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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
UPDATE ON THE CONSTRUCTION AND DEVELOPMENT OF
THE LONGDE HEALTH INDUSTRIAL PARK ON THE LAND PARCEL**

This announcement is made by the Company on a voluntary basis.

Reference is made to the Announcements and the Circular in relation to the Land Parcel. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As disclosed in the Announcements and the Circular, 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. On 25 June 2021, Longde Jiankang entered into an agreement with the Contractor in respect of the Construction on the Land Parcel.

The purpose of this announcement is to provide Shareholders with further updates on the construction and development of the Longde Health Industrial Park on the Land Parcel.

**UPDATES ON THE CONSTRUCTION AND DEVELOPMENT OF THE LONGDE
HEALTH INDUSTRIAL PARK ON THE LAND PARCEL**

The Board is pleased to announce that the Construction of the Longde Health Industrial Park on the Land Parcel is in-the-progress. Based on the information provided by the Contractor, as at the date of this announcement, the underground pile foundation works of the main building and dormitory have been completed. For the aboveground construction work, the first floor of the main building is in the process of capping and the fourth floor of the dormitory building has been capped.

The Group will fully integrate its resources to develop the Longde Health Industrial Park on the Land Parcel, which will include four core sections, including (1) a Chinese medicine research and development centre to be used by the Group to establish multi-faceted laboratory with higher education institutions and science and technology institutions in Guangdong and Hong Kong; (2) the “Shenzhen Health Industry Technology Innovation Centre”, to be jointly built in the park targeting to establish a health project incubation platform; (3) a domestic development centre will be built for the Shenzhen-Hong Kong Loop Chinese Medicine Technology Innovation Park within the park; and (4) a national logistics and distribution centre of the Group and a key logistics enterprise in Shenzhen.

The Board noted that Longde Health Industrial Park has received positive attention from certain biopharmaceutical manufacturers and scientific research institutions, which have showed interests and confidence in the future development of Longde Health Industrial Park.

It is expected that the Construction will be completed as scheduled and by end of October 2022.

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

Reference is made to the announcements of the Company dated 14 May 2016, 8 June 2016, 5 September 2016, 29 December 2017, 13 August 2019, 23 December 2020 and 25 June 2021 (the “**Announcements**”) and the circular of the Company dated 23 August 2021 (the “**Circular**”) in relation to the Land Parcel. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

As disclosed in the Announcements and the Circular, 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. On 25 June 2021, Longde Jiankang entered into an agreement with Guangdong Zhonglianjian Construction Engineering Co., Ltd. (the “**Contractor**”) in respect of the Construction on the Land Parcel.

The purpose of this announcement is to provide Shareholders with further updates on the construction and development of the Longde Health Industrial Park on the Land Parcel.

UPDATES ON THE CONSTRUCTION AND DEVELOPMENT OF THE LONGDE HEALTH INDUSTRIAL PARK ON THE LAND PARCEL

The Board is pleased to announce that the Construction of the Longde Health Industrial Park on the Land Parcel is in-the-progress. Based on the information provided by the Contractor, as at the date of this announcement, the underground pile foundation works of the main building and dormitory have been completed. For the aboveground construction work, the first floor of the main building is in the process of capping and the fourth floor of the dormitory building has been capped.

As disclosed in the Circular, the Longde Health Industrial Park is situated in Baolong Industrial Zone, Longgang District, Shenzhen City, the PRC. It is located in the centre of the eastern core of Longgang District comprising of the eastern Shenzhen High-speed Railway new city area and the international low carbon city. The Longde Health Industrial Park is considered as a key area in the development strategy of Longgang District and forms part of the Baolong Science and Technology City.

The Group will fully integrate its resources to develop the Longde Health Industrial Park on the Land Parcel, which will include four core sections, including:

- (1) A Chinese medicine research and development centre to be used by the Group to establish multi-faceted laboratory with higher education institutions and science and technology institutions in Guangdong and Hong Kong.

The Company plans to envisage the full use of the Group's traditional Chinese medicine resources in Shenzhen and Hong Kong, identification of the scientific and technological innovation resources of universities and research institutions, and introduction of a team of famous experts. Key laboratories and technological and innovation transformation platforms at both provincial and municipal levels shall be established in research areas such as substance enrichment and purification, fermentation and extraction, medicinal efficacy evaluation and quality testing of Chinese medicine. Relevant cooperation projects include the extraction of Chinese medicine in result of probiotics fermentation, molecular extraction and transformation of Chinese medicine, application of plant stem cell technology, and the application of enzymatic hydrolysis technology of Chinese medicine, etc.

- (2) The "Shenzhen Health Industry Technology Innovation Centre" to be jointly built in the Longde Health Industrial Park targeting to establish a health project incubation platform.

It is planned that the platform seeks to attract innovative teams and technological resources in areas such as medical-grade semi-conductors, medical-grade new materials, biological intelligent sensing, biosynthesis and quality testing technology. The platform also serves to establish and introduce various investment funds for investing in the projects, promote the rapid transformation of scientific and technological results to form a pharmaceutical and health industry cluster.

- (3) A domestic development centre will be built for the Shenzhen-Hong Kong Loop Chinese Medicine Technology Innovation Park within the Longde Health Industrial Park.

This initiative will help promote the development of the Chinese medicine industry in Shenzhen and Hong Kong by facilitating the circulation of medicines in the Greater Bay Area, the innovation of medical devices and the ecosystem of pharmaceutical and health industry.

- (4) A national logistics and distribution centre of the Group and a key logistics enterprise in Shenzhen

It is planned that a national logistics and distribution centre of the Group will be established. The centre will integrate resources to assist customers of the Longde Health Industrial Park ranging from technology research and development, raw materials procurement, manufacturing, sales and distribution, and modern logistics, etc. It will offer comprehensive supporting services, including the provision of high-quality premises, pilot workshops, GMP production line, quality testing and product declaration services, etc.

The Board noted that Longde Health Industrial Park has received positive attention from certain biopharmaceutical manufacturers and scientific research institutions, which have showed interests and confidence in the future development of Longde Health Industrial Park. Visits have been conducted by these manufacturers and institutions during which discussions with the Group and site inspection at the Longde Health Industrial Park took place.

The Board is of the view that the latest development of Longde Health Industrial Park will further build up the Group's new core competitiveness and will continue to benefit the Company and its Shareholders as a whole.

It is expected that the Construction will be completed as scheduled and by end of October 2022.

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

Hong Kong, 9 March 2022

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.