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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)

(1) GRANT OF AWARD PURSUANT TO SHARE AWARD SCHEME

AND

**(2) EXEMPTED CONNECTED TRANSACTION —
GRANT OF AWARD TO CONNECTED PERSONS**

Reference is made to the announcement of the Company dated 27 August 2019 (the “**Announcement**”) in relation to the adoption of the Share Award Scheme by the Company and the announcement of the Company dated 22 May 2020 in relation to the increase of scheme limit. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

GRANT OF AWARD PURSUANT TO SHARE AWARD SCHEME

The Board resolved to grant the Award with an aggregate of 1,556,000 Awarded Shares on 21 January 2022 to 73 Selected Participants under the Share Award Scheme at nil consideration, among which 384,000 Awarded Shares were granted to 12 Selected Participants who are Connected Grantees and 1,172,000 Awarded Shares were granted to 61 Selected Participants who are Non-connected Grantees.

The Awarded Shares represent approximately 0.25% of the total issued share capital of the Company as at the Date of Grant (being 622,500,000 Shares). The closing price of the Shares on the Date of Grant was HK\$0.690 per Share and the average closing price of the Share for the five business days immediately preceding the Date of Grant was HK\$0.702 per Share.

Subject to the acceptance by the Grantees, the Awarded Shares shall be vested in the Grantees on 21 January 2022.

IMPLICATIONS UNDER THE LISTING RULES

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. The grant of the Awarded Shares to the Selected Participants has been approved by the Administration Committee of the Share Award Scheme, the Remuneration Committee of the Company and the Board (including the independent non-executive Directors), except that the relevant Director(s) and/or members of the respective committees to whom the grant was related had abstained from approving the grant to himself/herself.

The grant of Awarded Shares to the 12 Grantees who are connected persons of the Company constitutes connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios are less than 0.1% and the Grant are on normal commercial terms, each grant of the Awarded Shares to the Connected Persons of the Company is fully exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the Announcement of the Company in relation to the adoption of the Share Award Scheme by the Company and the announcement of the Company dated 22 May 2020 in relation to the increase of scheme limit.

GRANT OF AWARD PURSUANT TO SHARE AWARD SCHEME

On 21 January 2022 (the “**Date of Grant**”), the Board resolved to grant the Award with an aggregate of 1,556,000 awarded shares (the “**Awarded Shares**”) to 73 Selected Participants (the “**Grantees**”) under the Share Award Scheme at nil consideration. Among all the Grantees, 384,000 Awarded Shares were granted to 12 Selected Participants who are Connected Persons of the Company (the “**Connected Grantees**”) and 1,172,000 Awarded Shares were granted to 61 Selected Participants who are not Connected Persons of the Company (the “**Non-connected Grantees**”).

The Awarded Shares represent approximately 0.25% of the total issued share capital of the Company as at the Date of Grant (being 622,500,000 Shares). The closing price of the Shares on the Date of Grant was HK\$0.690 per Share and the average closing price of the Share for the five business days immediately preceding the Date of Grant was HK\$0.702 per Share.

The number of the Awarded Shares granted to each Grantee is determined after taking into account, among others, the Grantees' positions, performance and contribution to the Group. The nil consideration of the Awarded Shares is determined after taking into account, among others, the past contribution made by the Grantees to the Group.

The Awards granted are subject to the acceptance by the Grantees within the time as stipulated in the grant letter issued by the Company to the Grantees.

Subject to the acceptance by the Grantees, the Awarded Shares shall be vested in the Grantees on 21 January 2022.

Details of the Award

Date of Grant: 21 January 2022

Aggregate number of underlying Shares in respect of Awarded Shares granted: 1,556,000

Vesting Date: 21 January 2022

Out of the 1,556,000 Awarded Shares granted, 384,000 Awarded Shares were granted to 12 Connected Grantees, details of which are as follows:

		Number of Awarded Shares granted	Approximate percentage among the total Awarded Shares (%) (Note 1)	Approximate percentage of the total number of issued Shares as at the date of this announcement (%) (Note 2)
Connected Grantees				
Zhao Li Sheng	Chairman and Executive Director of the Company, controlling shareholder of the Company	60,000	3.86	0.0096
Chan Lok San	Executive Director of the Company, controlling shareholder of the Company	60,000	3.86	0.0096
Zhou Xuhua	Executive Director of the Company	36,000	2.31	0.0058
Zhang Jianbin	Independent Non-executive Director of the Company	36,000	2.31	0.0058
Chan Hon Wan	Director of a subsidiary of the Company	36,000	2.31	0.0058
Li Enming	Director of a subsidiary of the Company	20,000	1.29	0.0032
Zhao Jianwei	Director of a subsidiary of the Company	24,000	1.54	0.0039
Niu Yaobin	Director of a subsidiary of the Company	16,000	1.03	0.0026
Ma Shipeng	Director of a subsidiary of the Company	16,000	1.03	0.0026
Zhao Weiyong	Director of a subsidiary of the Company	24,000	1.54	0.0039
Huang Ruozhong	Director of a subsidiary of the Company	20,000	1.29	0.0032
Zhou Xiaoling	Director of a subsidiary of the Company	36,000	2.31	0.0058
Sub-total		384,000	24.68	0.0617
Non-connected Grantees				
61 employees		1,172,000	75.32	0.1883
Total		1,556,000	100.00	0.2500

Note 1:

The percentage figures are rounded to two decimal places.

Note 2:

The percentage figures are rounded to four decimal places and calculated on the basis that there are 622,500,000 Shares in issue as at the date of this announcement.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, each of the Non-connected Grantees is an employee of the Group and not a Connected Person.

The Awarded Shares, being Shares purchased on the open market, are held on trust for the Grantees by the Trustee pursuant to the Trust Deed. The Trustee shall transfer the Awarded Shares to the Grantees in accordance with the Award Scheme Rules.

The above Grant as detailed above had been approved by the Administration Committee of the Share Award Scheme, the Remuneration Committee and the Board (including the independent non-executive Directors), except that the relevant Director(s) and/or members of the respective committees to whom the grant was related had abstained from approving the grant to himself/herself.

REASONS FOR AND BENEFITS OF THE GRANT

The purposes of the Share Award Scheme are to recognise the contributions by certain Participants and to provide incentives in retaining the Participants for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

On the basis that (i) the Award to the Grantees aims to recognise their past contribution to the Group and encourage them to make continual contribution to the Group; and (ii) save for the Awarded Shares, the Company has not granted any award under the Share Award Scheme as at the date of this announcement, the Directors (including the independent non-executive Directors) consider that such Award to the Grantees conforms to the current situation and development of the Group and is necessary and reasonable.

The Directors (including the independent non-executive Directors) are of the view that the Grant to the Grantees, the respective terms and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules. The grant of the Awarded Shares to the Selected Participants has been approved by the Administration Committee of the Share Award Scheme, the Remuneration Committee of the Company and the Board (including the independent non-executive Directors), except that the relevant Director(s) and/or members of the respective Committees to whom the grant was related had abstained from approving the grant to himself/herself.

The grant of Awarded Shares to the 12 Grantees who are connected persons of the Company constitutes connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios are less than 0.1% and the Grant are on normal commercial terms, each grant of the Awarded Shares to the Connected Persons of the Company is fully exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

By order of the Board
Kingworld Medicines Group Limited
Zhao Li Sheng
Chairman

Hong Kong, 21 January 2022

As at the date of this announcement, the executive Directors are Mr. Zhao Li Sheng, Ms. Chan Lok San, and Mr. Zhou Xuhua, and the independent non-executive Directors are Mr. Duan Jidong, Mr. Zhang Jianbin and Mr. Wong Cheuk Lam.