



**創美藥業股份有限公司**  
CHARMACY PHARMACEUTICAL CO.,LTD.

Stock Code: 2289

# 二零一七年中中期業績發佈

—— 2017 Interim Results Announcement ——

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# Results Highlights

# Steady Progress Made in 1H 2017

股份简称：创美药业 股份代号：2289.HK

**The Board proposed the payment of an interim dividend of RMB0.10 (tax inclusive) per share for the six months ended 30 June 2017.**

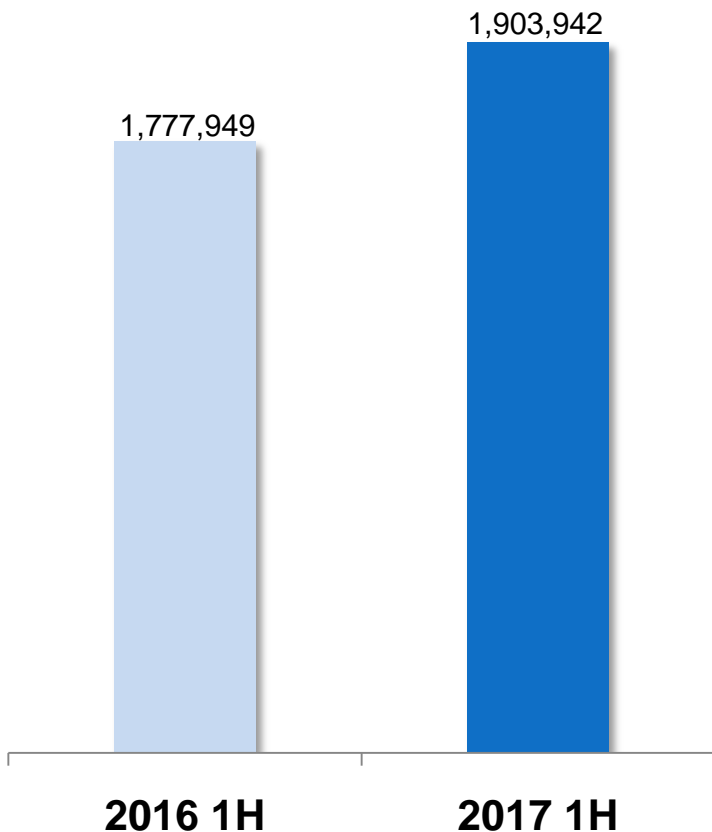
	For the six months ended 30 June 2017		
	2017 RMB'000	2016 RMB'000	Year on Year
Operating revenue	1,903,942	1,777,949	7.09%
Gross profit	125,155	99,598	25.66%
Gross profit margin	6.57%	5.60%	Up 0.97 PP
Total cost	67,887	50,519	34.38%
Cost rate	3.57%	2.84%	Up 0.73 PP
Net profit attributable to the owners of parent company	42,009	36,762	14.27%
Net profit margin	2.21%	2.07%	Up 0.14 PP
Basic and diluted earnings per share ( RMB )	0.39	0.34	14.27%

# Growth in Operating Revenue

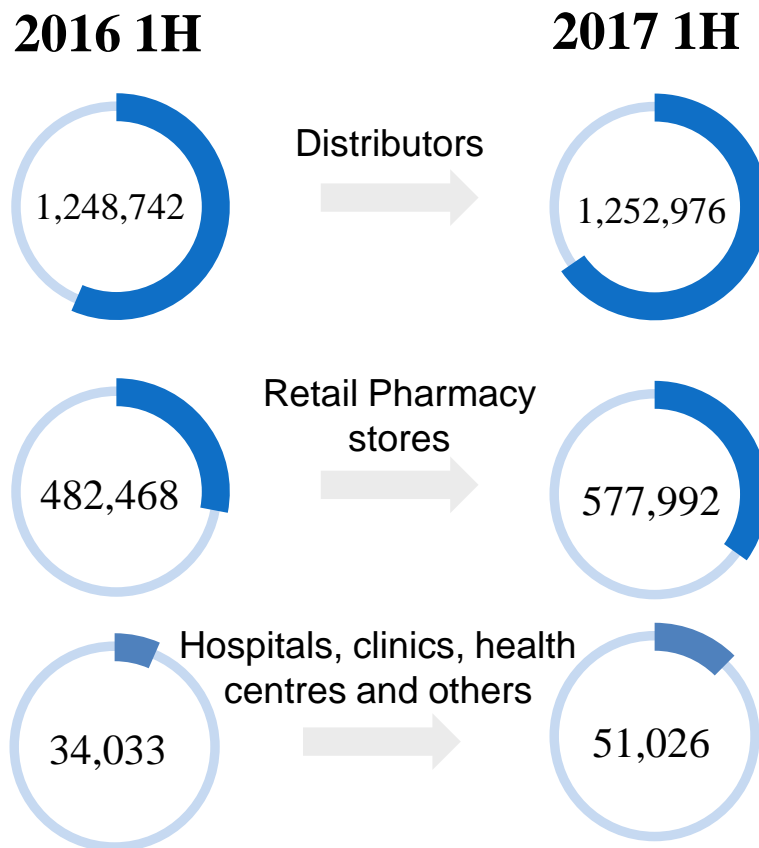
股份简称：创美药业 股份代号：2289.HK

( RMB'000 )

## Operating Revenue



## Operating Revenue Analysis

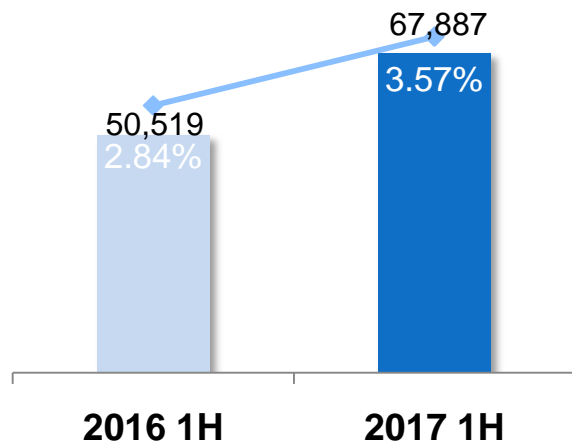




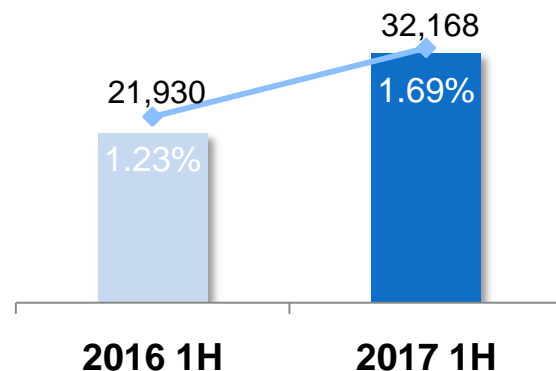
# Cost Rise Year on Year

( RMB'000 )

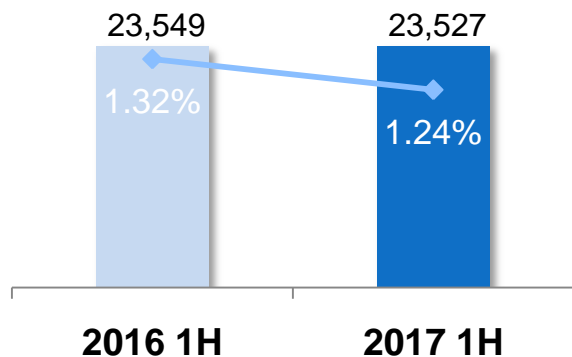
## Total Cost



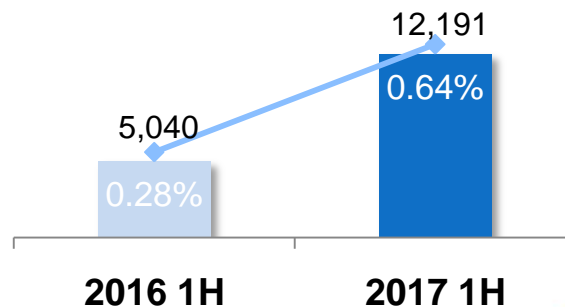
## Selling Expenses



## Management Expenses



## Finance Costs

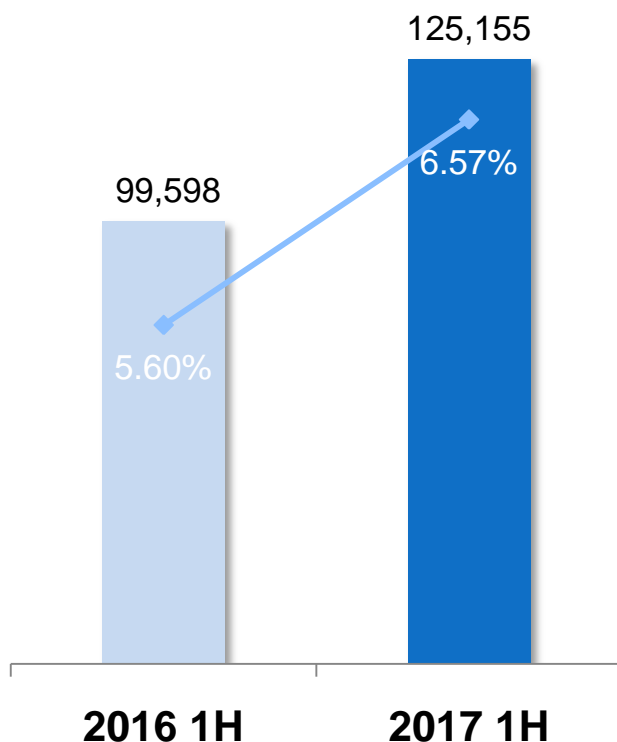


# Profitability Increased Year on Year

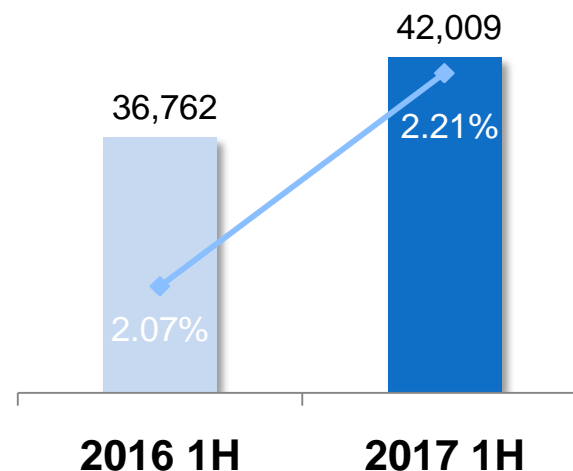
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( RMB'000 )

## Gross Profit



## Net Profit Attributable to The Owners of Parent Company



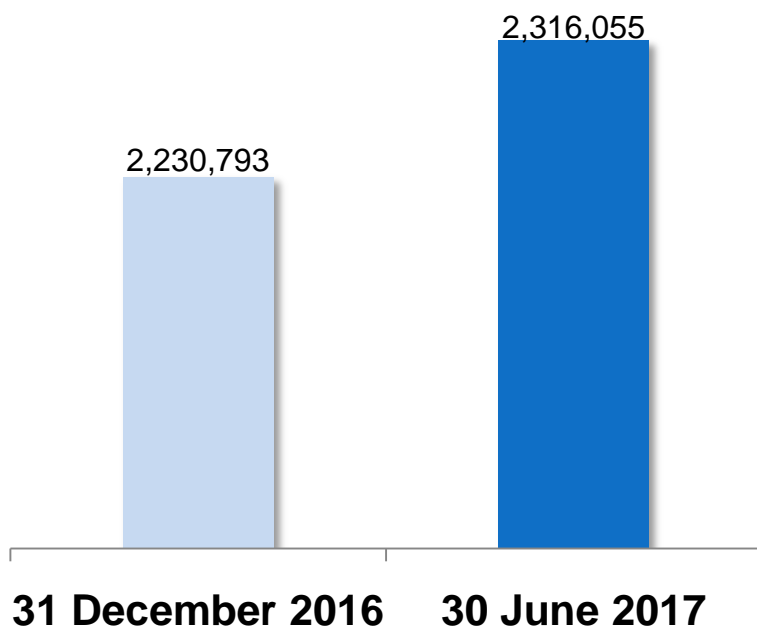


# Solid Financial Strength

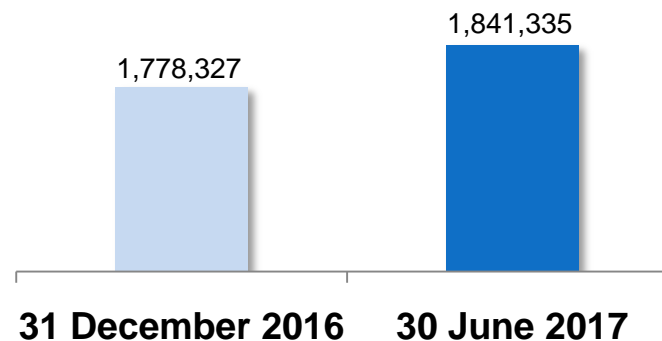
股份简称：创美药业 股份代号：2289.HK

( RMB'000 )

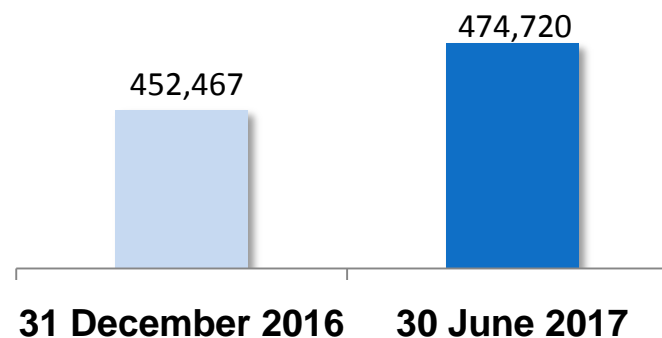
## Total Asset



## Total Liabilities



## Equity of Shareholders



	30 June 2017	31 December 2016
Gearing ratio	0.83	0.93
Net debt to equity ratio	0.62	0.67

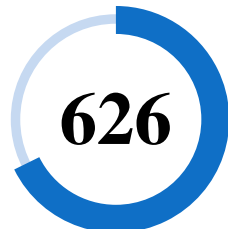


# Business Review

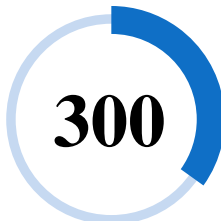
# Business Overview

股份简称：创美药业 股份代号：2289.HK

## Suppliers:

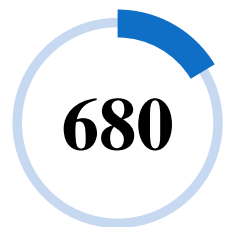


Pharmaceutical  
Manufacturers

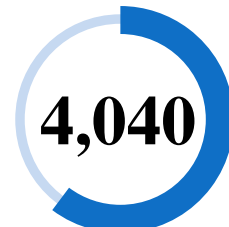


Distributors' suppliers

## Distribution Network:



Distributors



Retail  
Pharmacy Stores



Hospitals, clinics,  
health centres and others

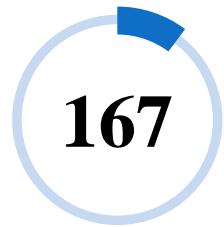
## Distribution Products:



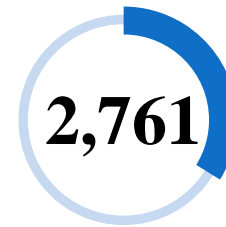
Western Medicines



Chinese  
Patent Medicines



Healthcare Products



Others

## B2B Platform “Charmacy e-Medicine”

- As at 30 June 2017, the operating revenue was round RMB **111.48** million ;
- **5,621** registered customers

## Launch the Construction of Informatization Program (Phase II)

In March 2017, the Group officially launched the construction of informatization program (Phase II) to invest in the implementation of three modules , namely , SAP EWM , SAP TM and SAP HR to promote the strategic development of enterprises.



# Main Events

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On 19 June 2017, the Company entered into a capital contribution agreement with the owner of Guangzhou Wangkang Pharmaceutical Technology Limited\* (广州王康医药科技有限公司) to increase the Company's registered capital in Guangzhou Wangkang Pharmaceutical Technological Limited to 90% of its equity interest and become its controlling shareholder, at a consideration of RMB 18 million.



On 13 March 2017, the Company entered into a capital contribution agreement with the owner of Zhuhai Hengxiang Pharmaceutical Limited\* (珠海市恒祥医药有限公司), to increase the Company's registered capital in ZHP to 70% of its equity interests and become its controlling shareholder, at a consideration of RMB18 million.

Increase



Approximately **920**  
downstream customers

Approximately **2,898**  
specifications

Include:

Approximately **1,537**  
Chinese medicine decoction pieces



China Internet Industry Honesty Demonstration Unit



China Logistics Industry Golden Ants Award in 2017



Model Enterprise of Trustworthiness in Guangdong Province for Six Consecutive Years' from 2011 to 2016



Special Contribution Enterprise of Pharmaceutical Industry in Guangdong Province in 2016



Annual Major Wholesaler and Retailer in 2016



Annual Major Tax Payer in 2016



# Future Strategy



**Proposal of the initial public offering and listing of A Shares, promoting corporate image and the brand recognition**

**Establish pharmaceutical classification and distribution center in Guangzhou; enhance the market competitiveness**



**Establish a wholly-owned subsidiary in Shenzhen; increase the coverage in the end markets of Southern China region**

**Continuously expand the product offerings and enhance the product mix**



**Promote and integrate the construction of distribution network and enhance the distribution capability**





## Proposal of the initial public offering and listing of A Shares, promoting corporate image and the brand recognition

**Total amount of A Shares to be issued will not exceed 20,000,000 shares.**

- A Shares Offering will further optimise the corporate governance structure of the Group , develop domestic and overseas financing platforms, and improve the liquidity of all the shares held by shareholders.
- A Shares Offering will enhance the Group's corporate image and brand awareness , further expand the Group's financing channels, increase the Group's working capital , and achieve stronger recognition from the capital market.
- A Shares Offering will be beneficial to the Group's business growth, financing flexibility and business development. It will also enable the Group to obtain more financial resources and improve the competitiveness of the Group, which would be beneficial to the long-term development of the Group.



## Establish pharmaceutical classification and distribution center in Guangzhou; enhance the market competitiveness

- The company purchased the properties situated at Nansha District, Guangzhou City (including its plants, dormitory and land use right) for the construction of the pharmaceutical classification and distribution center in Guangzhou, and the plants will be provided to Guangzhou Charmacy for use in the fourth quarter of 2017.
- The construction of the pharmaceutical classification and distribution center in Guangzhou will facilitate the Group's servicing capability in the Pearl River Delta region, and increase the supply capacity and meet the increasing market demand.
- Upon completion, the overall scale of the Company will be enlarged, the distribution capacity within the network will be enhanced, the advantage of the Company's services, the customer resources, branding and management resources will be further utilised, and the market competitiveness and sustainability will be strengthened.

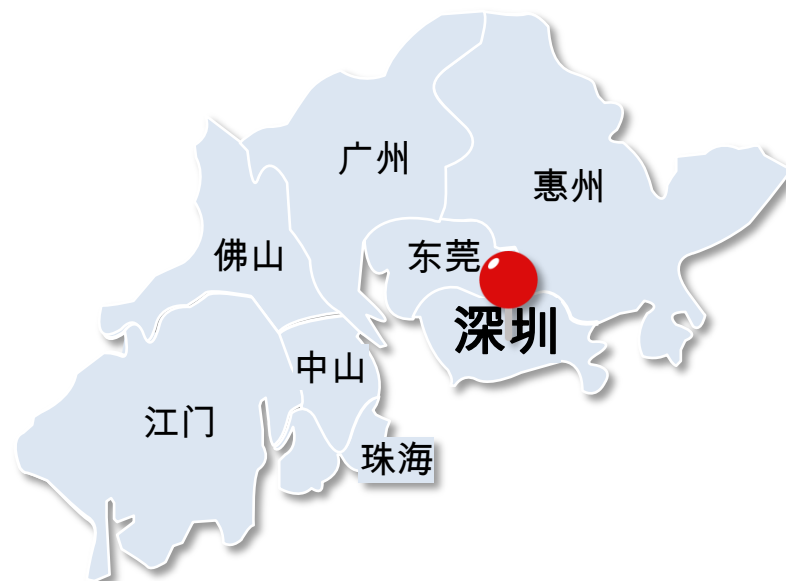
# Increase the coverage in the end markets of Southern China

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## Establish a wholly-owned subsidiary in Shenzhen; increase the coverage in the end markets of Southern China region

The Group plans to set up a wholly-owned subsidiary in Shenzhen in the fourth quarter of 2017, which is expected to be put into operation in the first half of 2018, so as to provide an in-depth layout in Shenzhen region with the coverage of the surrounding cities , further enhancing its own distribution network, expanding the distribution coverage , increasing the operating efficiency, broadening its customer base, and increasing its operating revenue.





## Continuously expand the product offerings and enhance the product mix

- The Group will continuously introduce new products with high quality, including Chinese medicine decoction pieces, healthcare products, cosmetics and medical devices, as well as boost our product variety and enhance the product mix to meet the diversified purchasing demands from customers and enjoy greater customer reliance and loyalty.
- At the same time , the Group will phase out some of the products with lower gross profit margin and turnover rate , to increase the profitability of the Group so as to strengthen our competitive position.



## Promote and integrate the construction of distribution network and enhance the distribution capability

- The Group plans to upgrade the existing facilities and equipment in the logistics distribution centers of the Company and its subsidiaries, increase the operations efficiency, and reduce operations costs.
- We also plan to upgrade the information system in order to increase the operations efficiency.
- We plans to purchase more refrigerated transportation vehicles to ensure a stable product quality in the distribution process, provide quality transportation services , increase distribution efficiency, and expand distribution coverage.

**By adopting above measures, the overall distribution ability of the Group will be further enhanced.**



# Q&A Session



# Thank You !

## Contact us

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