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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 RULES 13.51B(2) AND 13.51(2)
OF THE LISTING RULES**

This announcement is made by Tongfang Kontafarma Holdings Limited (the “**Company**” and, 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 by Mr. Huang Yu (“**Mr. Huang**”), an executive director and the chairman of the Company, that on 29 April 2020, he received a decision (the “**Decision**”) on disciplinary measures (紀律處分決定書[2020] 35號) issued by the Shanghai Stock Exchange (“**SSE**”) regarding Tsinghua Tongfang Co., Ltd.* (同方股份有限公司) (“**Tsinghua Tongfang**”), a company listed on the SSE (stock code: 600100). Mr. Huang was the president of Tsinghua Tongfang at the relevant time.

In the Decision, the SSE referred to an announcement published by Tsinghua Tongfang on 31 January 2019 reporting expected loss to be recorded by Tsinghua Tongfang in respect of 2018 financial year (“**Loss Alert Announcement**”), a further announcement made by Tsinghua Tongfang on 25 April 2019 clarifying that the expected loss in respect of 2018 financial year would substantially increase (“**Clarification Announcement**”), and the final results announcement made by Tsinghua Tongfang on 26 April 2019 regarding the actual loss for 2018 financial year (“**Results Announcement**”). The SSE also referred to the substantial difference between the expected loss as disclosed in the Loss Alert Announcement and the actual loss as disclosed in the Results Announcement. In view of such substantial difference, the SSE held that Tsinghua Tongfang was in breach of the SSE listing rules for disclosing inaccurate information in the Loss Alert Announcement. The SSE further held that Tsinghua Tongfang failed to give sufficient and specific risk alert in the Loss Alert Announcement by disclosing relevant matters which may render the Loss Alert Announcement inaccurate, and failed to timely publish the Clarification Announcement in correcting the expected loss figure. The SSE further held that the relevant personnel of Tsinghua Tongfang who are responsible for the information disclosure in connection with the results alert at the relevant time were also liable and in breach of the SSE listing rules. The SSE therefore imposed a public reprimand against, among others, Tsinghua Tongfang and Mr. Huang (as the president of Tsinghua Tongfang at the relevant time).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) (except Mr. Huang) has assessed the Decision and noted that (i) the SSE did not implicate that the incident involves any dishonesty, fraudulent or integrity issue on the part of Mr. Huang; and (ii) the Decision does not affect the qualification of Mr. Huang to act as a director nor refrain Mr. Huang from acting as a director under the laws of People’s Republic of China. 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 (including the nomination committee of 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 Director and Mr. Huang is able to continue to fulfil his duties as 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 of
Tongfang Kontafarma Holdings Limited
Huang Yu
Chairman

Hong Kong, 11 May 2020

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.

** For identification purpose only*