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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)

**(1) GRANT OF AWARD PURSUANT TO THE 2025 SHARE
AWARD SCHEME
AND
(2) EXEMPTED CONNECTED TRANSACTION — GRANT OF
AWARD TO CONNECTED PERSONS**

This announcement is made by Kingworld Medicines Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Chapter 14A and Rules 17.06A, 17.06B and 17.06C of the Listing Rules.

Reference is made to the announcement of the Company dated 14 April 2025 in relation to the adoption of the 2025 Share Award Scheme and termination of the 2019 Share Award Scheme and termination of the 2021 Share Option Scheme by the Company (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

GRANT OF AWARD PURSUANT TO THE 2025 SHARE AWARD SCHEME

The Board approved to grant the Award with an aggregate of 3,457,600 Awarded Shares on 4 July 2025 (“**Date of Grant**”) to 70 Selected Participants under the 2025 Share Award Scheme adopted by the Company on 14 April 2025 at nil consideration, among which 1,397,600 Awarded Shares were granted to 19 Selected Participants who are Connected Grantees and 2,060,000 Awarded Shares were granted to 51 Selected Participants who are Non-connected Grantees (the “**Grant of Award**”).

For the Grant of Award, the Awarded Shares represent approximately 0.56% of the total issued share capital of the Company as at the Date of Grant (being 622,500,000 Shares). The closing price of the Shares on the Date of Grant was HK\$0.55 per Share and the average closing price of the Share for the five business days immediately preceding the Date of Grant was HK\$0.558 per Share.

Subject to the acceptance by the Grantees, the Awarded Shares shall be vested in the Grantees on 4 July 2025.

IMPLICATIONS UNDER THE LISTING RULES

The grant of the Awarded Shares to the Selected Participants has been approved by the Administration Committee of the 2025 Share Award Scheme, the Remuneration Committee of the Company and the Board (including the independent non-executive Directors), except that the relevant Director(s) and/or members of the respective committees to whom the grant was related had abstained from approving the grant to him/her.

Under the Grant of Award, the grant of the Awarded Shares to 19 Grantees who are Connected Persons of the Company constitutes connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios are less than 0.1% and the grant is on normal commercial terms, each grant of the Awarded Shares to the Connected Persons of the Company is fully exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 14 April 2025 in relation to the adoption of the 2025 Share Award Scheme and termination of the 2019 Share Award Scheme and termination of the 2021 Share Option Scheme by the Company.

GRANT OF AWARD PURSUANT TO 2025 SHARE AWARD SCHEME

The Board approved to grant the Award with an aggregate of 3,457,600 awarded shares (the “**Awarded Shares**”) on the Date of Grant to 70 Selected Participants (the “**Grantees**”) under the 2025 Share Award Scheme at nil consideration, among which, 1,397,600 Awarded Shares were granted to 19 Selected Participants who are Connected Persons of the Company (the “**Connected Grantees**”) and 2,060,000 Awarded Shares were granted to 51 Selected Participants who are not Connected Persons of the Company (the “**Non-connected Grantees**”).

For the Grant of Award, the Awarded Shares represent approximately 0.56% of the total issued share capital of the Company as at the Date of Grant (being 622,500,000 Shares). The closing price of the Shares on the Date of Grant was HK\$0.55 per Share and the average closing price of the Share for the five business days immediately preceding the Date of Grant was HK\$0.558 per Share.

The number of the Awarded Shares granted to each Grantee is determined after taking into account, among others, the Grantees' positions, performance and contribution to the Group. The nil consideration of the Awarded Shares is determined after taking into account, among others, the past contribution made by the Grantees to the Group.

The Awards granted are subject to the acceptance by the Grantees within the time as stipulated in the grant letter issued by the Company to the Grantees.

Subject to the acceptance by the Grantees, the Awarded Shares shall be vested in the Grantees on 4 July 2025.

Details of the Grant of Award

Date of Grant: 4 July 2025

Aggregate number of underlying Shares in respect of Awarded Shares granted: 3,457,600

Out of the 3,457,600 Awarded Shares granted, 1,397,600 Awarded Shares were granted to 19 Connected Grantees, details of which are as follows:

		Number of Awarded Shares granted	Approximate percentage of the total Awarded Shares (%) (Note 1)	Approximate percentage of the total number of issued Shares as at the date of this announcement (%) (Note 2)
Connected Grantees				
Zhao Li Sheng	Chairman and Executive Director of the Company, controlling shareholder of the Company	168,000	4.86	0.03
Chan Lok San	Executive Director of the Company, controlling shareholder of the Company	140,000	4.05	0.02
Zhou Xuhua	Executive Director of the Company	57,600	1.67	0.01
Duan Jidong	Independent Non-executive Director	76,000	2.20	0.01
Wong Cheuk Lam	Independent Non-executive Director	76,000	2.20	0.01
Zhang Jianbin	Independent Non-executive Director	76,000	2.20	0.01
Chan Hon Wan	Director of a subsidiary of the Company	76,000	2.20	0.01
Zhao Kin Wai	Director of subsidiaries of the Company	52,000	1.50	0.01
Zhao Wai Ying	Director of subsidiaries of the Company	52,000	1.50	0.01
Zhao Wai Yan	Associate of the controlling shareholder of the Company	40,000	1.16	0.01
Zhao Wai Ting	Associate of the controlling shareholder of the Company	28,000	0.81	0.00
Ma Shipeng	Director of a subsidiary of the Company	52,000	1.50	0.01
Huang Zhihui	Supervisor of subsidiaries of the Company	36,000	1.04	0.01
Li Enming	Director of subsidiaries of the Company	20,000	0.58	0.00
Zhou Xiaoling	Director of subsidiaries of the Company	104,000	3.01	0.02
Kuang Sizhong	Director of subsidiaries of the Company	112,000	3.24	0.02
Xing Guangqian	Director of subsidiaries of the Company	84,000	2.43	0.01
Chen Yueyue	Director of subsidiaries of the Company	80,000	2.31	0.01
Wang Yibo	Director of subsidiaries of the Company	68,000	1.97	0.01
Sub-total		1,397,600	40.42	0.22
Non-connected Grantees				
51 employees of the Group		2,060,000	59.58	0.33
Total		3,457,600	100.00	0.55

Purchase price of Awarded Shares granted:	HK\$0.51-0.62 per Share
Closing Price of the Shares on the Date of Grant:	HK\$0.55 per Share
Vesting Date (<i>Note 3</i>):	4 July 2025
Performance Targets of the Grant of Award:	There is no performance target attached to the Grant of Award. (<i>Note 4</i>)
Clawback Mechanism:	There is no clawback mechanism attached to the Grant of Award. (<i>Note 4</i>)

Note 1: The percentage figures are rounded to two decimal places.

Note 2: The percentage figures are rounded to two decimal places and calculated on the basis that there are 622,500,000 Shares in issue as at the date of this announcement.

Note 3: The vesting of the Awarded Shares to the Grantees is shorter than 12 months because the grant of the Share Awards was determined based on the Grantee's work performance in the financial year ended 31 December 2024 such as sales target, sales amount and/or sales completion rate, etc. As at the date of this announcement, there are no restrictions under the 2025 Share Award Scheme in respect of a vesting period of less than 12 months. The Board and the Remuneration Committee of the Company are of the view that such arrangement with a shorter vesting period is appropriate and aligns with the purpose of the 2025 Share Award Scheme.

Note 4: The purposes of the 2025 Share Award Scheme are to recognise the past contributions made by the Selected Participants and to provide incentives in retaining the Selected Participants for continual operation and development of the Group and to attract suitable personnel for further development of the Group through the grant of share awards to the Selected Participants. Having considered that (i) the Grantees are employees of the Group who contribute directly to the overall business performance of the Group, and (ii) the grant of Awarded Shares to the Grantees is a recognition of their respective past contributions to the Group, the Remuneration Committee of the Company considers that, even though there is no performance target nor clawback mechanism attached to the Grant of Award, the grant of Awarded Shares to the Connected Grantees and the Non-connected Grantees can align the interests and incentives of the Grantees in working towards the successes of the Group, and reinforce their commitment to long term services within the Group, which is in line with the purpose of the 2025 Share Award Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save as disclosed above, as of the date of this announcement, none of the Grantees is (i) a Director, a chief executive, a substantial shareholder of the Company, or an associate (as defined in the Hong Kong Listing Rules) of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit (as defined in the Hong Kong Listing Rules); or (iii) a related entity participant or service provider (as defined in the Hong Kong Listing Rules) with awards granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares (excluding treasury shares).

The Awarded Shares, being Shares purchased on the open market, are held on trust for the Grantees by the Trustee pursuant to the Trust Deed. The Trustee shall transfer the Awarded Shares to the Grantees in accordance with the 2025 Share Award Scheme.

The Grant of Award as detailed above had been approved by the Administration Committee of the 2025 Share Award Scheme, the Remuneration Committee and the Board (including the independent non-executive Directors), except that the relevant Director(s) and/or members of the respective committees to whom the grant was related had abstained from approving the grant to him/her.

REASONS FOR AND BENEFITS OF THE GRANT OF AWARD

The purposes of the 2025 Share Award Scheme are to recognise and reward the contribution of certain Participants to the growth and development of the Group and to give incentives in order to retain the Participants for the continual operation and development of the Group and to attract suitable personnel for further development of the Group.

On the basis that (i) the Award to the Grantees aims to recognise their past contribution to the Group and encourage them to make continual contribution to the Group; and (ii) save for the 3,457,600 Awarded Shares under the Grant of Award, the Company has not granted any award under the 2025 Share Award Scheme as at the date of this announcement, the Directors (including the independent non-executive Directors) consider that the Grant of Award provided to the Grantees conforms to the current situation and development of the Group and is necessary and reasonable.

The Directors (including the independent non-executive Directors) are of the view that the Grant of Award to the Grantees, the respective terms and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANT

As of the date of this announcement, the 3,457,600 Shares underlying the Grant of Award to the Selected Participants were directly held by the Trustee, so no new Shares are required to be issued by the Company pursuant to the Grant of Award. Accordingly, the Grant of Award will not result in any dilution effect to the number of total issued Shares upon vesting thereof.

After the granting of the Grant of Award, a total of 58,790,400 Shares will be available for future grant pursuant to the 2025 Share Award Scheme. Except from the Awarded Shares, the Trustee holds 30,042,400 Shares on trust for the 2025 Share Award Scheme as at the date of this announcement which will be available for future grant pursuant to the 2025 Share Award Scheme.

LISTING RULES IMPLICATIONS

The grant of the Awarded Shares to the Selected Participants has been approved by the Administration Committee of the 2025 Share Award Scheme, the Remuneration Committee of the Company and the Board (including the independent non-executive Directors), except that the relevant Director(s) and/or members of the respective Committees to whom the grant was related had abstained from approving the grant to him/her.

Under the Grant of Award, the grant of the Awarded Shares to 19 Grantees who are Connected Persons of the Company constitutes connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios are less than 0.1% and the grant is on normal commercial terms, each grant of the Awarded Shares to the Connected Persons of the Company is fully exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

Hong Kong, 4 July 2025

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, Mr. Wong Cheuk Lam and Dr. Chu Xiaoping.