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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)

**ANNOUNCEMENT PURSUANT TO
RULE 3.7 OF THE TAKEOVERS CODE
UPDATE ON THE POSSIBLE TRANSACTION**

INTRODUCTION

This announcement is made by Tongfang Kontafarma Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of The Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”).

Reference is made to the announcements of the Company respectively dated 8 May 2019, 6 June 2019, 5 July 2019 and 6 August 2019 (the “**Announcements**”) in relation to the Possible Transaction contemplated under the MOU entered into between Shenzhen Aorongxin and the Potential Purchaser. Unless otherwise specified, terms used in this announcement have the same meanings as those used in the Announcements.

PROGRESS OF THE POSSIBLE TRANSACTION

The Board wishes to update the Company’s shareholders and potential investors that, as informed by Mr. Huang, the negotiation between the parties to the MOU in respect of the terms of Possible Transaction is still in progress. The Board was informed that the Potential Purchaser is still going through its internal deliberation on the definitive terms and the structure of the Possible Transaction, and that the Potential Purchaser intends to conduct the Possible Transaction through an affiliated entity (the “**Designated Entity**”) which is held as to 75.02% by Shanxi State Capital (being a state-owned company established by the Shanxi Province Government in the PRC), and as to 24.98% by another state-owned company established by the Shanxi Province Government in the PRC. Up to the date of this announcement, no formal or legally binding agreement has been entered into amongst the parties to the MOU in respect of the Possible Transaction.

The Board was further informed that an application has been made for and on behalf of the Designated Entity to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission (the “**Executive**”) for a ruling that, if the Possible Transaction is to proceed, the Designated Entity will not be obliged to make a mandatory general offer to shareholders of the Company upon completion of the Possible Transaction pursuant to Note 8 to Rule 26.1 of the Takeovers Code.

MONTHLY ANNOUNCEMENTS

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) (this announcement being one of them) setting out the progress of the Possible Transaction will be made until the announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or the Takeovers Code (as the case may be).

WARNING: THERE IS NO ASSURANCE THAT THE POSSIBLE TRANSACTION WILL MATERIALISE OR EVENTUALLY BE CONSUMMATED AND THE RELEVANT DISCUSSIONS MAY OR MAY NOT LEAD TO A GENERAL OFFER UNDER RULE 26.1 OF TAKEOVERS CODE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY, AND IF THEY ARE IN ANY DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISER(S).

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

Hong Kong, 6 September 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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.