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山西建投
SHANXI CIG

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 2024 (the "**FY 2024**") and the latest information available to the Board, the Group is expected to record a consolidated net loss in the range of approximately HK$79.2 million to HK$118.8 million for the FY 2024, compared to the consolidated net loss of approximately HK$61.1 million for the year ended 31 December 2023 (the "**FY 2023**").

The increase in the consolidated net loss of the Group for the FY 2024 was mainly attributable to the following reasons: (i) the Group recorded a one-off gain of approximately HK$110.5 million for the disposal of subsidiaries in the FY 2023, whereas no such gain was recorded in the FY 2024; and (ii) the Group recognised an impairment on intangible assets of approximately over HK$17.0 million in relation to the franchise agreement in the Group's fitness business. This impairment is mainly due to the slower-than-expected recovery of the Group's fitness business in Taiwan, which has not rebounded as strongly as the Group's fitness business in Singapore.

Nevertheless, the Group is expected to record an increase in overall revenue and gross profit for the FY 2024 compared to the FY 2023, which is mainly due to the combined effect of the following factors: (i) a significant increase in revenue and gross profit in the Group's pharmaceutical business, resulting from (a) a rising demand for the Group's core products, particularly those of Tongfang Pharmaceutical Group Co., Ltd.* (同方藥業集團有限公司) and (b) the Group's more effective and diverse marketing strategies; (ii) an increase in revenue and gross profit in the Group's fitness business in Singapore, which has rebounded from the impact of the COVID-19 pandemic; and (iii) a significant decrease in the Group's administrative expenses due to effective costs control measures implemented during the FY 2024.

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 2024. 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 Company. The finalised audited consolidated results of the Group for the FY 2024 are expected to be announced by the end of March 2025, which may differ from the figures and information provided in this announcement.

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

By order of the Board of
Kontafarma China Holdings Limited
Wang Feifei
Chairman

Hong Kong, 11 March 2025

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Wang Feifei (Chairman and President), Ms. Qiao Linna, Ms. Guo Zixiu (Financial Controller) and Mr. Liu Jiankun; one non-executive director, namely Mr. Huang Yu; and three independent non-executive directors, namely Dr. Tang Lai Wah, Dr. Ho Ho Ming and Mr. Yao Xiaomin.

* *For identification purposes only*