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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)

VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING
IN RELATION TO THE PROPOSED ACQUISITION

This announcement is made by Kingworld Medicines Group Limited on a voluntary basis.

The Board is pleased to announce that, on 22 January 2026 (after trading hours), Kingworld Medicine (BVI), a wholly-owned subsidiary of the Company, entered into the MOU with the Intended Vendor and the Guarantors in relation to the Proposed Acquisition. The Target Company is principally engaged in the manufacture and sale of pharmaceutical products and holds the Landed Property. It is expected that the consideration will be satisfied in cash. The Guarantors agreed to guarantee the performance by the Intended Vendor of its obligations under the MOU.

Within five business days from the signing of the MOU, the Deposit in the amount of HK$3,321,840 will be paid by Kingworld Medicine (BVI) to the Intended Vendor. As the relevant percentage ratios under the Listing Rules in respect of the payment of the Deposit are less than 5%, the entering into of the MOU does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Proposed Acquisition, if materialised, may constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Board would like to emphasise that no legally binding agreement in relation to the Proposed Acquisition has been entered into by Kingworld Medicine (BVI) with any party as at the date of this announcement (save for certain provisions relating to, among others, the Deposit, due diligence, exclusivity, confidentiality, and governing law and jurisdiction under the MOU). As the proposed transaction may or may not materialise, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Kingworld Medicines Group Limited (the "**Company**") on a voluntary basis.

THE MOU

The Board is pleased to announce that, on 22 January 2026 (after trading hours), Kingworld Medicine (BVI), a wholly-owned subsidiary of the Company, entered into the MOU with the Intended Vendor and the Guarantors in relation to the Proposed Acquisition. The Target Company is principally engaged in the manufacture and sale of pharmaceutical products and holds the Landed Property. It is expected that the consideration will be satisfied in cash. The Guarantors agreed to guarantee the performance by the Intended Vendor of its obligations under the MOU.

The MOU sets out the underlying principles on which a definitive sale and purchase agreement (the "**Sale and Purchase Agreement**") is to be entered into between Kingworld Medicine (BVI) and the Intended Vendor (upon the completion and satisfaction of the due diligence to be conducted on the Target Company by Kingworld Medicine (BVI)). The MOU, save for certain provisions relating to, among others, the Deposit, due diligence, exclusivity, confidentiality and governing law and jurisdiction, is non-legally binding in nature.

Payment Terms and Deposits

Subject to the execution of the Sale and Purchase Agreement and the adjustment mechanism stated therein (if any), the Total Consideration shall comprise: (i) a base purchase price of HK$66,436,800, comprising HK$41,500,000 for the business and the production equipment (other than vehicle) in relation to the Target Company and HK$24,936,800 for the Landed Property; (ii) the net book value of the Target Company's equipment as at the Completion (excluding any vehicles); and (iii) the net working capital as at the Completion (being the aggregate of accounts receivable and inventory less accounts payable), subject to post-Completion adjustments based on audited accounts prepared in accordance with Hong Kong Financial Reporting Standards.

Within five business days from the signing of the MOU, the Deposit in the amount of HK$3,321,840 will be paid by Kingworld Medicine (BVI) to the Intended Vendor. As the relevant percentage ratios under the Listing Rules in respect of the payment of the Deposit are less than 5%, the entering into of the MOU does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

The Deposit is refundable, without interest, under the following circumstances:

1. if there is any material misrepresentation or inaccuracy in the due diligence information provided by the Intended Vendor or its representatives to Kingworld Medicine (BVI), or if there are any material matters that have not been disclosed, and Kingworld Medicine (BVI) terminates the MOU as a result;

2. if, during due diligence, Kingworld Medicine (BVI) discovers any matters that have a material and adverse impact on the financial condition, operations, or legal status of the Target Company, Kingworld Medicine (BVI) may provide the Intended Vendor with specific and reasonable written grounds. If the Intended Vendor does not respond to Kingworld Medicine (BVI) and/or fails to provide a response satisfactory to Kingworld Medicine (BVI) within 30 days from the date Kingworld Medicine (BVI) provides such written grounds, Kingworld Medicine (BVI) has the right to immediately terminate the MOU;

3. subject to the execution of the Sale and Purchase Agreement, if the Intended Vendor commits a material breach of the terms of the Sale and Purchase Agreement or defaults, resulting in the transaction not proceeding or being unable to be completed;

4. the Intended Vendor breaches the exclusivity provision under the MOU;

5. Kingworld Medicine (BVI) terminates the MOU.

If, during the title investigation of the title documents relating to the Landed Property, Kingworld Medicine (BVI) discovers any materially adverse circumstances, or if the Intended Vendor is unable to prove good title to the Landed Property in accordance with sections 13 and 13A of the *Conveyancing and Property Ordinance* (Cap. 219 of the Laws of Hong Kong):

1. Kingworld Medicine (BVI) may terminate the MOU after giving written notice to the Intended Vendor. The Intended Vendor shall refund the entire Deposit (without interest) to Kingworld Medicine (BVI) within five business days after receiving Kingworld Medicine (BVI)'s written notice of termination of the MOU; or

2. Kingworld Medicine (BVI) may, in writing, agree to exclude the Landed Property with title issues from the transaction and proceed with the remainder of the transaction. If Kingworld Medicine (BVI) agrees to proceed, the Total Consideration shall be reduced accordingly by the consideration attributable to the Landed Property (i.e., HK$24,936,800). The Intended Vendor shall refund part of the Deposit in the amount of HK$1,246,840 (without interest) to Kingworld Medicine (BVI) within five business days after the Kingworld Medicine (BVI) provides written notice to the Intended Vendor to the exclusion of the Landed Property with title issues. Upon refund of the agreed portion of the Deposit, the continuation of the transaction shall not be affected.

Due Diligence

Within 80 days from the date of the MOU (the **"Due Diligence Period"**), Kingworld Medicine (BVI) shall be entitled to carry out due diligence on the Target Company.

Exclusivity

Under the MOU, during an exclusivity period starting on the date of the MOU and ending on 30 April 2026 (unless extended by Kingworld Medicine (BVI) and the Intended Vendor in writing) (the **"Exclusivity Period"**), the Intended Vendor and the Target Company shall not, and shall use their best endeavours to procure that their respective representatives shall not, directly or indirectly, initiate, solicit, encourage or otherwise assist any third party in any inquiries, proposals or offers in relation to (a) the issuance or sale of shares in the Target Company and/or the Intended Vendor; or (b) any other transaction that could reasonably be expected to interfere with, materially affect or delay the Proposed Acquisition (each a **"Restricted Transaction"**). The Intended Vendor and Target Company shall not enter into, negotiate or provide information for any Restricted Transaction and shall immediately notify Kingworld Medicine (BVI) of any third-party approaches.

Formal Agreement

Kingworld Medicine (BVI) (or any person designated by Kingworld Medicine (BVI)) and the Intended Vendor shall negotiate in good faith and enter into the Sale and Purchase Agreement within 30 days after the Due Diligence Period (or such other date as agreed in writing by Kingworld Medicine (BVI) and the Intended Vendor).

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong principally engaged in the manufacture and sale of pharmaceutical products, with operations based at the Landed Property. It holds no subsidiaries.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Intended Vendor and its ultimate beneficial owners (including the Guarantors) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Information on the Intended Vendor, the Target Company and the Landed Property is commercially sensitive. The Directors are of the view that disclosure of such information at this stage in this announcement may affect the Company's opportunities to proceed with the Proposed Acquisition and may be prejudicial to the interests of the Company.

REASONS FOR ENTERING INTO THE PROPOSED ACQUISITION

The Directors consider that the Proposed Acquisition, if materialised, will enable the Group to expand its presence in the pharmaceutical sector in Hong Kong, acquire valuable manufacturing assets including the Landed Property, and benefit the domestic and overseas business development of the Group through synergies in product distribution and operational scale.

The Board would like to emphasise that no legally binding agreement in relation to the Proposed Acquisition has been entered into by Kingworld Medicine (BVI) with any party as at the date of this announcement (save for certain provisions relating to, among others, the Deposit, due diligence, exclusivity, confidentiality, and governing law and jurisdiction under the MOU). As the proposed transaction may or may not materialise, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The Proposed Acquisition, if materialised, may constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Further announcement(s) in respect of the Proposed Acquisition will be made by the Company in accordance with all applicable requirements of the Listing Rules as and when appropriate.

DEFINITIONS

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

"Board"	the board of directors of the Company
"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
"Completion"	the completion of the Proposed Acquisition
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Deposit"	an initial deposit in the amount of HK$3,321,840 to be paid by Kingworld Medicine (BVI) to the Intended Vendor pursuant to the MOU
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Guarantors"	the three individual ultimate shareholders of the Intended Vendor, all are independent third parties
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Intended Vendor"	a company incorporated in the British Virgin Islands, an independent third party
"Kingworld Medicine (BVI)"	Kingworld Medicine and Healthcare Group Limited (金活醫藥保健集團有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
"Landed Property"	the landed property located in Hong Kong held by the Target Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MOU"	the memorandum of understanding dated 22 January 2026 entered into among Kingworld Medicine (BVI), the Intended Vendor and the Guarantors in relation to the Proposed Acquisition

"Proposed Acquisition"	the proposed acquisition of the entire issued share capital of the Target Company by Kingworld Medicine (BVI)
"Sale and Purchase Agreement"	the sale and purchase agreement in relation to the Proposed Acquisition
"Shareholders"	the holders of the shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	a company incorporated in Hong Kong which principally engaged in the manufacture and sale of pharmaceutical products
"Total Consideration"	the total consideration for the Proposed Acquisition
"%"	per cent

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

Hong Kong, 22 January 2026

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