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**JIANGXI JIANGZHONG  
PHARMACEUTICAL COMMERCIAL  
OPERATION CO., LTD.\***

江西江中醫藥商業運營有限責任公司

*(A limited liability company established in the People's  
Republic of China)*

**JIANGXI PHARMACEUTICAL  
INVESTMENT CO., LIMITED**

江西醫藥投資有限公司

*(Incorporated in Hong Kong with limited liability)*



創美·CHMEI

**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)*

## **JOINT ANNOUNCEMENT**

- (1) COMPLETION OF THE ACQUISITION OF THE SALE SHARES AND ENTRUSTMENT OF ENTRUSTED VOTING RIGHTS; AND**
- (2) UNCONDITIONAL MANDATORY CASH OFFER BY GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED**



**Guotai Junan Securities (Hong Kong) Limited**

**FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED  
SHARES IN CHARMACY PHARMACEUTICAL CO., LTD. (OTHER THAN  
THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE  
OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

**Financial Adviser to the Offeror**



**Guotai Junan Capital Limited**

References are made to the announcements joint issued by the Jiangxi Jiangzhong Pharmaceutical Commercial Operation Co., Ltd.\* (江西江中醫藥商業運營有限責任公司) (“**Jiangzhong Yishang**”) and Charmacy Pharmaceutical Co., Ltd. (the “**Company**”) dated 28 September 2022 (the “**Joint Announcement**”) and 18 November 2022 in respect of, among other things, the Acquisition and the Offer. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

## **COMPLETION OF THE ACQUISITION OF THE SALE SHARES AND ENTRUSTMENT OF ENTRUSTED VOTING RIGHTS**

Jiangzhong Yishang, Jiangxi Pharmaceutical Investment Co., Ltd. (a direct wholly-owned subsidiary of Jiangzhong Yishang) (the “**Offeror**”) and the Company (as informed by the Transferor) are pleased to announce that Completion took place on 17 January 2023.

As stated in the Joint Announcement, pursuant to the terms and conditions of the Share Transfer Agreement entered into by the Transferor and Jiangzhong Yishang on 13 September 2022 (after trading hours), the Transferor has conditionally agreed to sell and Jiangzhong Yishang has conditionally agreed to purchase the Sale Shares, being an aggregate of 9,720,000 Shares, representing 9.00% of the entire issued share capital of the Company as at the date of this joint announcement, at a consideration of HK\$70,858,800, equivalent to HK\$7.29 per Sale Share. Pursuant to the terms of the Share Transfer Agreement, Jiangzhong Yishang nominated the Offeror (a direct wholly-owned subsidiary of Jiangzhong Yishang) as the transferee of the Sale Shares.

Pursuant to the Share Transfer Agreement, the Transferor has conditionally agreed to irrevocably entrust to the Offeror the Entrusted Voting Rights of the Entrusted Shares, representing approximately 3.70% of the entire issued share capital of the Company as at the date of this joint announcement, except that the Transferor shall retain the right, as the holders or ultimate beneficial owners of the Entrusted Shares, to dividends on the Entrusted Shares and the right to dispose of the Entrusted Shares in accordance with applicable laws and regulations and the articles of association of the Company (provided that such disposal does not violate the terms of any agreement entered (or to be entered) into by the parties thereto, including but not limited to the Share Pledge Agreement which restricts the transfer of the 2,000,000 pledged Shares, 1,000,000 Shares of which form part of the 4,000,000 Entrusted Shares being the subject matter of the Entrusted Voting Rights arrangement). The remaining 3,000,000 Entrusted Shares have been previously pledged to Jiangzhong Yishang separately and are not freely transferable.

Immediately after Completion and as at the date of this joint announcement, (i) Jiangzhong Yishang and the Offeror beneficially own 38,770,000 Shares, representing 35.90% of the entire issued share capital of the Company as at the date of this joint announcement; (ii) Jiangzhong Yishang and the Offeror have acquired or controlled approximately 39.60% of the voting rights of the Company (comprising the voting rights of the Shares held by Jiangzhong Yishang, the Sale Shares held by the Offeror and the Entrusted Shares, which represent approximately 26.90%, 9.00% and 3.70% of the entire issued share capital of the Company respectively as at the date of this joint announcement); and (iii) the Offeror’s Concert Group (including the Transferor) beneficially owns an aggregate of 73,300,000 Shares, representing 67.87% of the entire issued share capital of the Company as at the date of this joint announcement.

As at the date of this joint announcement, there are 108,000,000 Shares in issue and the Company does not have any outstanding options, warrants, derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

## UNCONDITIONAL MANDATORY CASH OFFER

Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror's Concert Group). In compliance with the Takeovers Code, the Offeror, through Guotai Junan Securities, will make the Offer for all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code, on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code.

## DESPATCH OF THE COMPOSITE DOCUMENT

The Composite Document containing, among other things, (i) further details on the terms of the Offer (including the expected timetable); (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer, and (iv) the relevant forms of acceptance and transfer of the Offer Shares, is expected to be despatched to the Shareholders on or before 20 January 2023. Further announcement will be made in relation to the despatch of the Composite Document.

By Order of the board of directors of  
**Jiangxi Jiangzhong Pharmaceutical  
Commercial Operation Co., Ltd.\***  
**Yan Jingbin**  
*Director and Legal Representative*

By Order of the board of  
directors of  
**Jiangxi Pharmaceutical  
Investment Co., Ltd.**  
**Yan Jingbin**  
*Director*

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

Shantou, the PRC, 17 January 2023

*As at the date of this joint announcement, the directors of Jiangzhong Yishang are Mr. Liu Wei-quan, Mr. Yan Jingbin, Mr. Wu Xiaohong, Mr. Huang Xingzhi, Mr. Chen Yong, Mr. Lin Xingyao, Ms. Luo Yi, Mr. Cheng Wang and Mr. Xu Zhengqing.*

*As at the date of this joint announcement, the sole director of the Offeror is Mr. Yan Jingbin.*

*As at the date of this joint announcement, the executive Directors are Mr. Yao Chuanglong, Ms. Zheng Yuyan and Ms. Zhang Hanzi; the non-executive Directors are Mr. Li Weisheng, Mr. Yan Jingbin and Ms. Fu Zheng; and the independent non-executive Directors are Mr. Wan Chi Wai Anthony, Mr. Zhou Tao and Mr. Guan Jian (also known as Guan Suzhe).*

*The directors of Jiangzhong Yishang and the sole director of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Transferor, the Directors and the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror's Concert Group (for this purpose, excluding the Transferor)) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than that expressed by the directors of Jiangzhong Yishang and the Offeror) have been arrived*

*at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*In the case of inconsistency, the English version of this joint announcement shall prevail over the Chinese version.*

*\* For identification purpose only*