

KINGWORLD MEDICINES GROUP LIMITED  
金活醫藥集團有限公司

(Incorporated in the Cayman Islands with limited liability)  
Stock Code : 01110



2018 Environmental, Social and  
Governance Report







*Healthy Life with*  
**KINGWORLD**





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# Introduction

The Environmental, Social and Governance Report (the “Report”) is prepared by the Group in accordance with the requirements of Appendix 27 Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited. The Report covers the period from 1 January 2018 to 31 December 2018 and is prepared to report to the Group’s stakeholders about the effectiveness of its risk management and internal control system and procedures for environmental, social and governance activities.

The Report has been presented in two subject areas, i.e., environmental and social aspects. Each subject area involves the Group’s management strategies, objectives and relevance to its business. The measurement and monitoring of its impact in performing the environmental, social and governance activities are also discussed.

The Group will strive to make continuous improvements in fulfilling its corporate social responsibility and commitments in its business and work together with all stakeholders for a healthy and win-win future.







## Profile of the Group

Kingworld Medicines Group Limited (the “Company”) and its subsidiaries (together, the “Group” or “Kingworld”) have been committed to developing a comprehensive and greater health service supply chain system that integrates all upstream and downstream operations. The Group’s business footprint covers more than 34 provinces and cities in China. It was among the Top 100 Import Enterprises of Pharmaceutical and Healthcare Products for six consecutive years from 2009 to 2014 and was named as one of the Top 5 Sales Enterprises of Chinese Patent Medicines in 2013. It was also ranked among Shenzhen’s Top 500 Enterprises in 2018.

The Group is a leading and well-known omni-channel enterprise with a complete supply chain in the greater health products and services industry. It provides high-end logistics management services, business-to-customer (B2C) trading services and data services to major leading pharmaceutical and healthcare product suppliers, manufacturers and distributors, and is a pharmaceutical and healthcare product supply chain management service enterprise integrating logistics, products and information.

The three major business segments of the Group in the greater health services industry are:

- (i) the pharmaceutical products segment – acting as an agent and distributor of high-quality and well-known pharmaceutical products from overseas, including the Nin Jiom (京都念慈菴) product series, Taiko Seirogan (喇叭牌正露丸);
- (ii) the healthcare products segment – distributing high-quality and well-known healthcare products from overseas, including the Culturelle (康萃樂) probiotics product series, the Lifeline Care maternal and infant fish oil nutrient product series, “Global Slimming” product series and medicated oils for external use;
- (iii) the medical devices segment – undertaking research and development (“R&D”), manufacturing and production of medical devices.

After more than 20 years of constant dedication, the Group has established its omni-channel online and offline distribution network across the nation. We have 24 subsidiaries and 17 branch offices in 34 provincial level administrative divisions across China (including Hong Kong and Macao regions), offering distribution coverage of more than 341 cities.

Kingworld operates its business with integrity, heart and diligence, and actively gives back the society by embracing its social responsibility. In addition to caring about people’s health, the Group also firmly believes that having an environment, a community and employees all of which are healthy, are equally important.



## Profile of the Group

The core belief of Kingworld is “everything is possible through the spirit”. It adheres to its “people-oriented” management philosophy and places emphasis on personnel training. Sustainable development is not only the fruit of past exertion, but is also the foundation on which future development can be achieved. During the reporting period, the Group has actively improved the working environment for its employees along with their benefits, promoted environmental protection measures and corporate governance policies, as well as participated in social and charitable activities to share the fruit of its hard work with the community. In the future, the Group will continue to adhere to its corporate mission to “offer help to people, benefit the world (效力世人·澤潤蒼生)”, building Kingworld into a well-known agent of famous-brands and high-quality products all over the world continuously providing customers with quality healthcare products and caring for the health of the Chinese people.



## A. ENVIRONMENTAL PROTECTION

### A1. Emissions Reduction

The Group is well aware that environmental protection is an important concern worldwide, and people’s pursuit of a healthy life has become a trend that cannot be ignored. Therefore, the Group pays special attention to the awareness of environmental protection and actively promotes environmental protection consciousness among its employees in the course of daily operations. The Group has always strictly followed the relevant national laws and regulations on environmental protection and formulated its internal Environmental and Resource Control Procedures, which set forth the detailed specifications and standards that all of our businesses shall comply with, and submitted the procedures to all units within the Group for implementation. In addition, the Group has applied for the Pollutant Discharge Permit of Guangdong Province.

As the Group’s main business is agency and distribution, so no greenhouse gases are discharged in its operations. However, the Group’s medical device segment, Shenzhen Dong Di Xin Technology Company Limited (“Dong Di Xin”), produces approximately 3,000 m<sup>3</sup> of other types of emissions per hour in production processes such as soldering, reflowing, screen printing and injection moulding. Hence, we have installed appropriate emissions reduction devices and have seen some progress in this direction. Wastewater mainly comes from silk screen processing. Approximately 50 kg of water used in screen washing are discharged every year. We have appointed a qualified organisation to take charge of wastewater recycling and have achieved remarkable results.



## Environmental Protection

The non-hazardous solid wastes of Dong Di Xin are mainly waste-cardboard and discarded plastic bags used in packaging for finished products, including approximately 5 tonnes and 0.8 tonnes of waste-cardboard and abandoned plastic bags, respectively. In production processes such as injection moulding, assembling and lathe processing, approximately 20 tonnes of plastic wastes, such as ABS and PP, and approximately 4.6 tonnes of waste component pins, waste solder splash and aluminium chips were generated. The Group will collect and sell such non-hazardous wastes to recyclers.

In addition, waste dry batteries generated in assembly testing totalled approximately 0.426 tonnes during the reporting period. As a kind of hazardous waste, the waste dry batteries are all recycled by qualified specialist organisations to ensure appropriate treatment. In addition, there are well-established management rules for our staff quarters, which require employees to tidy up their rooms and dispose of their domestic wastes in a timely manner.

The Group will continue to optimise its environmental protection measures and improve environmental efficiency in production procedures and innovative technologies to achieve better environmental protection results.

### **A2. Resource Utilisation**

For resource utilisation, the Group adopts the principles of reduction, reuse and recycling as well as using zero pollution and recyclable materials to enhance employees' awareness of optimal use of resources. The Group has formulated the Environmental and Resources Control Procedures which clearly stipulates and sets up the guidelines on resource utilisation to ensure that employees can make effective use of various resources and treasure precious resources.

Dong Di Xin consumes about 1.4 million kWh of electricity and about 1,200 m<sup>3</sup> of water in production annually. Moreover, in our production processes, a total of approximately 300 tonnes of plastic materials, such as ABS and PP, approximately 22 tonnes of packaging materials, approximately 2.8 tonnes of tin wire and about 9 tonnes of aluminium rods were consumed, respectively. Packaging and plastic materials are essential for production and the volume cannot be reduced. Therefore, to reduce environmental pollution, the Group requires items and materials provided by suppliers to be made of environmentally friendly materials in order to ensure sustainable development of the environment.

Last year, the Group has proactively implemented the policy concerning the proper use of resources. In order to reduce electricity consumption, air-conditioning temperatures are set at 26 degrees Celsius and employees are required to switch off all idle lights and equipment and set the injection moulding machines to standby mode during mealtime. The Group has also replaced all lights with energy-efficient lighting, with power savings of 67% compared with commonly-used white lights. As for water conservation, we have greatly reduced unnecessary water consumption by adjusting water outlet valves and turning off taps when appropriate.





## Environmental Protection

We understand that environmental protection measures can be effectively implemented only through the concerted efforts of all employees. Therefore, our internal guidelines have set out detailed provisions, prohibiting employees from eating in the office and reducing the discharge of domestic wastes and sewages. In addition, signs are prominently displayed in toilets and pantries to remind employees to save water and paper. There are also similar signs at power switches to remind employees to save electricity. The Group has also launched incentive plans to encourage its staff to pay attention to energy conservation in their working environment, thereby achieving the goal of energy conservation through following detailed procedures. Although these measures had little benefit impact for energy conservation, they have made a significant contribution to enhancing staff's environmental awareness, and the resulting impact is within the Group's expectations.

Regarding the agency and distribution of healthcare products, the Group has actively expanded its sales channels on the internet and fully leveraged the advantages of e-commerce business to enable both buyers and sellers to conduct business activities through the internet and reduce the frequency of shopping trips, and minimise the use of both human and natural resources. In addition, the Group is gradually promoting and implementing "Paperless Trade", thereby making a significant contribution to the environment. The Group has implemented the Hybris platform since January 2018 to achieve omni-channel management and integrate online and offline markets through logistics by fully utilising information technology to allow consumers to place orders online and deliver goods offline, thereby significantly reducing administrative expenses and increasing paperless trade and boosting efficiency.

### **A3. *Environment and Natural Resources***

While our business does not cause a major impact or risk to the environment or natural resources, the Group has strictly complied with environmental laws and regulations of the People's Republic of China ("PRC") and Hong Kong and has made relevant policies to minimise any potential adverse effects. To prevent possible non-compliance, clear guidelines have been provided to all management and employees in our Environmental and Resource Control Procedures.

The Group is committed to complying with all applicable local environmental laws and related requirements on the protection of natural resources, and is dedicated to promoting environmental protection among all employees.



## B. SOCIETY

### *B1. Employee Benefits*

Our employees is an important asset of the Group. The sustainable profitability, business creativity and growth potential of the Group is attributable to the concerted efforts of all employees. Therefore, the Group has formulated sound policies and systems to safeguard its employees' rights and interests, such as the administrative measures on remuneration and welfare of the Company's employees, and has strictly followed the provisions of relevant local labour laws and labour contract laws including the administrative measures on labour contracts of the Company's employees and the guidelines on administrative measures for employees' re-employment after retirement.

The Group offers competitive employment benefits to attract professionals to join and provide effective services. Apart from basic salary, we also provide job subsidies, transport and meal allowances, performance bonuses, merit bonuses, year-end double pay, etc. Also, "Annual Awards" are presented to our employees with due recognition based on their performance. The Group provides insurance and housing provident funds, high-temperature allowances for sales staff, an employee parent-child education fund, employee mutual aid payments, and provides ten-year service gold medals, in order to encourage its employees to work proactively and develop their talents.

When there is a need for the Group to add a new position or fill a relevant vacancy, the relevant department must submit a personnel require form to the human resources centre specifying the job responsibilities and requirements for approval by the supervisors. For recruitment procedures, the Group follows the principle of giving priority to internal staff, and recruits the best persons based on fair and open procedures. There is absolutely no bias or discrimination. The Group encourages internal professional mobility among its employees. The human resources centre will publicise vacancies when the need arises, and employees can apply on their own and obtain job rotation or promotion through fair competition procedures. If there is no suitable person within the Group for the vacancy, the human resources centre will conduct an external recruitment exercise.

The Group treats all employees equally and has developed a comprehensive promotion system for them and greater opportunities are made available to employees with outstanding performance in order to maximise the full potential of their talent. Our employee promotion paths mainly include internal position competition, and recommendation by the relevant department heads and the human resources centre. The Group will arrange suitable and exceptional employees to be included in its support talent team for key training. The Group has established a department management team and succession system, and also requires the person in charge of the department to train at least one or two reserve core personnel every year to ensure the sustainable development of its human resources. In addition, the Group has formulated a comprehensive appraisal system, and considers the performance as an important basis for employee promotion, salary adjustment, bonus distribution, year-end appraisal, and equity incentives. As the business becomes more internationalised, the Group will introduce a more diversified workforce to implement the Group's diversified business development and explore a broader market.

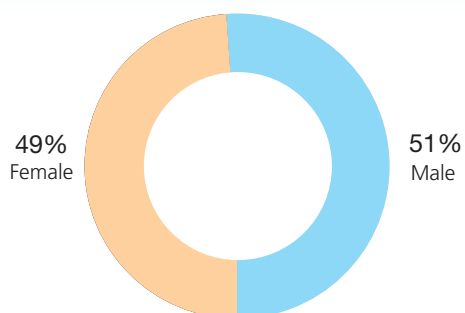
The headquarters of the Group has launched an initiative implementing an eight-hour day, five-day workweek. The working hours of employees stationed abroad are based on the working hours of the headquarters and each employee has at least one day off every week. Employees of the Group are entitled to statutory holidays according to local laws of their serving places, as well as paid casual leave, sick leave, marriage leave, maternity leave, care leave and bereavement leave. To protect the rights and interests of female employees, the Group pays full salary to employees on maternity leave, and breastfeeding employees are entitled to a one-hour break every day. The heads of the departments will also ensure that measures for proper compassion and care of these employees are taken during the maternity and lactation period.

The Group attaches great importance to employees' opinions and has established direct, effective and multiple channels of communication, including an office automation system (OA system), WeChat group, corporate WeChat group, of general manager suggestion box, telephone, mail and regular forum. Management can leverage these channels to conduct brainstorming sessions and improve management efficiency. During the reporting period, all communication channels have been functioned smoothly, and the mutual trust has been well-maintained between the management and employees.

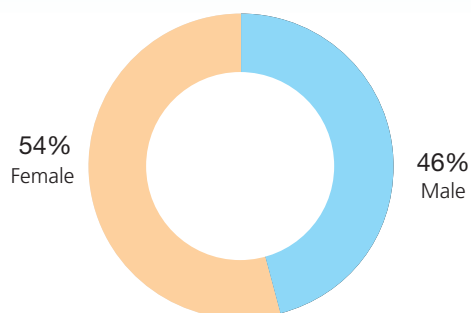


As at 31 December 2018, the Group had a total of 998 employees. The pharmaceutical and healthcare products segment had 522 employees, of whom 130 worked at the Group's headquarters in Shenzhen, and 392 stationed in 34 different regions of China and were mainly responsible for sales and marketing. Dong Di Xin was responsible for the medical device segment, engaged in the research and development, manufacturing and production of medical device and had 476 employees.

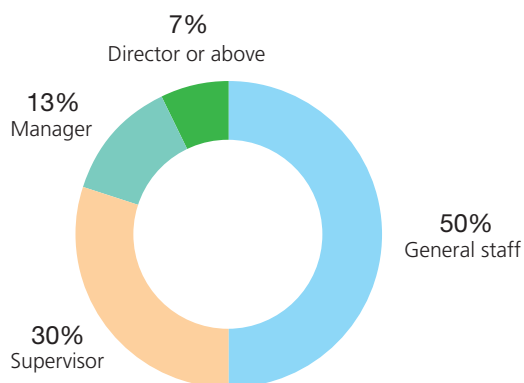
**Pharmaceutical and Healthcare Products Segment**



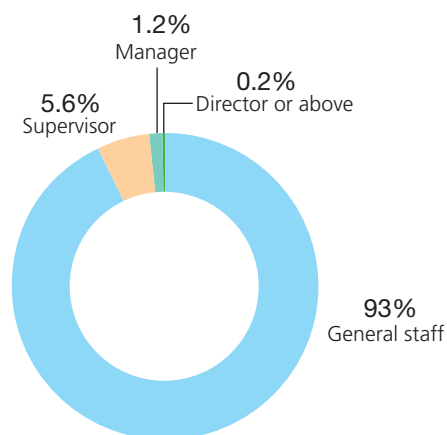
**Medical Device Segment**



**Pharmaceutical and Healthcare Products Segment**



**Medical Device Segment**



## ***B2. Occupational Safety***

The Group has attached great importance to the occupational safety of employees and their safety is a top priority. It strictly enforces the national occupational safety regulations and provides appropriate protection for employees in accordance with the Regulations on Worked-related Injury Insurance of the PRC. In addition to providing a safe working environment for employees, the Group has established emergency handling procedures for employees in the event of unexpected accidents in working in order to take precautions in advance.

In addition, on the production side of Dong Di Xin, as production work involves the operation of heavy machineries and threatens the safety of employees if not properly handled, we have informed employees in detail about the relevant risk factors and conducted rigorous training to ensure employees' competence. Meanwhile, the Group provides relevant occupational safety products and equipment to employees, distributes and prepares guidelines on the equipment operating instructions reviewed by the human resources centre on a regular basis in accordance with national policies to raise awareness of and protection for occupational safety. For certain positions exposed to hazards from occupational illnesses and injuries, apart from the Test on Hazardous Factors of Occupational Diseases carried out for environment of factories, the Group arranges medical checks for employees before taking the office, during the working period and before leaving the office.

Moreover, the Group regularly arranges for staff at the headquarters to participate in the fire trainings of the local fire department and the fire drills of the property company every year, and requires the affiliates to conduct similar activities on an annual basis. During the reporting period, the Group did not have any industrial accidents. For employees who have business trips frequently, the Group has purchased the travel accident insurance, so that they are fully protected and work with peace of mind.

## ***B3. Development and Training***

Talent is the foundation for the success of any enterprise. The Group encourages employees to pursue continuing studies and self-improvement, and works together with the Company to achieve excellence. Towards that end, the Group has developed a comprehensive management system for employee training and professional development. The Kingworld Business School is mainly responsible for related matters. The school will make assessments based on the strategic developments and operational management need of the Company, as well as employee qualifications and structure, formulate plans and budgets accordingly and submit them to the general manager and vice chairman for approval and further implementation. A post-training assessment will be performed to monitor employees' learning outcome. The Group has also formulated strict rules for assessment methods and standards to meet its business plan and marketing outlines. Trainings provided to employees consist of relevant examinations or assessments, which are related to their performance and promotion, the average passing rate of which exceeds 90%.



In addition, the Group also provides a staff handbook for its employees, which specifies their terms of reference based on their job responsibilities. New employees are required to participate in the online learning and testing about their knowledge of the Group's structure and operation, business scope, product function introductions, etc. This procedure enables employees to have access to information about the Group and get up to speed professionally. Employees must pass relevant tests during the probation periods before they can be considered as formal employees and have a passing rate of 99%. In addition, the Group organises healthy and wholesome activities on an annual and quarterly basis. These activities are diverse and interactive, both online and offline and include both indoor and outdoor activities attracting a total of 365 participants. These exercises facilitate better communication and understanding between various departments, helping building team spirit, improve working efficiency, as well as increase employees' sense of belonging to the Company.



During the reporting period, the Group has organised diversified training courses for employees, which mainly included a best practice extraction project, a sales system performance improvement project, a new employee training programme, the Kingworld talent training project, part-time internal trainers' training project, marketing system product managerial skill training, and other individual training courses. In addition, the Group conducts two training management projects for each of management and reserve management to enhance their management capabilities in design and task execution. The total number of participants in these training programmes has exceeded 200 and all expenses are borne by the Company.



#### ***B4. Labour Standards***

The Group strictly complies with the national laws on the protection of the rights and interests of juveniles. The staff handbook has clearly stated that any person under the age of 18 will not be employed. The Group conducts identity verification for applicants at the time of recruitment and check the validity of identity documents. If an employee under the age of 18 is found to have been employed, he or she is to be dismissed immediately and investigation of the incident would be conducted. If the person in charge of the department violates relevant regulations, he or she would be penalised.

The Group's contracts with employees are entered into based on the relevant provisions of the local labour law and labour contract law, negotiated by both parties and protect the rights and interests of management and workers. Employees have the right to refuse any dangerous working arrangement. Forced labour is also prohibited by the Group, and once discovered, the Group will immediately stop related work and conduct follow-up investigations.

#### ***B5. Supply Chain Management***

The Group has strict requirements on the creditworthiness of suppliers and the goods provided, and the guarantee for quality is especially important. Suppliers for the Group's pharmaceutical and healthcare products segment are mainly pharmaceutical companies. Raw materials of medical device segment purchased by Dong Di Xin mainly include electronics products and plastics. The Group has established a comprehensive monitoring system to prevent its suppliers from negatively affecting the environment and society. The Group enters into warranty agreements with its suppliers, in which compliance by both parties is required. Relevant qualifications and compliance on the part of suppliers is periodically checked. Once problems are identified, we will terminate the purchasing and request for the return of products. During the reporting period, the Group strengthened the comprehensive quality review of medicine purchasing and through review, it has established an exit mechanism for enterprises with repeated quality problems and a bad reputation to ensure the quality of purchased medicines and the rights and interests of consumers.

#### ***B6. Product Responsibility***

The Group has drawn up accountability policies for the products it distributes and sells, job descriptions for different positions, equipment and facilities management systems as well as health and personnel health management systems. It also follows the relevant laws and regulations concerning product safety, advertising and other aspects, such as the Medicine Management Law of the PRC, Food Safety Law of the PRC and Implementation Rules of the Food Safety Law of the PRC and also Administrative Provisions on Food Labelling as well as the Code of Practice for Quality of Pharmaceuticals.



Our Quality Control Department is responsible for health and safety related to our products as well as the legality of labelling. Our Marketing Department is responsible for advertising promotion and strictly abides by product specifications and governmental regulations. In terms of customer privacy, the Group has established a customer management and security database and set up a specialised department for management so as to regularly monitor the security system of data and privacy matters.

Medicine storage, maintenance and the sales processes are all carried out in accordance with relevant standards or specifications, to ensure the medicines are not deteriorated. Furthermore, all pharmaceutical products are sample-checked by the China Food and Drug Administration(CFDA), self-tested by the manufacturers and checked by a third party. Only after all test procedures are completed and the results found acceptable is a specific approved and finally permitted to be released to the market. The Group has also developed systems for reporting and monitoring adverse responses to pharmaceutical products, managing medicine quality risks, controlling medicine quality, etc. During the reporting period, there was no incidents of problems with products.

The Group has always attached importance to safeguarding and protecting our intellectual property rights and has imposed rigorous management in this regard. It has established an internal control system, including the management of trademarks and patents. In addition, the Group enters into a confidentiality agreement with its employees at the time of the signing of their employment contracts, with detailed specifications on the employees' scope, obligations and responsibilities with regards to confidentiality, as well as the relevant cessation-of-employment arrangements.

#### **B7. Anti-corruption**

The Group strictly complies with the national anti-corruption laws and has actively responded to the government's anti-corruption campaign. Our internal guidelines have clearly stipulated that employees should not engage in any activities that involve conflict of interest, abuse their power to receive gifts from customers, or seek to obtain benefits or information in the name of the Group. The Group has formulated a sound mechanism for declaration of interest and stipulated that commissions, rebates or gifts given by business units as required should be handed over to it. Moreover, subordinates should not give any gifts or red envelopes to supervisors, nor should supervisors accept gifts or red envelopes from subordinates. The audit and supervision centre and the human resources centre are responsible for joint supervision of anti-corruption-related matters. Once violations are found, penalties would be imposed according to the penalty system of the Group.

In addition, the business school of the Group is responsible for education about anti-corruption. Through online trainings and testings based on the contents of the staff handbook, employees are instilled with a set of correct values. Disciplinary actions on employees have been announced to serve as a deterrent to such behaviour. The Group has also established a comprehensive reporting mechanism that requires employees to report suspected incidents to a higher level of management. We follow the principle of fair, impartial, objective and truth-seeking reporting and attach importance to evidence and investigation clues. The Audit and Inspection Department is responsible for relevant follow up procedures and investigation. The Group conducts review periodically so as to continuously improve the relevant system. During the reporting period, the employees of the Group were not involved in any corruption trial.

## B8. Giving Back to Society

In fulfilment of its corporate mission, which is to “offer help to people, benefit the world”, the Group has encouraged the embrace of the charitable spirit of “Building a Healthy China” through the Kingworld Care for Health Foundation (“KCHF”). Kingworld has consistently championed different activities to promote public wellness and charitable causes that can benefit all sectors of society. During the reporting period, Kingworld, together with KCHF, actively organised a number of community activities and charitable activities, highlights of which are as follows:

1. On 15 January 2018, KCHF together with Kingworld donated a batch of medicine bags to the United Front Work Department of Liangxi District, Wuxi. The medicine bags were subsequently donated to 200 impoverished families in 30 communities. Each medicine bag contained products of Kingworld Imada Red Flower Oil (金活依馬打正紅花油), Mentholatum Ointment (曼秀雷敦薄荷膏), Hoe Hin White Flower Embrocation (和興白花油), Taiko Seirogan (喇叭牌正露丸), a Nin Jiom towel gift box (京都念慈菴毛巾禮盒) and more.





2. On 3 March 2018, the World Wildlife Day, Kingworld, together with the Paradise International Foundation, for the first time participated in the “Wild for Life” campaign organised by the United Nations Environment Program to cheer up the big cats. From 28 February to 27 March 2018, Kingworld and the seven gold border crossings in Shenzhen initiated a programme to broadcast promotional videos on 89 HD display screens for 15 hours a day and up to 11,167 times per day, with an effort to call for support for nature’s big cats in the wild.



3. From 8 to 11 May 2018, KCHF was invited by The Nature Conservancy (“TNC”) to participate in the project inspections of China Nature Reserve. The responsible persons went to the Baima Xue Shan Yunnan Snub-nosed Monkey Sanctuary in Tacheng, Yunnan, the Caohai Wetland Reserve in Heqing, Yunnan and the Hongkou National Reserve in Longxi, Sichuan, accompanied by the local scientists, to learn more about TNC’s efforts and achievements in ecological protection.



4. On 23 May 2018, the launch ceremony of “Campaign for Sharing Knowledge about the Immune System of Children in China”, a large-scale charitable activity organised by the China Children and Teenagers’ Fund (“CCTF”) with assistance from KCHF, was held in Beijing. Ms. Liu Peng, the deputy of the project cooperation department of CCTF, Mr. Wang Rong, the vice general manager of Kingworld, Dr. Cui Yutao, the chief health officer of Yuxueyuan, Mr. Gong Dingyu, the founder and CEO of Leyou Maternal and Baby, and a number of domestic media authorities attended the launching ceremony. Our well-known Culturelle probiotics product series from the United States and Lifeline Care fish oil product series from Norway, the sponsoring brands of the event, contributed to the sharing of scientific knowledge about children health, thereby putting charitable science promotion into practice.



5. On 29 May 2018, the third Zen Meditation Practice of the “Kingworld Ten Million Dollars Club” was completed successfully in Huayan Temple, Huadu, Guangzhou. The Group tailor made such practice for our selected major customers of the PRC, with an aim to promote the public welfare awareness. “Healthy China bearing community care (健康中國益起來)” emphasises on the concept of balancing physical, mental and spiritual health. KCHF invited various reputable Buddhism masters such as Master Xinjing, Master Yinjue, Master Yinneng and Mr. Li Aijun, a man renowned for his wisdom and virtue, to share their thoughts and inspire entrepreneurs and high-level management executives.





6. On 17 June 2018, Kingworld, the Methodist Centre in Hong Kong and Strategic CSR Network jointly organised the "Elderly Visits on Dragon Boat Festival", to celebrate the festival together with and show care for 200 elderly families in Wan Chai, Hong Kong. Through this charity activity, Kingworld delivered a total of 240 boxes of "Culturelle Probiotics Capsules for Adults" worth more than HK\$60,000. Ms. Zhou Xiaoling, the deputy general manager of Kingworld and the representatives of the Company together took the initiative to visit the elderly living alone together with the volunteers and wish them a healthy and happy Dragon Boat Festival in advance.



7. As there are many mosquitoes in summer, Kingworld, together with KCHF, jointly initiated a major charitable activity of caring for monks, "Practise Buddhism by Worshipping the Buddha with 'Flowers' in Bloom and Performing Good Deeds and Merit from the Heart ("花"開共見佛·功德"油"心生結夏安居)" so that the monks can calmly practise Buddhist rituals during the holy period in summer. This activity was formally launched at Hong Fa Temple on 24 June 2018 to donate medicine with a total value exceeding RMB0.22 million to monks in over 50 monasteries in China, among which include the first formally launched monastery, "Nepal Zhonghua Temple (尼泊爾中華寺)", in a foreign country by China.



8. On 29 June 2018, the initiation ceremony of “Guangdong Poverty Alleviation Day” and “Shenzhen Charity Day and Charity Month” in Shenzhen in 2018 was held at B District in the multi-function room of the Shenzhen Civil Centre. Mr Huang Min, the Vice Mayor and Member of the Party Group, hosted the ceremony and delivered an opening speech with over 200 people from organisations directly under the municipality, charitable entrepreneurs, representatives of citizen and charitable organisations as well as volunteer groups attending the ceremony. Ms Zhou Xiaoling, the Vice President of KCHF agreed to donate RMB2 million by lifting the board on the spot on behalf of the Foundation.



9. On 9 July 2018, Chunnuan Social Work Service Centre of Longgang District of Shenzhen organised “The Society Participating in Jointly Facilitating the Elderly Care of the Community under the Leadership of the Communist Party (黨委引領，社會參與，共促社區養老)” and “Yellow Hand Ring Distribution Action” at the outside square of Kaisa Plaza, Mumian Wan, Buji Street, Shenzhen. As the supporting enterprise of the activity, KCHF provided Kingworld Imada Red Flower Oil for the activity and arranged Kingworld’s volunteers to conduct the medicated oil test-wiping activity “Gentle Hands on the Spot” so as to jointly care for the elderly around us and assist in the home care and community care for the elderly.



10. Since October 2018, the volunteers group under KCHF and Shenzhen Kingworld Lifeshine Pharmaceutical Company Limited, a connected person of the Group, would come to Shenzhen Wutong Mountain to conduct the weekly Red Flower Oil test-wiping service activity so as to soothe the fatigue caused by the mountaineering for a wide range of mountaineering lovers.







## Honours and Achievements

### C. HONOURS AND ACHIEVEMENTS

During the reporting period, the Group has achieved the following honours and achievements,

- \* In April 2018, the Group was honoured as the “Leading Enterprise in the Health Industry of Shenzhen” and “Socially Responsible Enterprise in the Health Industry of Shenzhen” at the 2017 Healthcare Industry Conference themed “Building a Healthy Shenzhen Through Development of the Healthcare Industry”, which was hosted by the Shenzhen Health Association (深圳市保健協會) and Shenzhen Healthcare Industry Development Association (深圳市健康產業發展促進會)
- \* In May 2018, the Group was awarded the “Certificate of Excellence” from the Hong Kong Investor Relations Association at the 4th Hong Kong Investor Relations Awards
- \* In June 2018, the Group was bestowed with the honourable title of “Guangdong Province Enterprise of Observing Contract and Valuing Credit 2017” by the Guangdong Provincial Administration for Industry and Commerce
- \* In July 2018, the Group was awarded the 7th “Outstanding Corporate Social Responsibility Award” from The Mirror in Hong Kong
- \* In September 2018, the Group was awarded a Bronze Award from the 4th Shenzhen Pengcheng Charity Corporation
- \* In December 2018, the Group ranked first among all nominees in the “80th PharmChina Benchmarking Enterprises” election campaign
- \* In December 2018, the Group was included in the “Top 500 Shenzhen Enterprises 2018” published by Shenzhen Economic Daily, ranking No.323

## Honours and Achievements

