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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 30 October 2020, Shenzhen Kingworld Medicine Company Limited* (深圳市金活醫藥有限公司) (“**SZ Kingworld**”), a wholly owned subsidiary of the Company, entered into an exclusive distribution agreement (the “**Agreement**”) with Shenzhen AUSA Pharmaceutical Co., Ltd. (深圳奧薩製藥有限公司) (“**AUSA**”), a company established in the People’s Republic of China (the “**PRC**”), in relation to the marketing and distribution of “10.4 mg Enalapril maleate and folic acid tablets (馬來酸依那普利葉酸片)” (the “**Product**”), in the market of the Mainland China.

Pursuant to the Agreement, AUSA has appointed SZ Kingworld as its exclusive distributor for the marketing, sale and distribution of the Product in the Mainland China for a term of five years. Upon the expiration of the initial five-year term, the Agreement may be automatically renewed for a period of five years, subject to certain conditions as set out in the Agreement. By strategically leveraging on its market network, the Company aims at building a strong position for the Product in the hypertension drugs market in the Mainland China.

INFORMATION ON ENALAPRIL MALEATE AND FOLIC ACID TABLETS

Stroke is one of the leading causes of death in the PRC and H-type hypertension is a major risk factor for stroke.

Based on the information provided by AUSA, Enalapril maleate and folic acid tablet is an innovative preventive compound prescription drug of multi-risk factors control specifically designed for the effective control of H-type hypertension.

The Product has been classified as National Class I New Drug (Chemical) and included in the 2009 National Drug Catalogue for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (國家基本醫療保險、工傷保險和生育保險藥品目錄(2009)) of the PRC.

INFORMATION ON AUSA

Ausa is a pharmaceutical company committed to the research and development and commercialisation of medical treatments and diagnostic products headquartered in Shenzhen, Guangdong Province of the PRC.

To the best knowledge, information and belief of the Directors having made reasonable enquiries, Ausa and its ultimate beneficial owners are the third parties independent of the Company and connected persons of the Company, and are not connected persons of the Company.

REASONS AND BENEFITS FOR THE ENTERING INTO OF THE AGREEMENT

The Group is principally engaged in the distribution of pharmaceutical and healthcare products in the PRC. 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, and provide services to those who have H-type hypertension. 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, 30 October 2020

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.

* *For identification purposes only*