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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)**

**INSIDE INFORMATION ANNOUNCEMENT**  
**SETTLEMENT OF LEGAL PROCEEDINGS**

This announcement is made by Tongfang Kontafarma Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 30 March 2021 (the “**Announcement**”) in relation to the claim made by Shanghai Haixin Pharmaceutical Co., Ltd.\* (上海海欣醫藥股份有限公司) (the “**Plaintiff**”) against Chongqing Kangle Pharmaceutical Co., Ltd.\* (重慶康樂製藥有限公司) (“**Chongqing Kangle**”), a non-wholly owned subsidiary of the Company, for the alleged non-performance of a cooperation agreement on project for Hydroxychloroquine Sulfate\* (硫酸羥氯喹項目合作協議) (the “**Cooperation Agreement**”) signed on 19 May 2011 between Chongqing Kangle and the Plaintiff (the “**Legal Proceedings**”).

The Company wishes to inform shareholders and investors of the Company that Chongqing Kangle, the Plaintiff and Xi’an Haixin Medical Production Co., Ltd.\* (西安海欣製藥有限公司) (“**Xi’an Haixin**”), an affiliate of the Plaintiff which has been added as an additional party to the Legal Proceedings, have entered into a civil mediation agreement\* (民事調解書) (the “**Civil Mediation Agreement**”) to reach settlement in respect of the Legal Proceedings through mediation conducted by the Shanghai Xuhui District People’s Court\* (上海市徐匯區人民法院). Pursuant to the Civil Mediation Agreement issued by the Shanghai Xuhui District People’s Court, it is agreed that (i) the Legal Proceedings shall be settled; (ii) Chongqing Kangle shall sell Hydroxychloroquine Sulfate API to Xi’an Haixin, and Xi’an Haixin shall make payment to Chongqing Kangle for such products provided; and (iii) the Plaintiff and Xi’an Haixin shall dismiss all the claims against Chongqing Kangle under the Legal Proceedings, including the discharge of all freezing, seizure and attachment of assets under the Legal Proceedings, and shall waive any future claim arising out of the Cooperation Agreement.

The Company will closely monitor the performance of the Civil Mediation Agreement by the parties and will take such further legal actions to protect the Group's interests as and when appropriate.

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

By order of the Board of  
**Tongfang Kontafarma Holdings Limited**  
**Bai Pingyan**  
*Chairman*

Hong Kong, 28 June 2022

*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.*

\* *For identification purpose only*