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)

MAJOR TRANSACTION IN RELATION TO RENEWAL OF LEASE FOR AN EXISTING FITNESS AND YOGA CENTRE

RENEWAL OF LEASE FOR AN EXISTING FITNESS AND YOGA CENTRE

Reference is made to the Existing Lease entered into between the Tenant (an indirect non-wholly owned subsidiary of the Company) and the Landlord in respect of the Premises in which the Group has been operating a fitness and yoga centre for the period from 24 August 2023 to 30 September 2026.

The Board is pleased to announce that on 27 July 2026, the Tenant entered into the New Lease with the Landlord in respect of renewal of the lease of the Premises for a term of three years commencing from 1 October 2026 and expiring on 30 September 2029.

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 ratio(s) under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use asset under the New Lease exceeds 25% but is below 100%, the transaction contemplated under the New Lease constitutes a major transaction for the Company and is therefore subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of resolutions to be passed at a general meeting of the Company, written Shareholders' approval for the New Lease will be obtained from the controlling Shareholder (as defined in the Listing Rules), Waranty Assets Management (HK) Limited, which is holding 3,172,778,000 Shares, representing approximately 56.77% of the issued share capital of the Company as at the date of this announcement. Moreover, to the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders has any material interest in the New Lease and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the New Lease. Accordingly, no general meeting of the Company will be held for the approval of the New Lease and the transaction contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) information on the New Lease; and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 17 August 2026, which is within 15 business days after the publication of this announcement.

INTRODUCTION

Reference is made to the Existing Lease entered into between the Tenant (an indirect non-wholly owned subsidiary of the Company) and the Landlord in respect of the Premises in which the Group has been operating a fitness and yoga centre for the period from 24 August 2023 to 30 September 2026.

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RENEWAL OF LEASE FOR AN EXISTING FITNESS AND YOGA CENTRE

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

Date	:	27 July 2026
Parties	:	(a) Millenia Private Limited (as the Landlord, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Landlord and its ultimate beneficial owner(s) is an Independent Third Party); and (b) True Yoga Pte. Ltd. (as the Tenant)

Premises	:	#02–63 and Connecting Terrace, #02–62/62A/62B/62C and #02–64/65/66/67/68/69 of Millenia Walk, Nine Raffles Boulevard, Singapore 039596 and ancillary area thereof
Use	:	For the operations of fitness and yoga centre
Term	:	Three (3) years commencing from 1 October 2026 and expiring on 30 September 2029
Rent	:	S$255,961.35 (equivalent to approximately HK$1,561,364) per month (inclusive of service charge) plus Goods and Services Tax, which shall be paid in advance on the first day of each month The Group intends to finance the rental payments by the internal resources of the Group
Deposit	:	S$767,884.05 (equivalent to approximately HK$4,684,093), being equivalent to the three months' amount payable for rent (inclusive of service charge)

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 S$8,728,665 (equivalent to approximately HK$53,244,857), 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 been leasing the Premises to operate one of its fitness and yoga centres since August 2023. The entering into of the New Lease for renewal of the lease of the Premises will save the Group from incurring additional costs and expenses in identifying, renovating and relocating to alternative premises and costs and expenses in reinstating the Premises.

As disclosed in the annual report of the Company for the financial year ended 31 December 2025, the Group's fitness business in Singapore inevitably faces multiple challenges, including but not limited to gradually saturating industry environment, increasingly fierce market competition, and rising costs in attracting customers. The Group has been evaluating its business strategy for its fitness business in Singapore and making endeavour to control costs and optimize operational efficiency amid the challenging market for fitness business.

The terms of the New Lease, including the rent (inclusive of service charge but exclusive of rates, government rent and other charges), were determined after numerous rounds of arm's length negotiations between the parties having 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 lease in respect of the Premises. Such terms were reached after best efforts being made in the course of negotiations with the Landlord. 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 letting and operating of self-owned or leased real estate property; and (b) each of the Landlord and its ultimate beneficial owners (including Kwee Liong Keng, Kwee Liong Tek, Kwee Liong Seen and Kwee Liong Phing, their 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.

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 the 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 ratio(s) under Rule 14.07 of the Listing Rules in respect of the value of the right-of-use asset under the New Lease exceeds 25% but is below 100%, the transaction contemplated under the New Lease constitutes a major transaction for the Company and is therefore subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of resolutions to be passed at a general meeting of the Company, written Shareholders' approval for the New Lease will be obtained from the controlling Shareholder (as defined in the Listing Rules), Waranty Assets Management (HK) Limited, which is holding 3,172,778,000 Shares, representing approximately 56.77% of the issued share capital of the Company as at the date of this announcement. Moreover, to the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders has any material interest in the New Lease and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the New Lease. Accordingly, no general meeting of the Company will be held for the approval of the New Lease and the transaction contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) information on the New Lease; and (ii) other information required under the Listing Rules will be despatched to the Shareholders on or before 17 August 2026, which is within 15 business days after the publication of this announcement.

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

"Existing Lease"	the lease dated 17 August 2023 entered into between the Landlord and the Tenant in respect of the lease of the Premises for the period commencing from 24 August 2023 to 30 September 2026
"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$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS 16"	Hong Kong Financial Reporting Standard 16 "Leases" which include standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is (are) independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associate(s)
"Landlord"	Millenia Private Limited, a company incorporated in Singapore with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"New Lease"	the lease dated 27 July 2026 entered into between the Landlord and the Tenant in respect of renewal of the lease of the Premises
"PRC"	the People's Republic of China
"Premises"	the premises located at #02–63 and Connecting Terrace, #02–62/62A/62B/62C and #02–64/65/66/67/68/69 of Millenia Walk, Nine Raffles Boulevard, Singapore 039596 and ancillary area thereof
"S$"	Singapore dollars, the lawful currency of Singapore
"Singapore"	the Republic of Singapore

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tenant"	True Yoga Pte. Ltd., a company incorporated in Singapore with limited liability
"%"	per cent

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

Hong Kong, 27 July 2026

For the purpose of this announcement, unless otherwise indicated, the exchange rate of S\$1.00 = HK\$6.1 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.

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wang Limin (Chairman and President), Mr. Ge Shouwen (Vice President), and Ms. Guo Zixiu (Financial Controller); and three independent non-executive Directors, namely Dr. Tang Lai Wah, Dr. Ho Ho Ming and Mr. Yao Xiaomin.