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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)

DISCLOSEABLE TRANSACTION IN RELATION TO RENEWAL OF LEASE FOR AN EXISTING FITNESS CENTRE

RENEWAL OF LEASE FOR AN EXISTING FITNESS CENTRE

Reference is made to the announcement of the Company dated 26 July 2023 in relation to the Old Lease entered into between the Tenant (an indirect non-wholly owned subsidiary of the Company) and the Landlord (an Independent Third Party) in respect of the Premises. The Group has been operating a fitness centre at the Premises for several years. The term of the Old Lease commenced on 5 August 2023 and will expire on 4 August 2025.

The Board is pleased to announce that on 18 July 2025, the Tenant entered into the New Lease with the Landlord in respect of renewal of the lease of the Premises for a term of two years commencing from 5 August 2025 and expiring on 4 August 2027.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Company will recognise the unaudited value of the right-of-use asset on its consolidated statement of financial position in connection with the New Lease. Accordingly, the transaction under the New Lease will be regarded as an acquisition of asset by the Company for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use asset under the New Lease are more than 5% and below 25%, the transaction contemplated under the New Lease constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 26 July 2023 in relation to the Old Lease entered into between the Tenant (an indirect non-wholly owned subsidiary of the Company) and the Landlord (an Independent Third Party) in respect of the Premises. The Group has been operating a fitness centre at the Premises for several years. The term of the Old Lease commenced on 5 August 2023 and will expire on 4 August 2025.

The Board is pleased to announce that on 18 July 2025, the Tenant entered into the New Lease with the Landlord in respect of renewal of the lease of the Premises for a term of two years commencing from 5 August 2025 and expiring on 4 August 2027.

RENEWAL OF LEASE FOR AN EXISTING FITNESS CENTRE

Set out below is a summary of the principal terms of the New Lease:

Date	:	18 July 2025
Parties	:	(a) Overseas Movie (Private) Limited (as landlord); and (b) True Fitness Pte. Ltd. (as tenant)
Premises	:	5 Ang Mo Kio Central 2 Djitsun Mall @ Ang Mo Kio, #04–01 Singapore 569663
Use	:	For the operation of fitness centre
Term	:	Two years commencing from 5 August 2025 and expiring on 4 August 2027
Rent	:	S$115,000 (equivalent to approximately HK$702,000) per month (inclusive of maintenance charges) plus Goods and Services Tax, which shall be paid in advance without any deduction whatsoever on the first day of each month The Group intends to finance the rental payments by the internal resources of the Group
Deposit	:	S$230,000 (equivalent to approximately HK$1,403,000), representing two months' rent

The unaudited value of the right-of-use asset to be recognised by the Company under the terms of the New Lease amounted to approximately HK$16,059,000, representing the present value of the aggregate rent payable thereunder in accordance with HKFRS 16.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW LEASE

The Group has leased the Premises to operate one of its fitness centres for several years. The entering into of the New Lease for renewal of the lease of the Premises will enable the Group to continue the operation of the fitness centre at the Premises without incurring additional costs and expenses in identifying, renovating and relocating to alternative premises and ensure continuity for the operations, business and growth of the Group.

The terms of the New Lease, including the rental payments, were determined after arm's length negotiations between the parties after taking into account the prevailing market rent and lease terms of similar premises in the proximity of the Premises as well as the rental payments made by the Group under the previous leases in respect of the Premises. The Directors, including the independent non-executive Directors, considered that the entering into of the New Lease is conducted in the ordinary and usual course of business of the Group, the terms and conditions thereof are fair and reasonable and the transaction contemplated thereunder is on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

Landlord

The Landlord is a company incorporated in Singapore with limited liability. Based on publicly available information, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (a) the Landlord is principally engaged in movie distribution and holding of companies; and (b) each of the Landlord and its ultimate beneficial owners (including Lim Fang Hua, his family members and the entity controlled by them) is an Independent Third Party.

Tenant

The Tenant is a company incorporated in Singapore with limited liability and an indirect non-wholly owned subsidiary of the Company which is principally engaged in operation of fitness centres and provision of consultation services.

INFORMATION OF THE GROUP

The Company is an investment holding company and the Group is currently principally engaged in (i) manufacturing and sales of drugs in the PRC, including chemical drugs, active pharmaceutical ingredients ("**API**") and API intermediate; and (ii) operating of fitness centres and provision of consultation services for fitness and health activities, and operating of franchise business for royalty fee income.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16, the Company will recognise the unaudited value of right-of-use asset on its consolidated statement of financial position in connection with the New Lease. Accordingly, the transaction contemplated under the New Lease will be regarded as an acquisition of asset by the Company for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use asset under the New Lease are more than 5% and below 25%, the transaction contemplated under the New Lease constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Company"	Kontafarma China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 1312)
"Director(s)"	the director(s) of the Company
"Goods and Services Tax"	goods and services tax chargeable under the Goods and Services Tax Act 1993 of Singapore and subsidiary legislation gazette pursuant thereto
"Group"	the Company and its subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS 16"	Hong Kong Financial Reporting Standard 16 "Leases" which include standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is (are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associate(s)
"Landlord"	Overseas Movie (Private) Limited, a company incorporated in Singapore with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"New Lease"	the lease dated 18 July 2025 entered into between the Landlord and the Tenant in respect of the Premises
"Old Lease"	the lease dated 26 July 2023 entered into between the Landlord and the Tenant in respect of the Premises
"PRC"	the People's Republic of China
"Premises"	the premises located at 5 Ang Mo Kio Central 2 Djitsun Mall@Ang Mo Kio, #04-01 Singapore 569663
"S$"	Singapore dollars, the lawful currency of Singapore
"Singapore"	the Republic of Singapore
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tenant"	True Fitness Pte. Ltd., a company incorporated in Singapore with limited liability
"%"	per cent

For the purpose of this announcement, unless otherwise indicated, the exchange rate of S$1.00 = HK$6.10 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

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

Hong Kong, 18 July 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.