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**同方康泰產業集團有限公司**  
**Tongfang Kontafarma Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1312)**

**INSIDE INFORMATION ANNOUNCEMENT**  
**LEGAL PROCEEDINGS**

This announcement is made by Tongfang Kontafarma Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 13 August 2019, the Company received a writ of summons (the “**Writ**”) filed by Mr. Patrick John Wee Ewe Seng (“**Mr. PJW**”) and Active Gains Universal Limited (“**Active Gains**”) as the plaintiffs (the “**Plaintiffs**”) against the Company and Fester Global Limited (“**Fester Global**”), being a wholly-owned subsidiary of the Company, as the defendants (the “**Defendants**”) under High Court Action No. 1469/2019 (the “**Legal Proceedings**”) in the High Court of Hong Kong.

The Plaintiffs’ allegations in the Writ are related to the acquisition by Fester Global of certain equity interest in TFKT True Holdings (“**True Cayman**”) and True Yoga Holdings Limited pursuant to the sale and purchase agreements dated 6 May 2017 made between Fester Global (as purchaser), the Company (as purchaser’s guarantor), Active Gains and Active Yield Investment Limited (being entities controlled by Mr. PJW as vendors) and Mr. PJW (as vendors’ warrantor)(the “**Transaction Agreement**”). Details of the said acquisition were disclosed in the announcements and circular of the Company respectively dated 7 May, 29 May and 28 July 2017 (collectively, the “**Documents**”). The Plaintiffs claim for, among others, the following:

- (i) payment of balance of the purchase price, being US\$3,500,000;
- (ii) a declaration that the profit guarantee given by Active Gains and Mr. PJW in favour of the Company and Fester Global in respect of True Cayman and its subsidiaries (the “**True Cayman Group**”) for the financial year ended 31 December 2017 had been met; and

- (iii) a declaration that the profit guarantee given by Active Gains and Mr. PJW in favour of the Company and Fester Global in respect of the True Cayman Group for the financial year ended 31 December 2018 and ending 31 December 2019 ceases to have effect and that Active Gain be entitled to exercise the put option so as to sell certain shareholding in True Cayman to Fester Global according to the terms of the Transaction Agreement as disclosed in the Documents.

The Company is currently seeking legal advice in relation to the Legal Proceedings and intends to vigorously defend and reject the Plaintiffs' claims. The Company will make further announcement(s) to keep its shareholders and investors informed of any material development of the Legal Proceedings as and when appropriate.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board of  
**Tongfang Kontafarma Holdings Limited**  
**Huang Yu**  
*Chairman*

Hong Kong, 14 August 2019

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Huang Yu (Chairman) and Mr. Jiang Chaowen (Chief Executive Officer); and three independent non-executive Directors, namely Mr. Chan Sze Chung, Mr. Zhang Ruibin and Mr. Zhang Junxi Jack.*