

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

This announcement is made by Tongfang Kontafarma 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 assessment on the accounting treatment relating to certain equipment and machineries owned by the Group and other factors as set out below, the Group is expected to record a material decrease in consolidated profit after tax by at least 50% for the six months ended 30 June 2019, as compared to the corresponding period in 2018. The Board considers that the aforesaid decrease in profit after tax was primarily attributable to the estimated decrease in value of certain equipment and machineries owned by the Group. Based on the latest discussions with the auditor of the Company regarding the related accounting treatment, such decrease is intended to be recognized as impairment loss in the financial statements of the Group for the six months ended 30 June 2019. In addition, the decrease in profit after tax of the Company was also attributable to the increase in finance costs incurred in connection with certain outstanding loans applied by the Group in its ordinary course of business.

If the effect mainly resulting from such impairment were to be excluded, the Group is instead expected to record an increase in consolidated profit after tax by approximately 60% for the six months ended 30 June 2019, as compared to the corresponding period in 2018. Such increase was mainly attributable to, among other factors, the overall improvement in business performance of various segments of the Group leading to the increase in gross profit.

The Company is still in the process of finalizing the consolidated financial results of the Group for the period ended 30 June 2019. The information contained in this announcement is based on the assessment by the management of the Company according to the latest unaudited management accounts of the Group currently available and taking into account of the latest assessment on impairment related to the said equipment and machineries and is not based on any audited figures or information and may be subject to amendments. Further details of the

Group's performance will be disclosed in the interim results announcement of the Company for the period ended 30 June 2019 which are expected to be published on or about 29 August 2019.

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

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

Hong Kong, 26 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.