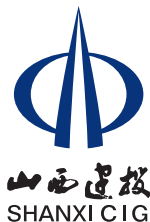


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華控康泰集團有限公司

Kontafarma China Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1312)

PROFIT WARNING

This announcement is made by Kontafarma China 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 unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**FY 2022**”) and the latest information available to the Board, the Group is expected to record a consolidated net loss in the region of approximately HK\$43.2 million to HK\$64.8 million for the FY 2022, compared to the consolidated net loss of approximately HK\$4.6 million for the year ended 31 December 2021 (the “**FY 2021**”).

The aforesaid change was mainly attributable to the continuing operations of the Group, which is primarily due to the following factors: (i) the increase in distribution and selling expenses in the pharmaceutical business of the Group for the FY 2022 due to the need of expanding the market as compared to the previous year; (ii) the decrease in government grants and subsidies relating to pandemic that the Group received in the fitness business in the FY 2022 as compared to the previous year; (iii) the increase in expected credit losses on receivables in the fitness business of the Group for the FY 2022 as compared to the previous year; and (iv) the one-off gain of approximately HK\$51.4 million by the Group from the disposal of a subsidiary in the FY 2021. Nevertheless, there was an increase in revenue and gross profit attributable to the continuing operations of the Group for the FY 2022, which is mainly due to that (i) the Group has not experienced failure of a major product supplier in making timely delivery of production materials in the FY 2022 in its pharmaceutical business, whereas the Group encountered such failure

in the FY 2021 which led to negative impact on its sales in respect of such period; and (ii) the Group gradually improved in its fitness business by overcoming the impact of pandemic.

The information in this announcement is based on a preliminary assessment by the management of the Company according to the latest unaudited consolidated management accounts of the Group for the FY 2022. Such information has not been finalised, audited or reviewed by the Company's independent auditor, and has not been confirmed by the audit committee of the Board. The finalised audited consolidated results of the Group for the FY 2022 are expected to be announced by the end of March 2023, which may differ from the figures and information provided in this announcement.

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

By order of the Board of
Kontafarma China Holdings Limited
Bai Pingyan
Chairman

Hong Kong, 6 March 2023

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.