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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)

UPDATE OF THE DISCLOSEABLE TRANSACTION

COMMENCEMENT OF FOUNDATION WORK ON THE LAND PARCEL

References are made to the Announcements.

As disclosed in the Announcements, Shenzhen Kingworld, a wholly-owned subsidiary of the Company, and Shenzhen Shanghenggang formed a joint venture company, Longde Jiankang, for the development and construction of a logistic centre with ancillary facilities and ancillary commercial property, on the Land Parcel.

The Board wishes to announce that the foundation work on the Land Parcel has commenced in December 2020. It is expected that the foundation work will be completed in mid 2021 and the substantive construction works shall be carried out in mid to late 2021. The cost of the foundation work to be paid by Longde Jiankang is expected to be RMB22.4 million.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant percentage ratios under the Listing Rules in respect of the cost of the foundation work of the Land Parcel, are less than 5%, the foundation work of the Land Parcel is not a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

The Company will make further announcement(s) and comply with the requirements under the Listing Rules in relation to the updates on the Project as and when appropriate pursuant to the Listing Rules.

DEFINITIONS

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

“Announcements”	the announcements of the Company dated 14 May 2016, 8 June 2016, 5 September 2016, 29 December 2017 and 13 August 2019
“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
“Director(s)”	the director(s) of the Company
“Land Parcel”	a land parcel located at Baolong Industrial Zone, Longgang District, Shenzhen City, the PRC (中國深圳市龍崗區寶龍工業區) with an area of approximately 9,999.7 sq.m for industrial use
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Longde Jiankang”	Shenzhen City Longde Jiankang Company Limited* (深圳市龍德健康有限公司), a joint venture company established by Shenzhen Kingworld and Shenzhen Shanghenggang in relation to the development of the Land Parcel. As at the date of this announcement, Longde Jiankang is 90% owned by Shenzhen Kingworld and 10% owned by Shenzhen Shanghenggang, respectively
“Project”	the development and construction of logistic centre with ancillary facilities on the Land Parcel
“RMB”	Reminbi, the lawful currency of the PRC
“Shenzhen Kingworld”	Shenzhen Kingworld Medicine Co., Ltd, a wholly-owned subsidiary of the Company
“Shenzhen Shanghenggang”	Shenzhen Xinda Shanghenggang Cooperative Stock Company* (深圳市新大上橫崗股份合作公司)

“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 23 December 2020

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 are Mr. Duan Jidong, Mr. Zhang Jianbin and Mr. Wong Cheuk Lam.

* *For identification purposes only*