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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)

BUSINESS UPDATE
THE ENTERING INTO OF THE EXCLUSIVE DISTRIBUTION AGREEMENT

This announcement is made by Kingworld Medicines Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to keep the shareholders of the Company and potential investors informed of the latest business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 31 March 2022, Zhuhai City Jinming Medicine Company Limited* (珠海市金明醫藥有限公司) (“**Zhuhai Jinming**”), a joint venture which is 50% owned by a wholly-owned subsidiary of the Company and a pharmaceutical and healthcare product distributor in the Mainland China, entered into an exclusive distribution agreement (the “**Agreement**”) with Eu Yan Sang (Hong Kong) Limited (余仁生(香港)有限公司) (“**Eu Yan Sang Hong Kong**”), a company established in Hong Kong, in relation to the importing, marketing, procurement, distribution and sale of “Bao Ying Dan (保嬰丹)” (the “**Product**”) in Guangdong and Fujian Provinces, the People’s Republic of China (the “**PRC**”).

Pursuant to the Agreement, Eu Yan Sang has appointed Zhuhai Jinming as its exclusive distributor for the importing, marketing, procurement, distribution and sales of the Product through mutually agreed offline and designated online channels in Guangdong and Fujian Provinces, the PRC, with effect from 1 April 2022 for an initial term of three years. Upon the expiration of the initial three-year term, the Agreement may be renewed, subject to certain conditions as set out in the Agreement.

INFORMATION ON EU YAN SANG

Based on the information provided by Eu Yan Sang Hong Kong, Eu Yan Sang Hong Kong is a wholly owned subsidiary of Eu Yan Sang International Limited and part of the Eu Yan Sang Group. The Eu Yan Sang Group founded in 1879, is a leading Asia-based integrative health and wellness organisation specialising in the distribution, manufacturing, processing and sale of traditional Chinese medicine (TCM) and wellness products, and provision of integrative medical services. The Eu Yan Sang Group has over 200 retail outlets and TCM clinics across Asia and its manufacturing facilities are Good Manufacturing Practice (GMP) and HACCP certified and ISO 9001 accredited. Today, consumers worldwide can also purchase a wide range of Eu Yan Sang products through its online stores.

REASONS AND BENEFITS FOR THE ENTERING INTO OF THE AGREEMENT

The Group is principally engaged in (i) the distribution sales of branded imported pharmaceutical and healthcare products, and (ii) manufacturing and sales of electrotherapeutic and physiotherapeutic devices and general medical examination devices in the PRC and Hong Kong. By leveraging on its commercial platform, extensive distribution network and enriched sales strategy, it is the goal of the Group to maximise the value and market potential of the Product. The Board believes that the entering into of the Agreement will further expand the product portfolio of the Group and strengthen its market position in capitalising on the rising consumer demand for medical products in the burgeoning market in the PRC which will be beneficial to the Group and the shareholders of the Company as a whole.

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

Hong Kong, 7 April 2022

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

* *For identification purposes only*