to receive the 2017 Final 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

## LETTER FROM THE BOARD

Company at No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC (for holders of Domestic Shares) for registration not later than 4:30 p.m. on Thursday, 31 May 2018. Shareholders whose names appear on the register of members of the Company at the close of business on Wednesday, 6 June 2018 are entitled to receive the 2017 Final Dividend. The proposed 2017 Final Dividend will be paid on or about Tuesday, 3 July 2018 following the approval at the AGM.

### **IX. AGM**

A notice convening the annual general meeting of the Company to be held at the Conference Room on 3rd Floor, No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC at 10 a.m. on Monday, 28 May 2018, is set out on pages 16 to 20 of this circular.

Shareholders who intend to attend the AGM 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 head office in the PRC of the Company (for holders of domestic shares of the Company) on or before Tuesday, 8 May 2018.

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. In order to be valid, the proxy form for the AGM must be deposited by hand or 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 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.

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.

## LETTER FROM THE BOARD

### **Recommendations**

The Directors consider that the proposed resolutions set out in the notice of the AGM including (i) amendments to the Articles of Association; (ii) profit distribution plan and declaration of final dividends for the year 2017; (iii) election of Directors of the second session of the Board; (iv) election of Shareholder Representative Supervisor and independent supervisor of the second session of the Supervisory Committee; (v) remunerations of directors and supervisors; (vi) projected daily related transactions of the Company in 2018 and the other matters contained in the notices of AGM, are 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*

Biographical details of the director candidates at the AGM are set out below:

**Mr. Yao Chuanglong (姚創龍)**, aged 48, is our Chairman, executive Director and Chief Executive Officer. He is responsible for the overall management of the Group, strategic planning and decision, formulation of annual business operation plan of the Group. Mr. Yao obtained a certificate in postgraduate class on civil commercial law from China University of Political Science and Law (中國政法大學) in March 2004. Mr. Yao completed a class on selected on-job executive master of business administration course (在職工商管理碩士(EMBA)精選課程研修班) organised by the Sino-Foreign Management Research Institute of Sun Yat-sen University (中山大學中外管理研究中心) in the PRC in March 2004 and a course on “Advance Programme for Development of Leadership in Pharmaceutical Industry” (醫藥商業領導力發展高級研修班) in Zhejiang University (浙江大學) in the PRC in October 2007. Mr. Yao completed a course on “Advanced Programme on Business Management for Executives” (高級工商管理總裁研修班) in Tsinghua University (清華大學) in the PRC in July 2008 and a course on “Telaote Strategic Positioning for Executives” (特勞特戰略定位總裁班) in Peking University (北京大學) in the PRC in September 2013. In November 2015, Mr. Yao completed a course on Internet Plus and Innovative E-commerce for Executives (互聯網+與電子商務創新總裁班) in Overseas Education College of Shanghai Jiao Tong University (上海交通大學海外教育學院).

Mr. Yao joined the Group in March 2000 as a general manager of the Company, overseeing the daily operation and formulation of the strategic development of the Company. Since July 2011, he has also served as the executive Director and general manager of Guandong Charmacy. Mr. Yao has been acting as the chairman of the Company since May 2015. He has also been the chairman of Zhuhai Charmacy since March 2017, the general manager of Zhuhai Charmacy since August 2017, the chairman of Guangzhou Charmacy since June 2017, and an executive Director and the general manager of Shenzhen Charmacy since January 2018.

**Ms. Zheng Yuyan (鄭玉燕)**, aged 43, is our vice president, executive Director and Chief Marketing Officer. She joined the Group in September 2003 and had served various positions in the Group including procurement officer, procurement director and sales director. Ms. Zheng was promoted in August 2015 as the vice president of the Group. She has been appointed as our Director since 25 May 2015. Ms. Zheng is mainly responsible for the marketing and products management of the Group, the arrangement and maintenance of the sales network of the Group as well as planning and guidance on the management of operating commodities of the Group.

In December 2008, Ms. Zheng obtained a Master of Business Administration degree in the Postgraduate School of Renmin University of China (中國人民大學研究生院) in the PRC. Ms. Zheng completed a course of “Training Programme for Executives Master of Business Administration Courses” (EMBA課程總裁研修班) organised by Lingnan School of Sun Yatsen University (中山大學嶺南學院) in the PRC in August 2013 and a course of “Telaote Strategic Positioning for Executives” (特勞特戰略定位總裁班) organised by Peking University (北京大學) in the PRC in November 2013. In November 2015, Ms. Zheng completed a course on Internet Plus and Innovative E-commerce for Executives (互聯網+與電子商務創新總裁班) in Overseas Education College of Shanghai Jiao Tong University (上海交通大學海外教育學院).

**Mr. Lin Zhixiong (林志雄)**, aged 48, is our executive Director, joint company secretary and Chief Financial Officer. He is responsible for the financial management of the Group. He joined the Group in March 2010 as the financial director of the Group. He has also been a director of Zhuhai Charmacy since March 2017 and a director of Guangzhou Charmacy since June 2017. Mr. Lin graduated from Hunan Institute of Finance and Economics (湖南財經學院) in the PRC with a bachelor degree in economics studies, majoring in finance planning and statistics in July 1992. He also completed a course of “Telaote Strategic Positing for Executives” (特勞特戰略定位總裁班) organised by Peking University (北京大學) in the PRC in November 2013 and obtained a postgraduate diploma on “Corporate Finance and Investment Management” from the University of Hong Kong School of Professional and Continuing Education in May 2015. And he obtained a postgraduate diploma in “Integrated and Practicing Management” from the University of Hong Kong School of Professional and Continuing Education in September 2017. Mr. Lin was an accountant accredited by the Ministry of Finance in the PRC in May 1997. Prior to joining the Group, Mr. Lin worked in Shantou International Trust Investment Limited (汕頭國際信託投資公司), a company engaging in financing and investment activities, as an accounting and financial manager from July 1992 to December 2001, responsible for financial management and accounting, tax planning and financing. From January 2002 to March 2010, he worked in Guangdong Deming Investment Group Limited (廣東德明投資集團公司) (currently known as Shantou Deming Packaging Group Limited (汕頭市德明包裝實業集團有限公司)), a company engaging in the production and sales of tobacco, and held the position of financial director and was responsible for the financial management and accounting, tax planning, financing and investment management.

**Mr. Li Weisheng (李偉生)**, aged 53, has been our non-executive Director since June 2017. Mr. Li is a pharmacist-in-charge. In 1989, Mr. Li graduated from Guangdong Pharmaceutical University (formerly known as Guangdong Pharmaceutical Institute) with a bachelor’s degree in medicine, majoring in preventive healthcare. Mr. Li worked in Guangzhou Pharmaceutical Trading Co., Ltd. (廣州醫藥進出口有限公司) from July 1989 to November 2011, and was the deputy general manager of Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited from November 2011 to December 2015. He has been the general manager of Guangzhou Pharmaceutical Baiyunshan Hong Kong Company Limited since December 2015. He has also been a supervisor of Guangzhou Baiyunshan Qi Xing Pharmaceutical Co., Ltd. (廣州白雲山奇星藥業有限公司) since July 2015, the chairman of Guangzhou Pharmaceutical Baiyunshan Macau Company Limited (廣藥白雲山澳門有限公司) since January 2018, and a director of Guangzhou Baiyunshan Guang Hua Pharmacy Co., Ltd. (廣州白雲山光華製藥股份有限公司) since February 2018.



**Mr. Wan Chi Wai Anthony (尹智偉)**, aged 42, was appointed as our independent non-executive Director on 1 December 2015. Mr. Wan graduated from the Hong Kong University of Science and Technology in November 1997 with a bachelor degree in business administration (accounting). Mr. Wan graduated from the University of London with a bachelor degree in laws in August 2003 through distance learning. He further obtained the Postgraduate Certificate in Laws in June 2004 from the University of Hong Kong. Mr. Wan was admitted as a member of the Hong Kong Institute of Certified Public Accountants in January 2002 and a Fellow of the Association of Chartered Certified Accountants in May 2006. Mr. Wan was also admitted as a solicitor of the High Court of Hong Kong in September 2006. Prior to joining the legal field, Mr. Wan worked in the financial, accounting and audit industry, including as a senior associate in PricewaterhouseCoopers, an accounting and audit firm, from August 1997 to May 2001; an accounting manager in Wellink Services Limited, a company engaging in investment business, from October 2001 to January 2002; and an assistant manager in finance in MLC (Hong Kong) Limited, an insurance company, from April 2002 to September 2003. Since 2004, Mr. Wan has worked in various local and international law firms, specialising in the practice of corporate finance transactions including Hong Kong listings and mergers and acquisitions. From October 2006 to July 2007 and from January 2008 to November 2008, Mr. Wan was a corporate finance associate in Herbert Smith Freehills. He was an assistant solicitor in Reed Smith Richards Butler from March 2010 to November 2010 and an associate in Morrison & Foerster from December 2010 to May 2012. Mr. Wan joined Clifford Chance in May 2012 as a senior associate and left as a consultant in April 2015. From May 2015 to May 2016, he worked as the partner and head of the Hong Kong corporate and securities practice of Vivien Teu & Co in association with Llinks Law Offices (通力律師事務所), a law firm in Hong Kong. In May 2016, Mr. Wan joined King & Wood Mallesons, as a partner for its corporate and securities practice. He has been an independent non-executive director of HM International Holdings Limited (stock code: 8416) since 15 December 2016 and an independent non-executive director of Dafy Holdings Limited (stock code: 1826) since 12 January 2018.

**Mr. Zhou Tao (周濤)**, aged 34, was appointed as our independent non-executive Director on 1 December 2015.

Mr. Zhou graduated from Peking University (北京大學) in the PRC with a bachelor's degree in law in July 2005. He is a qualified practising lawyer in the PRC.

Since July 2005, Mr. Zhou has been working as a lawyer in Grandway Law Offices (北京國楓律師事務所), a law firm in the PRC.

**Mr. Guan Jian (關鍵) (also known as Guan Suzhe (關蘇哲))**, aged 48, was appointed as our independent non-executive Director on 1 December 2015. Mr. Guan graduated from Chinese People's Liberation Army University of International Relationships (中國人民解放軍國際關係學院) with a bachelor degree in English in July 1991 and from China Europe International Business School (中歐國際工商學院) in the PRC with a master degree in business administration in November 1997. In August 2014, Mr. Guan was appointed as a guest professor by Shanghai Jiao Tong University Continuing Education School (上海交通大學繼續教育學院) in the PRC.

Mr. Guan worked as a sales director in Yihaodian (一號店), a company engaging in business administration, responsible for marketing, sales and operational management in May 2008. During the period from July 2009 to August 2010, he was the vice president of Shanghai Haolijia Electronics Commerce Limited (上海好麗家電子商務有限公司), a company engaging in the business of marketing, sales and training, responsible for the business management. Since July 2011, he has been working as the chief executive officer of Mankedao (Shanghai) Information Technology Limited (慢客島(上海)網絡科技有限公司), overseeing the general management. Since 2 June 2015, he has been the executive director and president of Shanghai New Focus Investment Development Limited (上海新關點投資發展有限公司), responsible for integrated corporate management. Mr. Guan has been the consultant of China Telecom Corporation Limited Jiangsu electronics channel operations centre (中國電信股份有限公司江蘇電子渠道營運中心).

If the above candidates are appointed as Directors, each of them will enter into a service contract with the Company and shall hold their office until the expiry of the term of the second session of the Board. The remuneration of the Directors are recommended by the Remuneration Committee of the Company and approved by the Board, having regard to their time commitment and responsibilities, the salaries paid by companies. The non-executive Director will not receive any remuneration from the Company.

Mr. Yao held 59,000,000 domestic shares of the Company, representing 54.63% of the total number of issued shares of the Company. Mr. Lin Zhixiong had 15.41% interest in Shantou Meizhi Investment Management Limited Partnership (汕頭市美智投資管理合夥企業(有限合夥)) (“**Meizhi Investment**”). Meizhi Investment held 3,200,000 domestic shares of the Company, representing 2.96% of the total number of issued shares of the Company.

As at the Latest Practicable Date, save as disclosed above, the director candidates had confirmed that they (i) had not held any directorships in other publicly listed companies in the last three years; (ii) had not had any relationship with any Directors, supervisors, senior management, substantial or controlling shareholders of the Company; and (iii) had not had any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Each of the candidates for independent non-executive Directors has met the independence requirements as set out in Rule 3.13 of the Listing Rules.

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



|  |
|--|
| <b>APPENDIX II      BIOGRAPHICAL DETAIL OF THE CANDIDATES FOR SHAREHOLDER REPRESENTATIVE SUPERVISOR AND INDEPENDENT SUPERVISOR</b> |
|--|

Biographical details of the candidates for Shareholder Representative Supervisor and Independent Supervisor at the AGM are set out below:

**Ms. Zhang Ling (張玲)**, aged 45, was appointed as the chairlady of the Board of Supervisors on 25 May 2015.

Ms. Zhang graduated from Beijing Wuzi University (北京物資學院) in the PRC with a bachelor degree in international trade in July 1994. She obtained a master degree in industrial economics from Shantou University (汕頭大學) in the PRC in June 2005 and a doctorate degree in accounting from Xiamen University (廈門大學) in the PRC in December 2009.

From March 2000 to September 2002, Ms. Zhang was the assistant to general manager in the Company, responsible for overseeing financial and administrative matters. Since January 2010, she has been an associate professor in Shantou University Business School (汕頭大學商學院) in the PRC. Since December 2016, she has been an independent director of C.K.J Professional Dental Hospital Group Limited (深圳市愛康健齒科集團股份有限公司).

**Mr. Lin Zhijie (林志傑)**, aged 34, is our vice logistics officer. Mr. Lin graduated from the Science and Technology College of Jiangxi University of Traditional Chinese Medicine (江西中醫學院科技學院) in the PRC in July 2007, majoring in pharmaceuticals formulation.

Mr. Lin joined our Group in January 2007 and has been responsible for transportation and logistics arrangements of our Group, including the planning of budget for transportation.

If the above candidates are appointed as Supervisors, each of them will enter into a service contract with the Company and shall hold their office until the expiry of the term of the second session of the Supervisory Committee. The emolument of a Supervisor will be determined with reference to the remuneration policies of the Supervisors of the Company.

As at the Latest Practicable Date, save as disclosed above, the supervisor candidates had confirmed that they (i) had not held any directorships in other publicly listed companies in the last three years; (ii) had not had any relationship with any Directors, supervisors, senior management, substantial or controlling shareholders of the Company; and (iii) had not had any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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

## 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 10 a.m. on Monday, 28 May 2018 at the Conference Room on 3rd floor, No. 235 Song Shan North Road, Longhu District, Shantou 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 2017;
2. to consider and, if thought fit, approve the report of supervisory committee of the Company (the “Supervisory Committee”) for the year ended 31 December 2017;
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 2017;
4. 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 2018, to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration;
5. to consider and, if thought fit, approve the resolution regarding the election of Directors of the second session of the Board (this resolution is effected by cumulative voting process);
  - 5.1. election of Mr. Yao Chuanglong as an executive Director of the Company;
  - 5.2. election of Ms. Zheng Yuyan as an executive Director of the Company;
  - 5.3. election of Mr. Lin Zhixiong as an executive Director of the Company;

## NOTICE OF ANNUAL GENERAL MEETING

- 5.4. election of Mr. Li Weisheng as a non-executive Director of the Company;
  - 5.5. election of Mr. Wan Chi Wai Anthony as an independent non-executive Director of the Company;
  - 5.6. election of Mr. Zhou Tao as an independent non-executive Director of the Company; and
  - 5.7. election of Mr. Guan Jian (also known as Guan Suzhe) as an independent non-executive Director of the Company.
6. To consider and, if thought fit, approve the resolution regarding the election of the Shareholder Representative Supervisor and the Independent Supervisor of the second session of the Supervisory Committee (this resolution is effected by cumulative voting process);
    - 6.1. election of Ms. Zhang Ling as the Independent Supervisor of the second session of the Supervisory Committee; and
    - 6.2. election of Mr. Lin Zhijie as the Shareholder Representative Supervisor of the second session of the Supervisory Committee;
  7. to consider and, if thought fit, approve the resolution regarding the remuneration of the Directors and Supervisors of the Company;
  8. to consider and, if thought fit, approve the Company's profit distribution plan and declaration of final dividends for the year ended 31 December 2017;
  9. to consider and approve the projected daily related transactions of the Company in 2018;
  10. To consider and approve the Company and its subsidiaries' application for a comprehensive credit line of no more than RMB1.45 billion from banks in 2018, with a credit period of one year. Such credit line is reusable. The variety of the comprehensive 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, letters of credit, and mortgage loans. The Chairman is authorized to represent the Company in completing relevant procedures within the comprehensive credit line approved by the bank and to sign all the legal documents, such as contracts, agreements and proofs, relating to credit products including but not limited to loans, credits, trusts and finance leases;
  11. To consider and approve the Company's absolute discretion to provide support (including but not limited to guarantee and credit support) for the financing matters of the Company and its subsidiaries in 2018, as long as the aggregate amount does not exceed RMB1.45 billion, including but not limited

## NOTICE OF ANNUAL GENERAL MEETING

to loans, credits, trusts and finance leases. The Chairman is authorized to represent the Company in completing all relevant procedures within the total credit line of the above support, and to sign all the legal documents, such as contracts, agreements and proofs, relating to the above financing support for the subsidiaries (including but not limited to loans, credits, trusts and finance leases).

### AS SPECIAL RESOLUTION

12. To consider and, if thought fit, approve the proposed amendments to the Articles of Association (details of which are set out in the circular of the Company dated 12 April 2018) (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.

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

Shantou, the PRC, 12 April 2018

#### *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 Saturday, 28 April 2018 to Monday, 28 May 2018 (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 H 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 (for holders of H shares of the Company) or the headquarters in the PRC of the Company (for holders of domestic shares of the Company), no later than 4:30 p.m. on Friday, 27 April 2018.
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, 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 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.

## NOTICE OF ANNUAL GENERAL MEETING

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. Shareholders who intend to attend the AGM 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 head office in the PRC of the Company (for holders of domestic shares of the Company) on or before Tuesday, 8 May 2018.
7. 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.
8. The address of the headquarters in the PRC of the Company is No. 235, Song Shan North Road, Longhu District, Shantou City, Guangdong Province, PRC.
9. Regarding resolutions 5 and 6, cumulative voting system will be used for the resolution. Cumulative voting system refers to where two or more directors/supervisors are to be elected at the general meeting, the number of votes for each share held by a Shareholder shall be equal to the aggregate number of directors/supervisors for election under the resolution. The Shareholders may use all of the votes concentrating on one particular person, or may distribute the votes for electing several persons. When the total votes cast by a Shareholder on some candidate directors/supervisors exceeds the total votes to which he/she is entitled, all the votes cast will become invalid and be regarded as abstain votes; when the total votes cast by a Shareholder for some candidate directors/supervisors are less than the total votes to which he/she is entitled, the votes are valid and the remaining votes will be regarded as abstain votes. Where the "For" votes cast for a particular candidate for director/supervisor are more than half of the total number of shares held by all Shareholders attending (before cumulation) and where the "For" votes exceed the "Against" votes, the candidate in question will be considered to have been elected. Where the elected directors/supervisors at the general meeting are less than directors/supervisors to be elected, new rounds of voting are required to be held for election of the remaining directors/supervisors until the number of directors/supervisors to be elected is fulfilled. When holding a new round of voting for electing directors/supervisors in accordance with the aforesaid matters, the general meeting shall recount the number of cumulative votes of Shareholders based on the number of candidates to be elected in each round of election.

*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).*

# 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 2.2**

#### **which originally read as:**

“The business scope of the Company: pharmaceutical business; medical device business; distribution of health products and food; freight transport business; domestic freight forwarder; third-party pharmaceutical products and medical devices logistics business; commodity information consultancy; management and planning service for pharmaceutical enterprises; logistics information consulting service; advertising business; lease of properties; distribution of sterilizing and bactericidal equipments and instruments, cosmetics, sanitary products, detergent, daily provisions and chemical products (excluding hazardous chemicals); purchasing and initial processing of agricultural by-products, seafood and local specialties; private warehouses locating at 1F and 2F No. 235 Song Shan North Road, Shantou City.

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 from home and abroad, its own business development and self-capability.”

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

“The business scope of the Company: pharmaceutical business; medical device business; distribution of health products and food; freight transport business; domestic freight forwarder; third-party pharmaceutical products and medical devices logistics business; commodity information consultancy; management and planning service for pharmaceutical enterprises; logistics information consulting service; advertising business; lease of properties; distribution of sterilizing and bactericidal equipments and instruments, disinfectant, hygienic insecticide cosmetics, sanitary products, detergent, daily provisions and chemical products (excluding hazardous chemicals); purchasing and initial processing of agricultural by-products, seafood and local specialties; private warehouses locating at 1F and 2F No. 235 Song Shan North Road, Shantou City.

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 relevant adjustment formalities based on changes in market conditions from home and abroad, its own business development and capability.”

The above amendments to the Articles are to ensure that the Company complies with and operates its business within the business scope registered with the Administration for Industry and Commerce of the PRC.