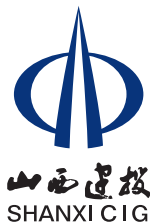


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華控康泰集團有限公司

Kontafarma China Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1312)

PROFIT WARNING

This announcement is made by Kontafarma China Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Group that, based on the latest unaudited consolidated management accounts of the Group for the year ended 31 December 2023 (the “**FY 2023**”) and the latest information available to the Board, the Group is expected to record a consolidated net loss in the region of approximately HK\$49.0 million to HK\$73.6 million for the FY 2023, compared to the consolidated net loss of approximately HK\$52.8 million for the year ended 31 December 2022 (the “**FY 2022**”) (after consolidating the Group’s loss after tax from continuing operations of approximately HK\$109.7 million and profit after tax from discontinued operation of approximately HK\$56.9 million for the FY 2022).

The expected consolidated net loss for the FY 2023 was attributable to the continuing operations of the Group, which is primarily due to the following factors:

- (i) the decrease in revenue and gross profit in the pharmaceutical business segment of the Group as a result of (a) the adverse impact caused by the medical insurance policy adjustment in Mainland China; (b) shrinking customer demand under the impact of weak macro-economy; and (c) the disposal of subsidiaries in this segment; and

- (ii) the increase in expected credit losses on receivables of the Group for the FY 2023 as compared to the FY 2022.

Nevertheless, as the Group's fitness business in Singapore has gradually recovered from the impact of the COVID-19 pandemic and significantly improved in the FY 2023, the Group recorded an increase in the revenue and gross profit in its fitness business segment, which, together with the one-off gain of approximately HK\$110.5 million by the Group from the disposal of subsidiaries in the FY 2023, partially offset the above-mentioned negative impact.

The information in this announcement is based on a preliminary assessment by the management of the Company according to the latest unaudited consolidated management accounts of the Group for the FY 2023. Such information has not been finalised, audited or reviewed by the Company's independent auditor, and has not been confirmed by the audit committee of the Board. The finalised audited consolidated results of the Group for the FY 2023 are expected to be announced by the end of March 2024, which may differ from the figures and information provided in this announcement.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 11 March 2024

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.