

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Kingworld Medicines Group Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
(2) PROPOSED RE-APPOINTMENT OF AUDITOR,  
(3) PROPOSED DECLARATION OF FINAL DIVIDEND,  
(4) PROPOSED GRANTING OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

---

A letter from the Board is set out on pages 4 to 8 of this circular.

A notice convening the annual general meeting of Kingworld Medicines Group Limited to be held at the Conference Room, Unit 613, 6th Floor, Goodluck Industrial Centre, 808 Lai Chi Kok Road, Kowloon, Hong Kong on Monday, 29 May 2023 at 10:00 a.m. is set out on pages 15 to 19 of this circular. A form of proxy for use at the annual general meeting is enclosed in this circular. Whether or not you are able to attend such meeting, please complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

21 April 2023

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
 <b>Letter from the Board</b>	
(1) Introduction .....	4
(2) Proposed Re-election of Retiring Directors .....	5
(3) Proposed Re-appointment of Auditor .....	6
(4) Proposed Declaration of Final Dividend and Closure of Register of Members .....	6
(5) General Mandates .....	6
(6) Annual General Meeting and Proxy Arrangement .....	7
(7) Responsibility Statement .....	8
(8) Recommendation .....	8
 <b>Appendix I – Biographical Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting</b> .....	 9
 <b>Appendix II – Explanatory Statement for the Repurchase Mandate</b> .....	 12
 <b>Notice of Annual General Meeting</b> .....	 15

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following terms shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be held at the Conference Room, Unit 613, 6th Floor, Goodluck Industrial Centre, 808 Lai Chi Kok Road, Kowloon, Hong Kong on Monday, 29 May 2023 at 10:00 a.m., notice of which is set out on pages 15 to 19 of this circular and any adjournment thereof
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“close associates”	has the meaning ascribed to it under the Listing Rules
“Company”	Kingworld Medicines Group Limited (金活醫藥集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 01110)
“Company Law”	the Company Law of the Cayman Islands for the time being in force
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Golden Land”	Golden Land International Limited (金國國際有限公司), a limited liability company incorporated under the laws of the BVI on 27 May 2008 and wholly owned by Mr. Zhao. Golden Land is one of the Controlling Shareholders of the Company

---

## DEFINITIONS

---

“Golden Morning”	Golden Morning International Limited (金辰國際有限公司), a limited liability company incorporated under the laws of the BVI on 27 May 2008 and wholly owned by Ms. Chan. Golden Morning is one of the Controlling Shareholders of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and deal with the Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the relevant ordinary resolution to grant such mandate
“Latest Practicable Date”	14 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles”	the memorandum and articles of association of the Company as amended from time to time
“Mr. Zhao”	Zhao Li Sheng (趙利生), the chairman, an executive Director, a co-founder and Controlling Shareholder of the Company
“Ms. Chan”	Chan Lok San (陳樂榮), an executive Director, a co-founder and Controlling Shareholder of the Company
“PRC”	the People’s Republic of China

---

## DEFINITIONS

---

“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to repurchase Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant ordinary resolution to grant such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the issued share capital of the Company
“Share Options”	share options that can be granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 5 November 2010
“Shareholder(s)”	the holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

---

## LETTER FROM THE BOARD

---



**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)**

*Executive Directors:*

Mr. Zhao Li Sheng  
Ms. Chan Lok San  
Mr. Zhou Xuhua

*Independent Non-executive Directors:*

Mr. Duan Jidong  
Mr. Zhang Jianbin  
Mr. Wong Cheuk Lam

*Registered Office:*

Ocorian Trust (Cayman) Limited  
Clifton House  
75 Fort Street  
PO Box 1350  
Grand Cayman  
KY1-1108  
Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Unit 613, 6th Floor  
Goodluck Industrial Centre  
808 Lai Chi Kok Road  
Kowloon  
Hong Kong

21 April 2023

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
(2) PROPOSED RE-APPOINTMENT OF AUDITOR,  
(3) PROPOSED DECLARATION OF FINAL DIVIDEND,  
(4) PROPOSED GRANTING OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

**(1) INTRODUCTION**

The main purpose of this circular is to provide you with, among other things:

- (i) further information as is necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM relating to;
  - (a) the re-election of retiring Directors in accordance with the Memorandum and Articles;

---

## LETTER FROM THE BOARD

---

- (b) the re-appointment of auditor;
  - (c) the declaration of final dividend for the year ended 31 December 2022;
  - (d) the granting to the Directors the Issue Mandate and the Repurchase Mandate;
  - (e) the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and
- (ii) the notice of the AGM.

### **(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS**

Pursuant to article 108 of the Memorandum and Articles, one third of the Directors shall retire from office by rotation at each annual general meeting and every Director shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Zhou Xuhua being an executive Director and Mr. Zhang Jianbin being an independent non-executive Director, shall hold office until the AGM and, being eligible, will offer themselves for re-election at the AGM. In considering the re-election of Mr. Zhang Jianbin, with the assistance and recommendation from the nomination committee of the Company, the Board has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to the age, gender, nationality, length of service and the professional experience, skills and expertise of Mr. Zhang Jianbin. The Board is of the view that his education, background and experience practice allow him to provide valuable and relevant insights and contribute to the diversity of the Board. The Board is also of the view that during his tenure as independent non-executive Director, Mr. Zhang Jianbin has made positive contributions to the Group's development, strategy and performance with his independent advice and comments and his understanding of the business of the Group. The Board believes that Mr. Zhang Jianbin will bring his valuable experience to the Board for promoting the best interests of the Company and its Shareholders. Holding less than seven listed company directorship, Mr. Zhang Jianbin is able to devote sufficient time and attention to perform the duties as independent non-executive Directors. Alongside the other independent non-executive Directors, he will contribute to ensuring that the interests of all Shareholders are taken into account and that relevant issues are subject to objective and dispassionate consideration by the Board. The Company received written confirmation from Mr. Zhang Jianbin on his independence in accordance with the Listing Rules. In view of the aforesaid factors, the Board would recommend Mr. Zhang Jianbin for re-election at the AGM.

At the AGM, ordinary resolutions set out in resolutions numbered 3 and 4 of the notice of the AGM will be proposed to re-elect Mr. Zhou Xuhua as an executive Director and Mr. Zhang Jianbin as an independent non-executive Director, respectively.

Biographical details of each of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular.

---

## LETTER FROM THE BOARD

---

### **(3) PROPOSED RE-APPOINTMENT OF AUDITOR**

Crowe (HK) CPA Limited will retire as the auditor of the Company at the AGM and being eligible, offer themselves for re-appointment as the auditor of the Company. Details of the re-appointment of auditor are set out in the ordinary resolution numbered 5 of the notice of the AGM.

### **(4) PROPOSED DECLARATION OF FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

As mentioned in the announcement of the Company dated 30 March 2023, the Board has resolved to recommend a final dividend of HK2.47 cents per Share for the year ended 31 December 2022 to the Shareholders whose names appear on the register of members of the Company on Thursday, 8 June 2023, amounting to approximately HK\$15,376,000 in aggregate, subject to the approval of the Shareholders at the AGM and compliance with the Company Law. Total dividend payout ratio is approximately 60.0% of the profit for the year attributable to owners of the Company. The above-mentioned final dividend is expected to be paid on or before Friday, 30 June 2023.

The register of members of the Company will be closed from Monday, 5 June 2023 to Thursday, 8 June 2023 (both days inclusive) during which period no transfer of shares will be registered. To be qualified for receiving the above dividend, all share transfer documents must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 2 June 2023.

### **(5) GENERAL MANDATES**

At the annual general meeting of the Company held on 27 May 2022, ordinary resolutions were passed to grant to the Directors general and unconditional mandates to allot, issue and deal with the Shares of up to a maximum of 20% of the total number of issued shares of the Company as at the date of the passing of the ordinary resolution approving the relevant mandate and to repurchase Shares of up to a maximum of 10% of the total number of issued shares of the Company as at the date of the passing of the ordinary resolution approving the relevant mandate respectively and to extend the general mandate to allot, issue and deal with the Shares to include Shares repurchased under the general mandate to repurchase Shares. These general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew these general mandates at the AGM.

#### **(a) Issue Mandate**

At the AGM, an ordinary resolution set out in resolution numbered 6 of the notice of the AGM will be proposed to the Shareholders to consider and, if thought fit, to grant to the Directors a new general and unconditional mandate to allot, issue and deal with the Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of such ordinary resolution. As at the Latest Practicable Date, the total number of Shares in issue was 622,500,000. Up to the Latest Practicable Date, no outstanding Share Options have been exercised. Subject to the passing of the proposed resolution, the maximum number of new Shares to be issued under the Issue Mandate will be 124,500,000 Shares (assuming that no outstanding Share Options are exercised and no further Shares will be issued or repurchased by the Company prior to the AGM).



---

## LETTER FROM THE BOARD

---

Subject to the passing of the Issue Mandate and the Repurchase Mandate, an ordinary resolution set out in resolution numbered 8 of the notice of the AGM will be proposed to extend the Issue Mandate to increase the limit of the Issue Mandate by adding to it the number of Shares repurchased under the Repurchase Mandate.

### **(b) Repurchase Mandate**

At the AGM, an ordinary resolution set out in resolution numbered 7 of the notice of the AGM will be proposed to the Shareholders to consider, and if thought fit, to grant to the Directors a new general and unconditional mandate to exercise all powers of the Company to repurchase, subject to the criteria set out in the circular, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of such ordinary resolution. If the Company conducts a share consolidation or subdivision after the Issue Mandate or the Repurchase Mandate has been approved in the AGM, the maximum number of Shares that may be allotted, issued and otherwise dealt with under the Issue Mandate or repurchased under the Repurchase Mandate (as the case may be) as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same.

An explanatory statement containing relevant information relating to the Repurchase Mandate as required by the Listing Rules to be sent to the Shareholders is set out in Appendix II to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate at the AGM.

### **(6) ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

A notice convening the AGM to be held at the Conference Room, Unit 613, 6th Floor, Goodluck Industrial Centre, 808 Lai Chi Kok Road, Kowloon, Hong Kong on Monday, 29 May 2023 at 10:00 a.m. is set out on pages 15 to 19 of this circular. At the AGM, ordinary resolutions will be proposed to approve, inter alia, (i) the proposed re-election of retiring directors, (ii) the proposed re-appointment of auditors, (iii) the proposed declaration of final dividend, (iv) the general mandates to issue Shares and to repurchase Shares and (v) the extension of the Issue Mandate to include Shares repurchased pursuant to the Repurchase Mandate.

A form of proxy for use at the AGM is enclosed in this circular. Whether or not you are able to attend such meeting, please complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

---

## LETTER FROM THE BOARD

---

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the AGM must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution to be passed at the AGM pursuant to the Memorandum and Articles. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Pursuant to the Memorandum and Articles, for the purpose of holding the AGM, the register of members of the Company will be closed from Tuesday, 23 May 2023 to Monday, 29 May 2023 (both days inclusive), during which period no transfer of Shares of the Company will be registered.

In order to be qualified for attending and voting at the AGM, Shareholders must lodge all share transfer documents with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 22 May 2023.

### **(7) RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirmed, having made all reasonable enquiries, that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement in this circular misleading.

### **(8) RECOMMENDATION**

The Directors consider that the proposed re-election of retiring Directors, the proposed re-appointment of auditor, the proposed declaration of final dividend and the proposed granting of the Issue Mandate and the Repurchase Mandate to the Directors and the extension of the Issue Mandate are in the interests of the Company and the Shareholders as a whole, and accordingly, recommend the Shareholders to vote in favour of the relevant resolutions at the AGM.

Yours faithfully,  
By order of the Board  
**Kingworld Medicines Group Limited**  
**Zhao Li Sheng**  
*Chairman*

---

**APPENDIX I    BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

---

The biographical details of the two retiring Directors proposed to be re-elected at the AGM are set out as follows:

**Mr. Zhou Xuhua** (周旭華), aged 53, was appointed as an executive Director of the Company on 3 August 2009. He has been the general manager of SZ Kingworld since 2009. He is primarily responsible for the business development and operations of SZ Kingworld. He was the business manager of SZ Industry between 1994 and 1995 and was the regional manager and deputy general manager of SZ Kingworld after he joined SZ Kingworld in 1996. He has 22 years of experience in the pharmaceutical industry. Mr. Zhou worked as a clerk and was later promoted to become a supervisor of Shenzhen International Arcade between 1987 and 1993. He completed his education at Shenzhen Finance School (深圳市財經學校) in 1987. Save as disclosed above, Mr. Zhou did not hold any directorships in listed public companies or any other major appointments in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Mr. Zhou does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or Controlling Shareholders of the Company.

Mr. Zhou has entered into a service contract with the Company for a term of three years commencing from 25 November 2019 and may be terminated by not less than three months' prior notice in writing served by either party on the other. Subject to the retirement and re-election at the annual general meeting of the Company in accordance with (inter alia) the Memorandum and Articles, the service contract will be renewed until being terminated pursuant to the terms of the service contract. Under the service contract, Mr. Zhou is currently entitled to an annual basic salary of RMB398,000 and a discretionary year-end bonus of an amount to be determined by the Board and approved by the remuneration committee. Mr. Zhou will also be entitled to reimbursement of reasonable travelling, hotel, entertainment and other expenses properly incurred in the performance of his duties under the service contract. The Board determined the remuneration package of Mr. Zhou on the basis of the Company's performance, together with his qualifications, responsibilities, experience, contributions to and positions held with the Company.

By virtue of the SFO, as at the Latest Practicable Date, Mr. Zhou is interested in 36,000 Shares directly held by himself, and is deemed to be interested in the 2,380,000 Shares held by his spouse, Ms. Huang Xiaoli. These Shares represent approximately 0.39% of the issued share capital of the Company. Save as disclosed above, Mr. Zhou did not have any other interests in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Save as disclosed above, the Board is not aware of any other information relating to Mr. Zhou that needs to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

---

**APPENDIX I    BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

---

**Mr. Zhang Jianbin (張建斌)**, aged 59, was appointed as an independent non-executive Director of the Company on 1 August 2013. Mr. Zhang has over 27 years of experience in teaching and researching in the management aspect of marketing, services marketing and brand marketing, and in project consultation work. Mr. Zhang obtained a bachelor degree in engineering (industrial management engineering profession) from Wuhan University of Technology (formerly known as Wuhan Institute of Technology) in June 1982. Mr. Zhang completed a USA MBA program (organized by the graduate school of Columbia University and other universities) of Beijing Information Science & Technology University (formerly known as Beijing Institute of Machinery) in September 1986, and obtained a doctor's degree of economics (industrial economics profession) from the College of Economics, Jinan University in July 1999. Mr. Zhang worked in the Management Engineering Faculty of Wuhan University of Technology (formerly known as Wuhan Institute of Technology) as a teaching assistant and a lecturer from July 1982 to March 1989. He worked in the Management Engineering Faculty of Guangdong University of Technology (formerly known as Guangdong Institute of Technology) as a teaching assistant, lecturer, associate professor and served as deputy director, director and deputy head of the Teaching and Research Department from March 1989 to June 1998. Mr. Zhang has been teaching at Jinan University since July 1998 and is an associate professor and a tutor to master's degree research students at the Management School of Jinan University. Mr. Zhang was also the director of the MBA Department and deputy director of the MBA education centre from 2003 to 2005. Mr. Zhang was a chief marketing consultant of the Fourth Shoe Factory (第四皮鞋廠) in Wuhan city from 1987 to 1989. He was a factory director of Zhongshan Precision Instrument Factory (中山先能精密儀器廠) from 1991 to 1992 and a manager of the Planning Department of Guangdong International Mass Advertising Media Company (廣東國際大眾廣告傳播公司) from 1992 to 1993. From 1993 to 1995, Mr. Zhang was a general manager of Guangdong Design and Planning Company (廣東創世紀設計策劃公司) and was a marketing consultant of Guangdong Construction Real Estate Company (廣東建業房地產公司) from 1995 to 1996. He was a marketing consultant of Guangdong Yihe Real Estate (Group) (廣東頤和地產(集團)有限公司) from 1997 to 2002 and a consultant of Guangdong Persian Technology Company Limited (廣東波斯科技股份有限公司) from 2002 to 2012. Save as disclosed above, Mr. Zhang did not hold any directorships in listed public companies or any other major appointments in Hong Kong or overseas in the three years preceding the Latest Practicable Date.

Mr. Zhang does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or Controlling Shareholders of the Company.

Mr. Zhang has signed a letter of appointment with the Company for a term of three years commencing from 1 August 2019, which may be terminated by giving three months' prior notice in writing served by either party on the other. Subject to the retirement and re-election at the annual general meeting of the Company in accordance with (inter alia) the Memorandum and Articles, the letter of appointment will be renewed until being terminated pursuant to the terms of the letter of appointment. Under the letter of appointment, Mr. Zhang is currently entitled to an annual basic salary of RMB276,000. Mr. Zhang will also be entitled to reimbursement of reasonable travelling, hotel, entertainment and other expenses properly incurred in the performance of his duties under the letter of appointment. The Board

---

**APPENDIX I    BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

---

determined the remuneration package of Mr. Zhang on the basis of the Company's performance, together with his qualifications, responsibilities, experience, contributions to and positions held with the Company.

As at the Latest Practicable Date, Mr. Zhang is interested in 36,000 Shares directly held by himself, representing approximately 0.01% of the issued share capital of the Company. Save as disclosed above, Mr. Zhang did not have any interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO. The Company is of the view that Mr. Zhang has satisfied the requirement of independence as set out in Rule 3.13 of the Listing Rules.

Save as disclosed above, the Board is not aware of any other information relating to Mr. Zhang that needs to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of the Rule 13.51(2) of the Listing Rules.

*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration in respect of the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised of 622,500,000 Shares. Subject to the passing of the relevant resolution(s) as set out in the notice of the AGM and assuming that no outstanding Share Options are exercised and no further Shares are issued or repurchased by the Company prior to the AGM, the Directors will be authorised to repurchase up to 62,250,000 Shares (being 10% of the issued share capital of the Company as at the date of the AGM) pursuant to the Repurchase Mandate during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or (iii) the revocation and variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

## **2. REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and its Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purposes in accordance with its Memorandum and Articles, the laws of the Cayman Islands and the Listing Rules. The laws of the Cayman Islands provide that the amount of capital paid in connection with a share repurchase may only be paid out of either the profits of the company or out of the proceeds of a fresh issue of shares made for such purpose or, if so authorised by its articles of association and subject to the provisions of the Cayman Islands laws, out of capital. The amount of premium payable on repurchase may be paid out of profits of the company or out of the share premium account of the company, or, if so authorised by its articles of association and subject to the provisions of the Cayman Islands laws, out of capital before the shares are repurchased. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

**4. IMPACT OF REPURCHASES**

Based on the financial position disclosed in the recently published audited accounts of the Company for the year ended 31 December 2022, the Directors consider that there will not be any material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is to be carried out in full at any time during the proposed repurchase period. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing and in the best interests of the Company.

**5. SHARE PRICES**

The following table shows the highest and lowest prices at which the Shares have traded on the Stock Exchange for each of the previous twelve calendar months immediately preceding (and including) the Latest Practicable Date:

	Share Price Per Share	
	Highest HK\$	Lowest HK\$
<b>2022</b>		
April	0.61	0.46
May	0.50	0.44
June	0.46	0.40
July	0.56	0.44
August	0.55	0.46
September	0.51	0.40
October	0.49	0.37
November	0.83	0.41
December	0.90	0.68
<b>2023</b>		
January	1.02	0.83
February	0.89	0.70
March	0.88	0.53
April ( <i>up to the Latest Practicable Date</i> )	0.78	0.60

**6. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.



The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise power of the Company to repurchase the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands in the event that it is granted by the Shareholders.

The Company has not been notified by any core connected person that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

## **7. EFFECT OF THE TAKEOVERS CODE**

If as a result of a repurchase of securities, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of such increase, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Zhao (a Director), Ms. Chan (a Director), Golden Land and Golden Morning are the Controlling Shareholders of the Company and they hold 20,372,000 Shares, 744,000 Shares, 297,812,250 Shares and 90,000,000 Shares, respectively. As Golden Land is wholly owned by Mr. Zhao and Golden Morning is wholly owned by Ms. Chan (the spouse of Mr. Zhao), all of them will be deemed to be interested in an aggregate of 408,928,250 Shares, representing approximately 65.69% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate and if there is no other change in the issued share capital of the Company, their collective shareholdings in the Company will be increased to approximately 72.99% of the issued share capital of the Company. The exercise of the Repurchase Mandate in full will not result in Mr. Zhao, Ms. Chan, Golden Land and Golden Morning being obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not propose to exercise the Repurchase Mandate to such an extent which would result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage required by the Stock Exchange, which is currently 25% of the entire issued share capital of the Company.

## **8. SHARE REPURCHASE BY THE COMPANY**

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.



---

## NOTICE OF ANNUAL GENERAL MEETING

---



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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting for the year 2022 (the “**AGM**”) of Kingworld Medicines Group Limited (the “**Company**”) will be held at the Conference Room, Unit 613, 6th Floor, Goodluck Industrial Centre, 808 Lai Chi Kok Road, Kowloon, Hong Kong on Monday, 29 May 2023 at 10:00 a.m. for the following purposes, and unless otherwise defined herein, the terms herein shall have the same meanings as defined in the circular to the shareholders of the Company dated 21 April 2023 (the “**Circular**”):

As ordinary businesses,

1. To consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) of the Company and auditor of the Company for the year ended 31 December 2022.
2. To declare a final dividend of HK2.47 cents per Share for the year ended 31 December 2022.
3. To re-elect Mr. Zhou Xuhua as an executive Director of the Company and to authorise the board (the “**Board**”) of Directors of the Company to fix his remuneration.
4. To re-elect Mr. Zhang Jianbin as an independent non-executive Director of the Company and to authorise the Board to fix his remuneration.
5. To re-appoint Crowe (HK) CPA Limited as the auditor of the Company to hold office until the conclusion of the next annual general meeting, and to authorise the Board to fix their remuneration.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

As special businesses, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:

6. **“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of the Company and to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into ordinary shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of ordinary shares of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the subscription or conversion rights attaching to any warrants, preference shares, convertible bonds or other securities issued by the Company which are convertible into ordinary shares of the Company, (iii) the exercise of options granted by the Company under any share option agreements and/or option scheme or similar arrangement for the time being adopted for the grant to Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire the ordinary shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of the ordinary shares of the Company in lieu of the whole or part of a dividend on the ordinary shares in accordance with the articles of association of the Company (the **“Articles of Association”**), shall not exceed 20% of the total number of issued shares of the Company as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; or
- (iii) the revocation and variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of ordinary shares open for a period fixed by the Company (or by the Directors) to holders of ordinary shares on the Register of Members (ordinary shares) of the Company on a fixed record date in proportion to their then holdings of such ordinary shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any authorised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. “**THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the ordinary shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the ordinary shares of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirement of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the total number of the ordinary shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held; and
  - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

---

## NOTICE OF ANNUAL GENERAL MEETING

---

8. “**THAT** conditional upon the passing of resolutions numbered 6 and numbered 7 set out in the notice convening this meeting, the aggregate nominal amount of the number of ordinary shares which are repurchased by the Company under the authority granted to the Directors as mentioned in the said resolution numbered 7 shall be added to the total number of shares of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval in the said resolution numbered 6.”

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

Hong Kong, 21 April 2023

*Notes:*

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint registered holders of a share in the Company, any one of such joint holders may vote, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will be closed from Tuesday, 23 May 2023 to Monday, 29 May 2023 (both days inclusive) during which period no transfer of shares will be registered. To be qualified for attending and voting at the forthcoming annual general meeting, all share transfer documents must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Monday, 22 May 2023.
6. The register of members of the Company will be closed from Monday, 5 June 2023 to Thursday, 8 June 2023 (both days inclusive) during which period no transfer of shares will be registered. To be qualified for receiving the proposed final dividend, all share transfer documents must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 2 June 2023.
7. In relation to the proposed resolutions numbered 6 and 8 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any new shares other than shares which may fall to be issued under the Share Option Scheme.

---

## NOTICE OF ANNUAL GENERAL MEETING

---

8. In relation to the proposed resolution numbered 7 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the circular.
9. Considering the outbreak of the coronavirus (COVID-19), certain measures will be implemented at the AGM with a view to addressing the risk to attendees of infection, including, without limitation, (i) all attendees being required to (a) undergo compulsory body temperature check; and (b) wear surgical masks prior to admission to the AGM venue; (ii) all attendees being required to wear surgical masks throughout the AGM; (iii) each attendee being assigned a designated seat at the time of registration to ensure social distancing; and (iv) no refreshment packs or coffee/tea being provided.

The Company reminds attendees that they should carefully consider the risks of attending the AGM, taking into account their own personal circumstances. The Company will keep the evolving COVID-19 situation under review and may implement additional measures which it will announce closer to the date of the AGM.

*As at the date of this notice, 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.*