THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Kontafarma China Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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 AND CONNECTED TRANSACTION IN RELATION TO THE CONSTRUCTION CONTRACT FOR BEIJING R&D COMPLEX

Capitalised terms used in this cover shall have the same meanings as defined in this circular. A letter from the Board is set out on pages 4 to 10 of this circular.

A letter from the Board is set out on pages 4 to 10 of this circular. A letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 11 to 12 of this circular. A letter from Aurelius Corporate Finance Limited, the Independent Financial Adviser, containing its advices to the Independent Board Committee and the Independent Shareholders in respect of the Beijing Construction Contract and the transaction contemplated thereunder, is set out on pages 13 to 22 of this circular.

A notice convening the EGM to be held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kongon Monday, 20 October 2025 at 10:00 a.m. is set out on pages 30 to 32 of this circular. A form of proxy for use at the EGM is sent to the Shareholders together with this circular. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.kontafarma.com.hk). Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish. For the avoidance of doubt, holders of treasury Shares (if any) have no voting rights at the Company's general meeting(s).

Hong Kong, 26 September 2025

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In this circular, unless the context otherwise requires, the following expressions have the following meanings when used herein:

"associate"	has the meaning ascribed to it under the Listing Rules
"Beijing Construction Contract"	the construction contract dated 18 August 2025 entered into between Tongfang Pharmaceutical and Beijing Qingkong in respect of the Beijing R&D Complex Project
"Beijing Qingkong"	Beijing Qingkong Zhongchuang Engineering Construction Co., Ltd.* (北京清控中創工程建設有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of Shenzhen Waranty
"Beijing R&D Complex"	the new research and development complex and ancillary gates to be constructed at No. 23 Xikang Road, Badaling Town, Yanqing District, Beijing, the PRC* (中國北京市延慶區八達嶺鎮西康路23號)
"Beijing R&D Complex Project"	the construction project of the Beijing R&D Complex
"Board"	the board of the Directors
"China Health"	China Health Management Investment Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, which directly holds approximately 56.77% shareholding in the Company as at the Latest Practical Date
"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)
"connected person"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the Beijing Construction Contract and the transaction contemplated thereunder
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	a committee of the Board comprising Dr. Tang Lai Wah, Dr. Ho Ho Ming and Mr. Yao Xiaomin, all being the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Beijing Construction Contract and the transaction contemplated thereunder
"Independent Financial Adviser"	Aurelius Corporate Finance Limited, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the Beijing Construction Contract and the transaction contemplated thereunder
"Independent Shareholders"	Shareholders who are not interested or involved in the Beijing Construction Contract and the transaction contemplated thereunder
"Independent Third Party(ies)"	person(s) or company(ies) and its(their) respective ultimate beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is(are) third party(ies) independent of and not connected with the Company and its connected persons
"Latest Practicable Date"	22 September 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"percentage ratio(s)"	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
"PRC"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong and Macau Special Administrative Region of the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"Share(s)"	the ordinary share(s) of HK$0.002 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)

"Shenzhen Waranty"	Shenzhen Waranty Asset Management Co., Ltd.* (深圳市華融泰資產管理有限公司), a company established in the PRC and the indirect holding company of China Health
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tongfang Pharmaceutical"	Tongfang Pharmaceutical Group Co., Ltd* (同方藥業集團有限公司), a company established in the PRC and a direct wholly-owned subsidiary of the Company
"treasury Shares"	has the meaning ascribed to it under the Listing Rules
"%"	per cent

* *For identification purpose only*.

Reference to time and dates in this circular are to Hong Kong time and dates.

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)

Executive Directors:
Mr. Wang Feifei *(Chairman and President)*
Ms. Qiao Linna
Ms. Guo Zixiu *(Financial Controller)*
Mr. Liu Jiankun

Non-Executive Director:
Mr. Huang Yu

Independent Non-Executive Directors:
Dr. Tang Lai Wah
Dr. Ho Ho Ming
Mr. Yao Xiaomin

Registered Office:
Winward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head Office and Principal Place of Business:
Rooms 12A15–12A20, 12A/F
Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

26 September 2025

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE CONSTRUCTION CONTRACT FOR BEIJING R&D COMPLEX AND NOTICE OF EGM

INTRODUCTION

Reference is made to the announcement of the Company dated 18 August 2025 in relation to the Beijing Construction Contract and the transaction contemplated thereunder. The purposes of this circular are to provide you with, among other things, (i) a letter from the Board containing further information on the Beijing Construction Contract and the transaction contemplated thereunder; (ii) the recommendations of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (iv) a notice of the EGM together with the form of proxy.

THE BEIJING CONSTRUCTION CONTRACT

On 18 August 2025, Tongfang Pharmaceutical, a direct wholly-owned subsidiary of the Company, entered into the Beijing Construction Contract with Beijing Qingkong, pursuant to which Tongfang Pharmaceutical agreed to engage Beijing Qingkong as the general contractor to carry out the construction works for the Beijing R&D Complex Project at the estimated contract price of RMB33,672,360.58 (subject to adjustments).

The principal terms of Beijing Construction Contract are set out below:

Date:	18 August 2025 (after trading hours)
Parties:	(i) Tongfang Pharmaceutical, as the principal; and (ii) Beijing Qingkong, as the contractor
Project scope:	Pursuant to the Beijing Construction Contract, Beijing Qingkong, as a general contractor, is responsible for the construction of the Beijing R&D Complex Project, including but not limited to foundation and substructure, main structure, fitting out and decoration, roof, plumbing and heating, electrical works, ventilation and air conditioning, and elevators.
Contract period:	320 days
Construction contract price and payment term:	The total contract sum is estimated to be RMB33,672,360.58, which is subject to adjustments based on the actual construction period and construction works conducted and with reference to the latest published price of labour and materials in Beijing. The contract price was arrived at by a tender process conducted by the Group for the Beijing R&D Complex Project. For details of the tender process, please refer to the paragraph headed "Reasons for and benefits of the entering into of the Beijing Construction Contract" below. The total contract price shall be payable on a monthly basis based on construction progress. The Board is of the view that the total contract price under the Beijing Construction Contract is fair and reasonable. The total contract price for the Beijing R&D Complex Project will be funded by bank borrowings and internal resources of the Group.

Condition precedent:	The Beijing Construction Contract shall be conditional upon the Independent Shareholders having approved the Beijing Construction Contract and the transaction contemplated thereunder.
Expected date of commencement and Completion:	Subject to fulfillment of the condition precedent, the construction works under the Beijing Construction Contract are tentatively expected to commence after the approval from the Independent Shareholders for the Beijing Construction Contract and the transaction contemplated thereunder having been duly obtained at the EGM and expected to complete on 18 July 2026.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE BEIJING CONSTRUCTION CONTRACT

The Beijing R&D Complex will be constructed on the site owned by Tongfang Pharmaceutical, enabling the Group to optimize the resource utilization while supporting business development and expansion. The Beijing R&D Complex is expected to be constructed into a five-floor building, with the main portion to be used for research and development purposes, one floor dedicated to a staff canteen, and certain areas reserved for office use. The establishment of the Beijing R&D Complex would (i) provide adequate space for the R&D team, improving the Group's research, development and innovation capacities for chemical generic drugs, (ii) offer employees modern office environments, improving their working efficiency and facilitating collaboration, and (iii) feature a new, safe canteen to enhance corporate image and boost employee satisfaction. Therefore, the Board believes that the construction of the Beijing R&D Complex aligns with the Group's overall strategy and would benefit its long-term business development in the pharmaceutical segment.

The contractor for the Beijing R&D Complex Project and the contract price were determined through a tendering process conducted by the Group. The tendering process was undertaken through a public and independent trading platform (the "**Platform**") established in December 2021 and managed by Beijing Municipal Commission of Development and Reform* (北京市發展和改革委員會) that provides comprehensive services related to public tender in open market. For the purpose of the Beijing R&D Complex Project, it organised and monitored the overall tendering process, assisted in preparing and publishing the bidding documents, selecting experts and administering the bidding process to ensure the bidding was conducted compliantly. On 16 April 2025, Tongfang Pharmaceutical, as the tenderee (the "**Tenderee**"), published the initial qualification review document (the "**Qualification Review Document**") on such Platform. Following such publication, construction companies which indicated their preliminary interests in the Beijing R&D Complex Project were initially reviewed based on the supporting documents elaborating their qualification submitted by them. The initial qualification review was assessed by the qualification committee (the "**Qualification Committee**") comprising seven members, five of which are independent construction and/or economic experts randomly selected from Beijing Bid Evaluation Expert Database* (北京市評標專家庫), which is established and maintained by the Beijing government, and the

remaining two are representatives from Tongfang Pharmaceutical. There were a total of 36 applicants at the stage of the initial qualification review, out of which, except Beijing Qingkong and 2 other applicants being the subsidiaries of Shanxi Construction Investment Group Co., Ltd.* (山西建設投資集團有限公司) ("**Shanxi Construction**"), the indirect holding company of the Company, other 33 applicants are Independent Third Parties. Such applicants were scored by each individual member of the Qualification Committee according to the scoring system set out in the Qualification Review Document with reference to their (i) financial condition; (ii) past track record of similar construction projects in the recent years; (iii) proposed resources to be allocated to the Beijing R&D Complex Project; and (iv) reputation, and ranked from the highest score to the lowest. It was further stipulated in the Qualification Review Document that, if there were more than seven applicants passing the initial qualification review, only the top seven ranked would be regarded as qualified applicants and therefore be invited to bid. The management of the Company confirmed that the initial qualification review was not a blind review process, because the applicants' names have to be shown in the supporting documents submitted to the Qualification Committee to demonstrate their qualifications in relation to the criteria as elaborated above. Also, the names of the applicants were searched against the List of Dishonest Persons Subject to Enforcement* (失信被執行人名單) (the "**Dishonest List**") to ensure they were qualified in terms of their financial condition and reputation. Those whose names were shown on the Dishonest List outright failed the initial qualification review. As the result report prepared by the Qualification Committee revealed, Beijing Qingkong was ranked the first out of 36 applicants.

Subsequently, the Tenderee sent the invitation to bid dated 19 June 2025 on such Platform to all seven qualified applicants as stated above, of which only four replied and submitted their official bidding documents for further evaluation. The other three were silent and did not reply. The four bidding documents were received from Beijing Qingkong and three other bidders, with one bidder being an Independent Third Party and the other two bidders being the subsidiaries of Shanxi Construction, an indirect holding company of the Company. The three bidders were regarded as being related/connected to the Company by virtue of their relationship with State-owned Assets Supervision and Administration Commission of Shan Xi Provincial Government* (山西省人民政府國有資產監督管理委員會) ("**Shanxi Government Commission**") based in Shan Xi, which is the ultimate controlling shareholder of the Company. Being a sizeable conglomerate with diversified business segments, Shanxi Government Commission owns building and construction business as one of the principal businesses operated through Shanxi Construction. There is a number of reputable and sizeable construction companies within the group of Shanxi Construction that are active in bidding for and undertaking construction projects. It is believed that, since the Tenderee is also ultimately owned by Shanxi Government Commission, the construction companies which are within the conglomerate of Shanxi Government Commission would have stronger interest in submitting their tenders, particularly under the prevailing sluggish property development and construction market in the PRC. To fairly evaluate the bidding documents from the four bidders received through the Platform, an evaluation committee comprising seven members, five of which are independent construction and/or economic experts randomly selected from Beijing Bid Evaluation Expert Database* (北京市評標專家庫), and the remaining two are representatives from Tongfang Pharmaceutical, were obligated to rate the four bidders based on three aspects: (i)

the bidding price; (ii) construction organisation and design; and (iii) corporate reputation of the bidders, which constituted 70%, 25% and 5% respectively of the total score as weighted by each individual member of the evaluation committee on each single bidder. The average of the scores given by all seven members in respect of each single bidder represents the final score of such bidder given by the evaluation committee. The estimated contract price of RMB33,672,360.58 offered by Beijing Qingkong is (a) in line with the bidding price offered by it in its tender documents which is the second lowest price; (b) approximately RMB16,520 (or approximately 0.05%) higher than the lowest bidding price of RMB33,655,840.02 which is considered to be insignificant; and (c) within the range of bidding price amongst the four tender documents received and therefore is not less favourable from the other three bidders. Thus, although the contract price offered by Beijing Qingkong is not the lowest amongst the four bidders, considering that, among other things, (i) the proposal submitted by Beijing Qingkong was comprehensive and practical and conformed to the requirements set out in the bidding documents; and (ii) Beijing Qingkong has a proven track record in engineering, procurement and construction and design projects for pharmaceutical industry, Beijing Qingkong was rated first among the bidders under the tendering process. Accordingly, the Beijing Construction Contract was awarded to Beijing Qingkong.

In light of the above, the Board (including the Independent Board Committee) considered the whole tendering process independent and fair which revealed the results evaluated by the evaluation committee based on the scoring mechanism applicable to all the bidding documents from the qualified bidders received through an independent open platform as elaborated above. Also, the Board (including the Independent Board Committee) considered the advice from the Independent Financial Advisor that the terms and contract sum offered by Beijing Qingkong are on normal commercial term and fair and reasonable and the entering into of the Beijing Construction Contract is in the interests of the Company and Shareholders as a whole and would benefit the Group's long-term business development in pharmaceutical segment.

None of the Directors had a material interest in the Beijing Construction Contract and the transaction contemplated thereunder, therefore no Director abstained from voting in respect of the Board resolutions approving the aforesaid.

INFORMATION OF THE PARTIES

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.

Tongfang Pharmaceutical

Tongfang Pharmaceutical is a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of the Company. Tongfang Pharmaceutical is principally engaged in the production and sales of chemical generic drugs.

Beijing Qingkong

Beijing Qingkong is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of Shenzhen Waranty, which is in turn ultimately controlled by Shanxi Government Commission. Beijing Qingkong is principally engaged in the provision of design, installation, construction and related engineering services in the PRC.

LISTING RULES IMPLICATIONS OF THE TRANSACTION

As the highest applicable percentage ratio in respect of the transaction contemplated under the Beijing Construction Contract is more than 5% but less than 25%, the transaction contemplated under the Beijing Construction Contract constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Beijing Qingkong is an indirect non-wholly owned subsidiary of Shenzhen Waranty, which is the controlling shareholder of the Company, holding approximately 56.77% of the entire issued share capital of the Company through China Health. Accordingly, Beijing Qingkong is an associate of Shenzhen Waranty and a connected person of the Company, and the transaction contemplated under the Beijing Construction Contract constitutes a connected transaction of the Company and is subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be convened and held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong on Monday, 20 October 2025 at 10:00 a.m. for the Independent Shareholders to consider and, if thought fit, approve the Beijing Construction Contract and the transaction contemplated thereunder. A notice convening the EGM is set out on pages 30 to 32 of this circular.

China Health (directly holding an aggregate of 3,172,778,000 Shares, representing approximately 56.77% of the issued share capital of the Company as at the date of this circular) shall abstain from voting on the resolutions approving the Beijing Construction Contract and the transaction contemplated thereunder at the EGM. Save as aforementioned, to the best knowledge, information and belief of the Directors having made all reasonable enquiry, no other Shareholder has any material interest in the transaction contemplated under the Beijing Construction Contract and would be required to abstain from voting at the EGM.

A form of proxy for use at the EGM is sent to the Shareholders together with this circular. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending, and voting in person at the EGM or any adjournment thereof if you so desire.

RECOMMENDATIONS

The Directors, including the independent non-executive Directors whose views are set out in the "Letter from the Independent Board Committee" in this circular after considering the advice from the Independent Financial Adviser, are of the view that although the Beijing Construction Contract is not entered into in the ordinary and usual course of business of the Company, the terms thereof and the transaction contemplated thereunder have been entered into on normal commercial terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole and conducted to facilitate the research and development of pharmaceutical products in the Group's ordinary and usual course of business.

Accordingly, the Board (including the Independent Board Committee) recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Beijing Construction Contract and the transaction contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to (i) the "Letter from the Independent Board Committee" set out on pages 11 to 12 of this circular, which contains its recommendation to the Independent Shareholders; (ii) the "Letter from the Independent Financial Adviser" set out on pages 13 to 22 of this circular, which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders; and (iii) the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
Kontafarma China Holdings Limited
Wang Feifei
Chairman

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)

26 September 2025

To the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE CONSTRUCTION CONTRACT FOR BEIJING R&D COMPLEX

We refer to the circular dated 26 September 2025 issued by the Company to the Shareholders (the "**Circular**") of which this letter forms part. Unless otherwise defined, capitalized terms used in this letter shall have the same meanings as defined in the Circular.

Under the Listing Rules, the transaction contemplated under the Beijing Construction Contract constitutes a discloseable and connected transaction of the Company, and is subject to the approval of the Independent Shareholders at the EGM.

We have been appointed as the Independent Board Committee to consider the terms of the Beijing Construction Contract and the transaction contemplated thereunder and to advise the Independent Shareholders as to (i) the fairness and reasonableness of the Beijing Construction Contract and the transaction contemplated thereunder; (ii) whether such transaction is on normal commercial terms and in the ordinary and usual course of business of the Company; (iii) whether such transaction is in the interests of the Company and the Shareholders as a whole; and (iv) how to vote on such transaction. Aurelius Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the "Letter from the Board" set out on pages 4 to 10 of the Circular and the "Letter from the Independent Financial Adviser" to the Independent Board Committee and the Independent Shareholders set out on pages 13 to 22 of the Circular.

Having taken into account, among other things, the advice of the Independent Financial Adviser, we are of the opinion that, although the Beijing Construction Contract is not entered into in the ordinary and usual course of business of the Company, the terms thereof and the transaction contemplated thereunder are on normal commercial terms, fair and reasonable, in the interests of the Company and the Shareholders as a whole and conducted to facilitate the research and development of pharmaceutical products in the Group's ordinary and usual course of business.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Beijing Construction Contract and the transaction contemplated thereunder.

Yours faithfully,
Independent Board Committee

Dr. Tang Lai Wah	**Dr. Ho Ho Ming**	**Mr. Yao Xiaomin**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the text of a letter from Aurelius Corporate Finance Limited in connection with advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Beijing Construction Contract and the transaction contemplated thereunder, which has been prepared for the purpose of incorporation in the Circular.



26 September 2025

To: the Independent Board Committee and the Independent Shareholders of
Kontafarma China Holdings Limited

Dear Sirs/Madams,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE CONSTRUCTION CONTRACT FOR BEIJING R&D COMPLEX

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Beijing Construction Contract and the transaction contemplated thereunder, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 26 September 2025 (the "**Circular**"), of which this letter forms part. Capitalised terms in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

Reference is made to the announcement of the Company dated 18 August 2025 (the "**Announcement**") in respect of, among other things, the Beijing Construction Contract and the transaction contemplated thereunder.

On 18 August 2025 (after trading hours), Tongfang Pharmaceutical, a direct wholly-owned subsidiary of the Company, entered into the Beijing Construction Contract with Beijing Qingkong, pursuant to which Tongfang Pharmaceutical agreed to engage Beijing Qingkong as the general contractor to carry out the construction works for the Beijing R&D Complex Project at the estimated contract price of RMB33,672,360.58 (subject to adjustments).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transaction contemplated under the Beijing Construction Contract is more than 5% but less than 25%, the transaction contemplated under the Beijing Construction Contract constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Beijing Qingkong is an indirect non-wholly owned subsidiary of Shenzhen Waranty, which is the controlling shareholder of the Company, holding approximately 56.77% of the entire issued share capital of the Company through China Health. Accordingly, Beijing Qingkong is an associate of Shenzhen Waranty and a connected person of the Company, and the transaction contemplated under the Beijing Construction Contract constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to consider the terms of the Beijing Construction Contract and the transaction contemplated thereunder, and to advise the Independent Shareholders as to the terms of the Beijing Construction Contract and the transaction contemplated thereunder. We, Aurelius Corporate Finance Limited, have been appointed as an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of the Beijing Construction Contract and the transaction contemplated thereunder are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole; and (ii) whether the Independent Shareholders should vote in favour of the Beijing Construction Contract.

OUR INDEPENDENCE

Save for this appointment as the Independent Financial Adviser in respect of the terms of the Beijing Construction Contract and the transaction contemplated thereunder, there was no other engagement between the Company and us in the past two years.

As at the Latest Practicable Date, we were not aware of any relationships or interest between Aurelius Corporate Finance Limited and the Company, its subsidiaries and any other parties that could reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Beijing Construction Contract and the transactions contemplated thereunder. We are not associated or connected with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates, and accordingly, are eligible to give independent advice and recommendations. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, its subsidiaries, its associates or their respective substantial shareholders or

associates. We are not aware of the existence of or change in any circumstances that would affect our independence. Aurelius Corporate Finance Limited has not acted as a financial adviser to the Company in the last two years. Accordingly, we consider that we are eligible to give independent advice on the terms of the Beijing Construction Contract and the transaction contemplated thereunder.

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Announcement, Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all statements, information and representations provided by the Directors and the management of the Company, for which they are solely and wholly responsible, were true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Directors and the management of the Company. We believe that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular, which includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or the Circular misleading.

This letter is issued for the provision of the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the Beijing Construction Contract and the transaction contemplated thereunder, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders, we have taken the following principal factors and reasons into consideration:

1. Information of the Group

The Company is an investment holding company and was incorporated in the Cayman Islands with limited liability. 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.

Set out below a summary of the audited financial results of the Group for the year ended 31 December 2023 ("**FY2023**") and 31 December 2024 ("**FY2024**") as extracted from the annual report of the Company for the year ended 31 December 2024 (the "**2024 Annual Report**").

	For the year ended 31 December	
	2024	**2023**
	HK$'000	*HK$'000*
Revenue	897,521	809,107
Gross profit	516,157	471,292
(Loss) before taxation	(97,979)	(43,919)
(Loss) for the year	(99,021)	(61,115)

According to 2024 Annual Report, the revenue and gross profit of the Group increased by approximately 10.9% and 9.5%, respectively, from FY2023 to FY2024. The increase in revenue and gross profit was mainly attributable to the following reasons:

— For the pharmaceutical business segment, the introduction of effective and diverse marketing strategies by Tongfang Pharmaceutical and the increase in market demand for its core products promoted the growth of both revenue and gross profit of this business segment; and

— In respect of the fitness business segment, the Group's fitness business in Singapore has recovered from the impact of the COVID-19 pandemic and has significantly improved, which has offset the adverse impact of the decrease in royalty fee income.

Despite an increase in both revenue and gross profit and the adoption of effective cost control measures, the Group recorded an increase in net loss, which was mainly due to the facts that: (i) the Group recorded a one-off gain of approximately HK$110.5

million from the disposal of subsidiaries for FY2023, while no such gain was recorded for FY2024; and (ii) the Group recognised an impairment of intangible assets in relation to the franchise agreement for fitness business of approximately HK$18.8 million.

2. Information of Tongfang Pharmaceutical

Tongfang Pharmaceutical is a company established in the PRC with limited liability and is a direct wholly-owned subsidiary of the Company. Tongfang Pharmaceutical is principally engaged in the production and sales of chemical generic drugs.

3. Information of Beijing Qingkong

Beijing Qingkong is a company established in the PRC with limited liability and is an indirect non-wholly owned subsidiary of Shenzhen Waranty, which is in turn ultimately controlled by State-owned Assets Supervision and Administration Commission of Shan Xi Provincial Government* (山西省人民政府國有資產監督管理委員會). Beijing Qingkong is principally engaged in the provision of design, installation, construction and related engineering services in the PRC.

4. Reasons for and benefits of the entering into of the Beijing Construction Contract

The Beijing R&D Complex will be constructed on the site owned by Tongfang Pharmaceutical, enabling the Group to optimize the resource utilization while supporting the Group's business development and expansion. The Beijing R&D Complex is expected to be constructed into a five-floor building, with the main portion to be used for research and development purposes, one floor dedicated to a staff canteen, and certain areas reserved for office use. The establishment of the Beijing R&D Complex would (i) provide adequate space for the R&D team, improving the Group's research, development and innovation capacities for chemical generic drugs, (ii) offer employees modern office environments, improving their working efficiency and facilitating collaboration, and (iii) feature a new, safe canteen to enhance corporate image and boost employee satisfaction. Therefore, the Board believes that the construction of the Beijing R&D Complex aligns with the Group's overall strategy and would benefit its long-term business development in the pharmaceutical segment.

According to 2024 Annual Report, we note that pharmaceutical business segment accounted for approximately 76.0% of the revenue for FY2024, while Tongfang Pharmaceutical accounted for approximately 86.5% of the revenue in the pharmaceutical business segment for FY2024. As stated in the 2024 Annual Report, Tongfang Pharmaceutical targets to intensify its efforts in product research and development in the future, with a view to maintaining the favourable momentum of performance growth. Building a complex for research and development purpose is in line with the Group's strategy of devoting more efforts to its research and development. Hence, we are of the view that although the Beijing Construction

Contract and the transaction contemplated thereunder are not in the ordinary and usual course of business of the Group, it is in the interest of the Company and the Independent Shareholders as a whole.

5. Principal terms of the Beijing Construction Contract

On 18 August 2025, Tongfang Pharmaceutical entered into the Beijing Construction Contract with Beijing Qingkong, pursuant to which Tongfang Pharmaceutical agreed to engage Beijing Qingkong as the general contractor to carry out the construction works for the Beijing R&D Complex Project at the estimated contract price of RMB33,672,360.58 (subject to adjustments).

The principal terms of Beijing Construction Contract are set out below:

Date:	18 August 2025 (after trading hours)
Parties:	(i) Tongfang Pharmaceutical, as the principal; and (ii) Beijing Qingkong, as the contractor
Project scope:	Pursuant to the Beijing Construction Contract, Beijing Qingkong, as a general contractor, is responsible for the construction of the Beijing R&D Complex Project, including but not limited to foundation and substructure, main structure, fitting out and decoration, roof, plumbing and heating, electrical works, ventilation and air conditioning, and elevators.
Contract period:	320 days
Construction contract price and payment term:	The total contract sum is estimated to be RMB33,672,360.58, which is subject to adjustments based on the actual construction period and construction works conducted and with reference to the latest published price of labour and materials in Beijing. The contract price was arrived at by a tender process conducted by the Group for the Beijing R&D Complex Project. The total contract price shall be payable on a monthly basis based on construction progress. The total contract price for the Beijing R&D Complex Project will be funded by bank borrowings and internal resources of the Group.

Condition precedent:	The Beijing Construction Contract shall be conditional upon the Independent Shareholders having approved the Beijing Construction Contract and the transaction contemplated thereunder.
Expected date of commencement and Completion:	Subject to fulfillment of the condition precedent, the construction works under the Beijing Construction Contract are tentatively expected to commence after the approval from the Independent Shareholders for the Beijing Construction Contract and the transaction contemplated thereunder having been duly obtained at the EGM and expected to complete on 18 July 2026.

According to the Letter from the Board, the contractor for the Beijing R&D Complex Project and the contract price were determined through a tendering process conducted by the Group. The tendering process was undertaken through a public and independent trading platform (the "**Platform**") established in December 2021 and managed by Beijing Municipal Commission of Development and Reform* (北京市發展和改革委員會). Tongfang Pharmaceutical, as the tenderee (the "**Tenderee**"), published the initial qualification review document (the "**Qualification Review Documents**") on such Platform. Following such publication, construction companies which indicated their preliminary interests in the Beijing R&D Complex Project were initially reviewed based on the supporting documents elaborating their qualification submitted by them. We understand from the management of the Company that the initial qualification review were assessed by qualification committee (the "**Qualification Committee**") comprising seven members, five of which are independent construction and/or economic experts randomly selected from Beijing Bid Evaluation Expert Database* (北京市評標專家庫), which is established and maintained by the Beijing government, and the remaining two are representatives from Tongfang Pharmaceutical. There were a total of 36 applicants at the stage of initial qualification review. As advised by the management of the Company, out of 36 applicants, except Beijing Qingkong and 2 other applicants being the subsidiaries of Shanxi Construction Investment Group Co., Ltd.* (山西建設投資集團有限公司), the indirect holding company of the Company, other 33 applicants are Independent Third Parties. We have reviewed the result report prepared by the Qualification Committee and the detailed review summary table scored by each individual members of the Qualification Committee, and noted that the Qualification Committee ranked Beijing Qingkong first out of 36 applicants, based on their (i) financial condition; (ii) past track record of similar construction projects in the recent years; (iii) proposed resources to be allocated to the Beijing R&D Complex Project; and (iv) reputation. We further note from the Qualification Review Document that, if there were more than seven applicants passing the initial qualification review, only the top seven ranked would be regarded as qualified applicants and therefore be invited to bid. We understand from the management of the Company that the initial qualification review was not a blind review process, because the applicants' names have to be shown in the supporting documents submitted to the Qualification Committee to demonstrate their qualifications in relation to the criteria as elaborated above. Also,

the names of the applicants were searched against the List of Dishonest Persons Subject to Enforcement* (失信被執行人名單) (the "**Dishonest List**") to ensure they were qualified in terms of their financial condition and reputation.

Subsequently, the Tenderee sent the invitation to bid dated 19 June 2025 on such Platform to all seven qualified applicants as stated above, of which only four replied and submitted their official bidding documents for further evaluation. The other three were silent and did not reply. The four bidding documents were received from Beijing Qingkong and three other bidders, with one bidder being an Independent Third Party and the other two bidders being the subsidiaries of Shanxi Construction Investment Group Co., Ltd.*, the indirect holding company of the Company. We have reviewed and noted from the bidding documents that the tendering process was a scoring system based on criteria set out in the bidding documents, including (i) the bidding price; (ii) construction organisation and design; and (iii) corporate reputation of the bidders, which constituted 70%, 25% and 5% respectively of the total score. The bids were assessed by an evaluation committee (the "**Evaluation Committee**") comprising seven members, five of which are independent construction and/or economic experts randomly selected from Beijing Bid Evaluation Expert Database* (the five independent construction and/or economic experts in the Evaluation Committee are re-selected randomly from the Beijing Bid Evaluation Expert Database* and are different from the independent construction and/or economic experts who served in the Qualification Committee) and the remaining two are representatives from Tongfang Pharmaceutical.

The contract period offered by Beijing Qingkong in respect of the Beijing Construction Contract is 320 days. We have reviewed the tender documents of the other bidders and their contract periods are also 320 days.

The total contract price shall be payable on a monthly basis based on construction progress. We have reviewed the tender documents issued by Tongfang Pharmaceutical to the bidders and noted that such payment terms were requested by Tongfang Pharmaceutical to all bidders and all bidders were under the same payment terms. As none of the bidders indicated different opinion or raised any objection to the payment terms, we are of the view that such payment terms are on normal commercial terms and fair and reasonable.

We have reviewed the bidding documents prepared by all the bidders and the estimated contract price of RMB33,672,360.58 offered by Beijing Qingkong is (a) in line with the bidding price offered by it in its tender documents and we note that the estimated contract price of RMB33,672,360.58 is the second lowest bidding price; and (b) RMB16,520 (or approximately 0.05%) higher than the lowest bidding price of RMB33,655,840.02 which is considered to be insignificant. In addition, we have obtained and reviewed the result report prepared by the Evaluation Committee and the detailed review summary table scored by each individual members of the Evaluation Committee, and noted that each of the members of the Evaluation Committee rated Beijing Qingkong the first among all bidders after taking into consideration (i) the bidding price; (ii) construction organisation and design (including but not limited to

safety, overall configuration of the construction, detailed designs and workplans of the construction and quality assurance); and (iii) corporate reputation of the bidders. We understand from the management of the Company that the scoring process is a blind scoring process, where the three scoring criteria above are sub-divided into 23 distinct modules. Each module of each bidder was assigned with a unique, randomized code, ensuring complete anonymity and ensuring the members of the Evaluation Committee scored solely based on the content and the terms of the tender, and we have obtained and reviewed the code of each module of each bidder and the Evaluation Committee would not be able identify the bidder during the blind scoring process. We have also reviewed the attendance sheet of the Evaluation Committee, and all members of the Evaluation Committee attended the bid evaluation process at the same time on the same day, and we have also reviewed the declaration made by each member of the Evaluation Committee of not leaving the independent bidding evaluation area without permission and before the end of the bid evaluation process. Hence, the members of the Evaluation Committee would not be able to communicate with other people or any bidder before the end of the blind scoring process, and due to the nature of the blind scoring process, they could only assess and score the content of the tender document without knowing the identity of the bidder. We have also reviewed the declaration made by each of the members of the Evaluation Committee, and noted in their declaration that (i) they were independent to the bidders; (ii) they were familiar with laws and regulation relating to the tendering process and possessed necessary knowledge and had past experience to participate in this kind of bid evaluation; and (iii) they did not receive any benefits (other than fees properly earned from being a member of the Evaluation Committee) from any bidder during the tender and bidding process.

Having considered that the winning bidder is individually assessed by each of the members of the Evaluation Committee, which (i) five out of seven members were randomly selected from Beijing Bid Evaluation Expert Database*; (ii) Beijing Qingkong was rated the first by each of the members of the Evaluation Committee and such scoring process is a blind scoring process where the Evaluation Committee had no information about which bidders they were evaluating and in an independent bidding evaluation area where they could not communicate with other people before the end of the blind scoring process; (iii) members of Evaluation Committee declared their independence and their knowledge and experience on bid evaluation, we consider that the tender process is fair and reasonable.

In view that (i) Beijing Qingkong scored the highest marks under the assessment of the Qualification Committee and the Evaluation Committee; (ii) the contract price offered by Beijing Qingkong is the second lowest bidding price and is RMB16,250 (or approximately 0.05%) higher than the lowest bidding price which is considered to be insignificant, we concur with the management of the Company that having considered the above, the terms and contract sum of RMB33.7 million offered by Beijing Qingkong are fair and reasonable and on normal commercial terms and the entering into of the Beijing Construction Contract is in the interests of the Company and Shareholders as a whole.

RECOMMENDATION

Having taken into account the principal factors and reasons discussed above, we are of the view that (i) the terms of the Beijing Construction Contract are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) although the Beijing Construction Contract is not in the ordinary course of business of the Group, the terms thereof and the transaction contemplated thereunder are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders, and we also recommend the Independent Shareholders to vote in favour of the relevant resolution(s) for approving the Beijing Construction Contract.

Yours faithfully,
For and on behalf of
Aurelius Corporate Finance Limited
Matthew Leung
Managing Director

Mr. Matthew Leung is licensed under the Securities and Futures Ordinance to carry on Type 6 (advising on corporate finance) regulated activity and is currently a responsible officer of Aurelius Corporate Finance Limited. Mr. Leung has over 15 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations

As at the Latest Practicable Date, none of the Directors nor chief executives of the Company had or was deemed to have any interests or short positions in the Shares or the underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be and were entered in the register required to be kept by the Company referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

(b) Substantial Shareholders who have an interest and/or short position which is disclosable under Divisions 2 and 3 of Part XV of the SFO

So far as is known to the Directors and chief executive of the Company, as at the Latest Practicable Date, the following persons (other than Directors and chief executives of the Company) had, or were deemed or taken to have an interest or short position in the Shares and underlying Shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

		Long position	
Name of substantial Shareholders	**Capacity**	**Number of Shares interested**	**Approximate percentage of issued Shares**
China Health	Beneficial owner	3,172,778,000[(1)]	56.77%

Name of substantial Shareholders	Capacity	Long position Number of Shares interested	Approximate percentage of issued Shares
Waranty Assets Management (HK) Limited ("**Waranty Hong Kong**")	Interest in a controlled corporation	3,172,778,000[(2)]	56.77%
Shenzhen Waranty	Interest in a controlled corporation	3,172,778,000[(3)]	56.77%
Ningbo Free Trade Zone Sanjin Guotou Private Equity Fund Partnership Enterprise (Limited Partnership)* (寧波保稅區三晉國投股權投資基金合夥企業(有限合夥)) ("**Sanjin Guotou**")	Interest in a controlled corporation	3,172,778,000[(4)]	56.77%
Shanxi Construction Investment Group Co., Ltd.* (山西建設投資集團有限公司) ("**Shanxi Construction**")	Interest in a controlled corporation	3,172,778,000[(5)]	56.77%
Shanxi Province Expressway Group Limited Liability Company* (山西省高速公路集團有限責任公司) ("**Shanxi Expressway**")	Interest in a controlled corporation	3,172,778,000[(6)]	56.77%
Shanxi Transportation Holdings Group Co., Ltd.* (山西交通控股集團有限公司) ("**Shanxi Transportation**")	Interest in a controlled corporation	3,172,778,000[(7)]	56.77%
Shanxi State-owned Capital Operation Co., Ltd.* (山西省國有資本運營有限公司) ("**State-owned Capital Operation Co.**")	Interest in a controlled corporation	3,172,778,000[(8)]	56.77%
State-owned Assets Supervision and Administration Commission of Shan Xi Provincial Government ("**Shanxi Government Commission**")	Interest in a controlled corporation	3,172,778,000[(9)]	56.77%

Name of substantial Shareholders	Capacity	Long position Number of Shares interested	Approximate percentage of issued Shares
THTF Energy-Saving Holdings Limited ("**THTF Energy-Saving**")	Beneficial owner	513,994,000(10)	9.20%
Resuccess Investments Limited ("**Resuccess**")	Interest in a controlled corporation	513,994,000(11)	9.20%
Tsinghua Tongfang Co., Ltd.* (同方股份有限公司) ("**Tsinghua Tongfang**")	Interest in a controlled corporation	513,994,000(12)	9.20%

Notes:

(1) The figure refers to the legal and beneficial interests of China Health in 3,172,778,000 Shares.

(2) Waranty Hong Kong owns 100% interest in the issued share capital of China Health and is therefore deemed to have an interest in the Shares in which China Health is interested. The figure refers to the same interests of China Health in the Shares under the SFO.

(3) Shenzhen Waranty, through its wholly-owned subsidiary, namely Waranty Hong Kong, owned 100% interests in the issued share capital of China Health and is therefore deemed to have an interest in the Shares in which China Health is interested. The figure refers to the same interests of China Health in the Shares under the SFO.

(4) Sanjin Guotou owns 45.50% interests in the registered capital of Shenzhen Waranty and is therefore deemed to have an interest in the Shares in which Shenzhen Waranty is interested. The figure refers to the same interests of China Health in the Shares under the SFO.

(5) Shanxi Construction owns 46.38% interests in the registered capital of Sanjin Guotou and 46.40% interests in the registered capital of Shenzhen Waranty respectively and is therefore deemed to have, including via Sanjin Guotou, an interest in the Shares in which Shenzhen Waranty is interested. The figure refers to the same interests of China Health in the Shares under the SFO.

(6) Shanxi Expressway owns 46.38% interests in the registered capital of Sanji Guotou and is therefore deemed to have an interest in the Shares in which Sanjin Guotou is interested. The figure refers to the same interests of China Health in the Shares under the SFO.

(7) Shanxi Transportation owns 100% interests in the registered capital of Shanxi Expressway and is therefore deemed to have an interest in the Shares in which Shanxi Expressway is interested. The figure refers to the same interests of China Health in the Shares under the SFO.

(8) State-owned Capital Operation Co. owns 90% interests in the registered capital of Shanxi Construction and 90% interests in the registered capital of Shanxi Transportation respectively. State-owned Capital Operation Co. is therefore deemed to have, via Shanxi Construction and Shanxi Transportation, an interest in the Shares in which Shenzhen Waranty is interested. The figure refers to the same interests of China Health in the Shares under the SFO.

(9) Shanxi Government Commission owns 100% interests in the registered capital of State-owned Capital Operation Co. and is therefore deemed to have an interest in the Shares in which State-owned Capital Operation Co. is interested. The figure refers to the same interests of China Health in the Shares under the SFO.

(10) The figure refers to the legal and beneficial interest of THTF Energy-Saving in 513,994,000 Shares.

(11) Resuccess owns 100% interests in the issued share capital of THTF Energy-Saving and is therefore deemed to have an interest in the Shares in which THTF Energy-Saving is interested. The figure refers to the same interests of THTF Energy-Saving in the Shares under the SFO.

(12) Tsinghua Tongfang, through its wholly-owned subsidiary, namely Resuccess, owns 100% interests in the issued share capital of THTF Energy-Saving and is therefore deemed to have an interest in the Shares in which THTF Energy-Saving is interested. The figure refers to the same interests of THTF Energy-Saving in the Shares under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executives of the Company) who had, or was deemed or taken to have, an interest or short position in the Shares and underlying Shares of the Company which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

As at the Latest Practicable Date, (1) Mr. Wang Feifei, our executive Director, chairman and president, was also a member of the Committee of the Communist Party of PRC of Shenzhen Waranty, a director of Waranty Hong Kong and a director of China Health; and (2) Mr. Liu Jiankun, an executive Director, was also the supervisor, the vice chairman of the labour union and the director of the general office of Shenzhen Waranty, a director of Waranty Hong Kong and a director of China Health. As disclosed above, each of Shenzhen Waranty, Waranty Hong Kong and China Health has an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' INTERESTS

(a) Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which was significant in relation to the business of the Group.

(b) Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(c) Interests in competing business

As at the Latest Practicable Date, none of the Directors (not being the independent non-executive directors) or their respective close associates had an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Company or any of its subsidiaries within one year without payment (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, the date to which the latest published audited consolidated financial statements of the Group were made up.

6. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert or professional adviser who has given opinion or advice contained in this circular:

Name	Qualification
Aurelius Corporate Finance Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Aurelius Corporate Finance Limited:

(i) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;

(ii) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group, since 31 December 2024, the date to which the latest published audited financial statements of the Group was made up; and

(iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter or report and reference to its name in the form and context in which it appears.

7. GENERAL

The registered office of the Company is situated at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The head office and principal place of business of the Company is situated at Rooms 12A15–12A20, 12A/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

The principal share registrar of the Company is Ocorian Trust (Cayman) Limited at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The branch share registrar of the Company in Hong Kong is Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

The company secretary of the Company is Ms. Chan Lok Tung, who is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators).

The English text of this circular shall prevail over the Chinese text in the event of inconsistency.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on both the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (http://www.kontafarma.com.hk) for a period of 14 days from the date of this circular (both days inclusive):

(i) the Beijing Construction Contract;

(ii) the Letter from the Board, the text of which is set out in the "Letter from the Board" in this circular;

(iii) the Letter from the Independent Board Committee, the text of which is set out in the "Letter from the Independent Board Committee" in this circular;

(iv) the Letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the "Letter from the Independent Financial Adviser" in this circular;

(v) the written consent referred to in the paragraph headed "Qualification and Consent of Expert" in this appendix; and

(vi) this circular.



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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Kontafarma China Holdings Limited (the "**Company**") will be held at Plaza 3, Basement 3, Novotel Century Hong Kong, 238 Jaffe Road, Wan Chai, Hong Kong on Monday, 20 October 2025 at 10:00 a.m., or any adjournment thereof, for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions as ordinary resolutions of the Company. Unless otherwise defined, capitalized terms used in this notice shall have the same meanings as defined in the circular of the Company dated 26 September 2025.

ORDINARY RESOLUTIONS

"**THAT**

(a) the construction contract dated 18 August 2025 (the "**Beijing Construction Contract**") entered into between Tongfang Pharmaceutical Group Co., Ltd.* (同方藥業集團有限公司) ("**Tongfang Pharmaceutical**") (as principal), a direct wholly-owned subsidiary of the Company, and Beijing Qingkong Zhongchuang Engineering Construction Co., Ltd.* (北京清控中創工程建設有限公司) ("**Beijing Qingkong**") (as contractor) pursuant to which Tongfang Pharmaceutical agreed to engage Beijing Qingkong as the general contractor to carry out the construction works for the R&D complex and ancillary gates located at No. 23 Xikang Road, Badaling Town, Yanqing District, Beijing, the PRC* (中國北京市延慶區八達嶺鎮西康路23號), at the contract price of RMB33,672,360.58 (subject to adjustments), and the transaction contemplated thereunder be and is hereby approved, confirmed and ratified in all respects; and

(b) any one of the directors of the Company (the "**Director**") be and is hereby authorised to do all such acts and things and execute and deliver all such documents, deeds or instruments (including affixing the common seal of the Company thereon) and take all such steps as the Director in his/her sole opinion

and absolute discretion may consider necessary, appropriate or desirable to implement or give effect to the Beijing Construction Contract and the transaction contemplated thereunder."

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

Hong Kong, 26 September 2025

Registered Office:
Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Head office and principal place of business:
Rooms 12A15–12A20, 12A/F
Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her/its behalf, subject to the articles of association of the Company. A proxy need not be a member of the Company, but must be present to represent the member. A member who is the holder of two or more shares of the Company (the "**Share(s)**") may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.

2. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked. For the avoidance of doubt, holders of treasury Shares (if any) have no voting rights at the Company's general meeting(s).

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

4. Where there are joint holders of any Share, any one of such joint holders may vote at the EGM, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, then the one of such joint holders so present whose name stands first on the register of members of the Company shall, in respect of such Share, be entitled alone to vote in respect thereof.

5. The resolutions at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the results of the poll will be published on the respective websites of the Stock Exchange and the Company in accordance with the Listing Rules.

6. The register of members of the Company will be closed from Wednesday, 15 October 2025 to Monday, 20 October 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order for a member to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration by 4:30 p.m. on Tuesday, 14 October 2025. The record date for the purpose of ascertaining Shareholders' right to attend and vote at the EGM will be on 20 October 2025.

7. If a tropical cyclone warning signal No. 8 or above is expected to be hoisted, or "extreme conditions" caused by super typhoons exist, or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. and 5:00 p.m. on the date of the EGM, the EGM will be postponed and Members will be informed of the date, time and venue of the postponed EGM by a supplemental notice posted on the respective websites of the Stock Exchange and the Company.

   If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before 8:00 a.m. on the date of the EGM and where conditions permit, the EGM will be held as scheduled.

   The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force. After considering their own situations, Members should decide on their own whether or not they would attend the Meeting under any bad weather condition and if they do so, they are advised to exercise care and caution.

8. References to time and dates in this notice are to Hong Kong time and dates.

* *For identification purpose only*