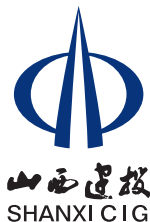


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華控康泰集團有限公司

Kontafarma China Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1312)

ANNOUNCEMENT PURSUANT TO RULES 13.51B(2) AND 13.51(2) OF THE LISTING RULES

This announcement is made by Kontafarma China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.51B(2) and 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company has been recently notified that the Shenzhen Stock Exchange (the “**SZSE**”) has issued a notice of criticism (No. [2022]1202) against, among others, Shenzhen Huakong Seg Co., Ltd.* (深圳華控賽格股份有限公司) (“**Huakong Seg**”), a company listed on the SZSE (stock code: 000068) and Mr. Huang Yu (“**Mr. Huang**”), an executive director and the president of the Company, on 27 December 2022 (the “**Decision**”). Mr. Huang was the chairman of Huakong Seg at the relevant time.

The SZSE stated in the Decision that, in January 2017, Huakong Seg entered into an entrusted wealth management agreement (the “**Agreement**”) with Tongfang Investment Co., Ltd.* (同方投資有限公司) (“**Tongfang Investment**”), pursuant to which Tongfang Investment entrusted Huakong Seg to manage funds, involving RMB432,345,600, representing 70.39% of the latest audited net assets of Huakong Seg at the time of signing the Agreement. At the time of signing the Agreement, Mr. Zhou Liye was a director of Shenzhen Warranty Asset Management Co., Ltd.* (深圳市華融泰資產管理有限公司), a controlling shareholder of Huakong Seg, and also the chairman of Tongfang Investment. In accordance with the relevant laws, regulations and listing rules of the People’s Republic of China (the “**PRC**”) and based on the related relationship above, Tongfang Investment is a related party of Huakong Seg, and the above transaction constitutes a related party transaction but Huakong Seg has not performed the review procedures and information disclosure obligations of related party transactions in this regard. The SZSE held that the above acts of Huakong Seg are in breach of the Rules

* For identification purposes only

Governing the Listing of Shares on SZSE (“**SZSE Listing Rules**”). The SZSE further held that the relevant responsible persons of Huakong Seg at the relevant time failed to perform their duties diligently and honestly, in violation of the SZSE Listing Rules, and shall bear important responsibilities for the above breaches of Huakong Seg. As a result, the SZSE issued a notice of criticism against, among others, Huakong Seg and Mr. Huang, the chairman of Huakong Seg at the relevant time.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company (other than Mr. Huang) has assessed the Decision and noted that (i) the SZSE has not indicated that the incident involved any dishonesty, fraud or integrity issue on the part of Mr. Huang; and (ii) the Decision does not affect the qualification of Mr. Huang as a director or refrain Mr. Huang from acting as a director under the PRC laws. Having considered the implications of the Decision and the character, past compliance track record, experience and integrity of Mr. Huang as a whole, the Board (with Mr. Huang abstained from making any consideration and decision) is of the view that the incident would not impair Mr. Huang’s suitability to act as a Director and Mr. Huang is able to continue to fulfill his duties as a Director.

The Decision is not made against any members of the Group and the Board is of the view that there will not be any material adverse impact on the business and/or operation of any members of the Group as a result of the Decision.

By order of the Board
Kontafarma China Holdings Limited
Bai Pingyan
Chairman

Hong Kong, 25 April 2023

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Bai Pingyan (Chairman), Mr. Chai Hongjie, Mr. Huang Yu (President) 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.