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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)

POSITIVE PROFIT ALERT

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 “**SFO**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the 11 months ended 30 November 2022, and other information currently available to the management of the Company, the Group expects to record an unaudited net profit attributable to shareholders of the parent company for the 11 months ended 30 November 2022 of approximately RMB32 million (the “**Profit Alert**”), which represents a significant increase as compared with: (i) the audited net profit attributable to shareholders of the parent company for the year ended 31 December 2021 of approximately RMB23 million; and (ii) the unaudited net profit attributable to shareholders of the parent company for the six months ended 30 June 2022 of approximately RMB21 million. The increase in net profit was mainly attributed to: (i) an increase in revenue from low bases for the year ended 31 December 2021 and for the six months ended 30 June 2022 which were due to the decrease in customer flow and sales at retail pharmacies in Guangdong Province under the COVID-19 pandemic restrictive measures; and (ii) the effective expansion of the third party pharmaceutical logistics business during the 11 months ended 30 November 2022.

The information contained in this announcement is based on the Company’s preliminary assessment of the unaudited consolidated management accounts of the Group for the 11 months ended 30 November 2022 and other information currently available to the management of the Company, which have not been audited or reviewed by the auditors of the Company or the audit committee of the Company and may be subject to changes and adjustments.

Reference is made to the joint announcement of the Company and Jiangxi Jiangzhong Pharmaceutical Commercial Operation Co., Ltd. (the “**Offeror**”) dated 28 September 2022 in connection with the possible unconditional mandatory cash offer by Guotai Junan Securities (Hong Kong) Limited for and on behalf of the Offeror to acquire all the issued shares of the Company (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) (the “**Joint Announcement**”).

The Profit Alert constitutes a profit forecast under Rule 10 of The Code on Takeovers and Mergers of Hong Kong (the “Takeovers Code”) and shall be reported on by the Company’s financial advisers and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09(2)(a) of the Listing Rules and pursuant to Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable. Given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in Rule 10.4 of the Takeovers Code. The Profit Alert as set out in this announcement does not meet the standard required by Rule 10 of the Takeovers Code. The requisite reports by the Company’s financial advisers and auditors or accountants under Rule 10.4 of the Takeovers Code are proposed to be contained in the Composite Document (as defined in the Joint Announcement), which is the next document to be sent to the Shareholders by the Company in relation to the Offer (as defined in the Joint Announcement) to be jointly issued by the Offeror and the Company to the Shareholders in accordance with the Takeovers Code.

WARNING

Shareholders and potential investors of the Company should note that the Profit Alert does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and thus are advised to exercise caution in placing reliance on the Profit Alert in assessing the merits and demerits of the Offer (which may or may not become unconditional) and/or dealing in the securities of the Company.

If the Shareholders and potential investors of the Company are in any doubt about their position, they should consult their professional advisers.

By order of the Board

Charmacy Pharmaceutical Co., Ltd.

Yao Chuanglong

Chairman

Shantou, the PRC, 20 December 2022

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.