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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)

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 unaudited consolidated management accounts of the Group for the three months ended 31 March 2020 and the latest assessment on the performance of the medical and pharmaceutical business segment and the fitness business segment of the Group, the Group is expected to record a material decrease in consolidated profit before taxation by at least approximately 140% for the three months ended 31 March 2020 as compared to the corresponding period in 2019.

The Board considers that the aforesaid decrease was primarily attributable to the effects brought about by the novel coronavirus (“**COVID-19**”). In the medical and pharmaceutical business segment, operation of our production facilities in the People’s Republic of China were suspended from late January 2020. It was not until mid February 2020 that all our production facilities resumed partial operation, and full operation was not resumed only until mid to late March 2020. Production capacity was reduced to 30% to 70% during the period when the production facilities were not in full operation, thus leading to the expected decrease in revenue of the Group in this business segment.

In the fitness business segment, due to the prevalence of COVID-19 in the first quarter of 2020 in Singapore, general public had started to avoid visiting fitness centres and other similar public facilities. As a measure to counter COVID-19 in Singapore, the Singapore government implemented the “Circuit Breaker Policy” pursuant to which operation of our nine fitness centres in Singapore were required to be suspended. The suspension of fitness industry commenced on 7 April 2020 and continues as of the date of this announcement. It is our understanding that the Singapore government will make further announcement in mid June 2020 as to when operation of the fitness industry in Singapore will be allowed to resume. The suspension of operation of our fitness centres also led to significant loss and significant decrease in revenue of the Group in this business segment.

The Company is still monitoring the situation in the medical and pharmaceutical business segment and the fitness business segment for the six months ended 30 June 2020. The information contained in this announcement is based on the assessment by the management of the Company according to the unaudited consolidated management accounts of the Group for the three months ended 31 March 2020, taking into account of the latest assessment on the performance of the aforesaid business segments, and may be subject to amendments. Therefore, the interim results announcement of the Group for the six months ended 30 June 2020 may differ from the information contained in this announcement.

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

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

Hong Kong, 3 June 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.