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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 **Tongfang Kontafarma 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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**同方康泰產業集團有限公司**  
**Tongfang Kontafarma Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1312)**

**MAJOR TRANSACTION  
IN RELATION TO DISPOSAL OF  
AN INDIRECT NON-WHOLLY OWNED SUBSIDIARY**

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Capitalized 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 5 to 13 of this circular.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	5
<b>APPENDIX I — FINANCIAL INFORMATION OF THE GROUP</b> .....	I-1
<b>APPENDIX II — GENERAL INFORMATION</b> .....	II-1

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## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 22 October 2021 in relation to, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday or Sunday) on which commercial banks are generally open for business in Hong Kong, the PRC and the state of Delaware in the United States;
“Buyer”	Swiss Talent Group Limited (瑞杰集團有限公司), a company incorporated in Hong Kong with limited liability and an Independent Third Party;
“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”	Tongfang Kontafarma 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);
“Completion”	the completion of the Transaction;
“Completion Date”	the later of (a) fifteenth Business Day following the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement and (b) 25 November 2021 or such other date as the parties to the Sale and Purchase Agreement may agree in writing;
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules;
“Consideration”	the total consideration in the amount of US\$16,000,000 (equivalent to approximately HK\$124,000,000) payable by the Buyer to the Group for the transfer of Sale Shares and for the novation of the Novated Loans;
“controlling shareholder”	has the meaning ascribed thereto under Rule 1.01 of the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries, and where the context requires, excluding the Target Company after Completion;

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## DEFINITIONS

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“HKFRSs”	Hong Kong Financial Reporting Standards;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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 (as defined in the Listing Rules);
“Latest Practicable Date”	15 November 2021, 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 of Hong Kong Limited;
“Loan I”	the loan in an aggregate amount of US\$2,500,000 (equivalent to approximately HK\$19,375,000) owed by the Target Company to Tongfang Pharmaceutical;
“Loan II”	another loan in an aggregate amount of US\$2,500,000 (equivalent to approximately HK\$19,375,000) owed by the Target Company to Tongfang Pharmaceutical;
“Long Stop Date”	31 December 2021, or such other date as the parties to the Sale and Purchase Agreement may agree in writing;
“Novated Loans”	collectively the Loan I and the Loan II for an aggregate principal amount of US\$5,000,000 (equivalent to approximately HK\$38,750,000) provided by Tongfang Pharmaceutical (as lender) to the Target Company (as borrower) to be novated to the Buyer pursuant to the Novation Agreements;
“Novation Agreement I”	the novation agreement to be entered into by and among the Buyer, the Target Company, Tongfang Pharmaceutical, Shenzhen Warranty, Warranty Asset Management and the Company with respect to the novation of the Loan I;
“Novation Agreement II”	the novation agreement to be entered into by and among the Buyer, the Target Company and Tongfang Pharmaceutical with respect to the novation of the Loan II;
“Novation Agreements”	collectively the Novation Agreement I and the Novation Agreement II;

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## DEFINITIONS

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“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;
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 22 October 2021 entered into between the Seller, the Buyer and the Company in relation to the Transaction;
“Sale Shares”	9,500,000 shares of Series A Preferred Stock of the Target Company held by the Seller, comprising approximately 79.83% of the issued share capital of the Target Company, on an as-converted and fully-diluted basis and assuming that all the shares reserved under the equity plan of the Target Company have been issued;
“Seller”	Tongfang Konta Capital, L.P., a limited partnership incorporated in the Cayman Islands and a wholly-owned subsidiary of the Company as at the Latest Practical Date;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“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 Shares;
“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;
“Target Company”	Apros Therapeutics, Inc., a company incorporated in the United State and a direct non-wholly owned subsidiary of the Seller as at the Latest Practicable Date;
“Tongfang Pharmaceutical”	Tongfang Pharmaceutical Group Co., Ltd* (同方藥業集團有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company;

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## DEFINITIONS

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“Transaction”	the transfer of the Sale Shares and the novation of the Novated Loans pursuant to the terms of the Sale and Purchase Agreement;
“US\$”	United States dollars, the lawful currency of the United States;
“Waranty Assets Management”	Waranty Assets Management (Hong Kong) Limited (華融泰資產管理(香港)有限公司), a company incorporated in Hong Kong and the direct holding company of China Health; and
“%”	per cent.

*For the purpose of this circular, the exchange rate between US\$ and HK\$ is US\$1.00 = HK\$7.75.*

*\* For identification purposes only*

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LETTER FROM THE BOARD

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**同方康泰產業集團有限公司**  
**Tongfang Kontafarma Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1312)**

*Executive Directors:*

Mr. Chai Hongjie (*Chairman*)

Mr. Huang Yu (*President*)

Mr. Bai Pingyan

Mr. Jiang Chaowen (*Chief Executive Officer*)

*Registered office:*

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Independent Non-Executive Directors:*

Mr. Chan Sze Chung

Mr. Zhang Ruibin

Mr. Zhang Junxi Jack

*Head Office and principal place of business:*

15th Floor

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong

18 November 2021

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
IN RELATION TO DISPOSAL OF  
AN INDIRECT NON-WHOLLY OWNED SUBSIDIARY**

**INTRODUCTION**

Reference is made to the Announcement in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder. Pursuant to the Sale and Purchase Agreement, (i) the Seller conditionally agreed to sell, and the Buyer conditionally agreed to purchase the Sale Shares, representing approximately 79.83% of the issued share capital of the Target Company, on an as-converted and fully-diluted basis and assuming that all the shares reserved under the equity plan of the Target Company have been issued; and (ii) the Seller conditionally agreed to procure the novation of, and the Buyer conditionally agreed to purchase, the Novated Loans, at a total consideration of US\$16,000,000 (equivalent to approximately HK\$124,000,000).

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, (i) further details of the Sale and Purchase Agreement and the Transaction; (ii) the financial information of the Group; and (iii) other information as required under the Listing Rules.

### THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out below:

- Date:** 22 October 2021 (after trading hours)
- Parties:**
- (1) the Seller, a wholly-owned subsidiary of the Company
  - (2) the Buyer
  - (3) the Company, as the Seller's guarantor

To best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Buyer is a company incorporated in Hong Kong with limited liability for investment holding purpose; (ii) the ultimate beneficial owner of the Buyer is XU Juan (徐娟) and (iii) the Buyer and its ultimate beneficial owner are Independent Third Parties.

### Subject Matter

Under the Sale and Purchase Agreement, (i) the Seller conditionally agreed to sell, and the Buyer conditionally agreed to purchase the Sale Shares, representing approximately 79.83% of the issued share capital of the Target Company, on an as-converted and fully-diluted basis and assuming that all the shares reserved under the equity plan of the Target Company have been issued; and (ii) the Seller conditionally agreed to procure the novation of, and the Buyer conditionally agreed to purchase, the Novated Loans.

As at the date of the Sale and Purchase Agreement, the Target Company owed Tongfang Pharmaceutical, a wholly-owned subsidiary of the Company two debts for the aggregate principal sum of US\$5,000,000 (equivalent to approximately HK\$38,750,000). As part of the Consideration for the Transaction, at Completion, the Seller will procure (a) the Target Company, Tongfang Pharmaceutical, the Company, Shenzhen Warranty and Warranty Assets Management to enter into the Novation Agreement I with the Buyer and (b) the Target Company and Tongfang Pharmaceutical to enter into the Novation Agreement II with the Buyer for the novation of the Novated Loans to the Buyer, subject to the payment by the Buyer to the Group of consideration equal to (i) the principal amount of the Novated Loans, being US\$5,000,000 (equivalent to approximately HK\$38,750,000) plus (ii) any unpaid interest accrued thereon up to the Completion Date (the "**Novation Consideration**").

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## LETTER FROM THE BOARD

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In relation to Novation Agreement I, it was an internal policy of our controlling shareholder, Shenzhen Waranty and Waranty Assets Management (wholly-owned by Shenzhen Waranty) at the time the Loan I was entered into, to be parties to transactions involving inter-company loans of the Group, and hence Shenzhen Waranty and Waranty Assets Management are also parties to the Novation Agreement I.

### Consideration

The Consideration payable by the Buyer in the amount of US\$16,000,000 (equivalent to approximately HK\$124,000,000) consists of (a) the Novation Consideration; and (b) the consideration in respect of the transfer of the Sale Shares which is equal to an amount being US\$16,000,000 (equivalent to approximately HK\$124,000,000) less the Novation Consideration (the “**Sale Shares Consideration**”). The Novation Consideration in the total amount of US\$5,464,317.35, which consists of (a) the aggregate principal sum of US\$5,000,000 owed by the Target Company to Tongfang Pharmaceutical under Loan I and Loan II; (b) the unpaid interest accrued from the Loan I up to 24 November 2021 (i.e. the day before 25 November 2021, assuming Completion takes place on that day) in the amount of US\$197,150.68; and (c) the unpaid interest accrued from the Loan II up to 24 November 2021 (i.e. the day before 25 November 2021, assuming Completion takes place on that day) in the amount of US\$267,166.67. The Sale Shares Consideration is US\$10,535,682.65, being the amount equals to US\$16,000,000 less the Novation Consideration.

The Consideration shall be settled in cash in United States Dollars at Completion in the following manner:

- (i) as to the Novation Consideration, the Buyer shall pay by telegraphic transfer in immediately available funds to the account designated by Tongfang Pharmaceutical at least three Business Days prior to the Completion Date; and
- (ii) as to the Sale Shares Consideration, the Buyer shall pay by telegraphic transfer in immediately available funds to the account designated by the Seller at least three Business Days prior to the Completion Date.

The Consideration payable by the Buyer has been determined after arm’s length negotiation between the parties to the Sale and Purchase Agreement with reference to, among other things, (i) the investment amount historically contributed by the Group in the Target Company in the total sum of US\$9,500,000 (equivalent to approximately HK\$73,625,000); and (ii) the value of the Novated Loans on a dollar-to-dollar basis, comprised of the principal amount of US\$5,000,000 (equivalent to approximately HK\$38,750,000) and the unpaid interest accrued of US\$464,317.35 (equivalent to approximately HK\$3,598,460) as at 24 November 2021 (i.e. the day before 25 November 2021, assuming Completion takes place on that day).

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## LETTER FROM THE BOARD

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### Conditions Precedent

Completion is conditional upon and subject to the following conditions:

- (i) each of the Seller and Buyer having performed and complied with all covenants and obligations respectively required to be performed or complied with by it under the Sale and Purchase Agreement on or before the Completion Date and both parties having delivered to each other a certificate to that effect in the agreed form at Completion;
- (ii) each of the warranties respectively given by the Seller and the Buyer being complete, true and accurate and not misleading as at the date of the Sale and Purchase Agreement and as at the Completion Date as though restated on and as at the Completion Date with respect to facts, events and circumstances existing as at such date and both parties having delivered to each other a certificate to that effect in the agreed form at Completion;
- (iii) no proceedings having been instituted or, so far as the Seller is aware, threatened that seek to restrain, prohibit, declare illegal, or otherwise challenge or interfere or obtain relief in connection with the transactions contemplated by the Sale and Purchase Agreement, nor there coming into force any law having the same result and the Seller having delivered to the Buyer a certificate to that effect in the agreed form at Completion;
- (iv) no claim under any of the indemnities specified in the Sale and Purchase Agreement having been notified by the Buyer to the Seller on or prior to Completion;
- (v) in connection with the Transaction, (i) all requisite filings or registrations having been made with; and (ii) all requisite governmental authorizations on terms and conditions reasonably satisfactory to the Buyer having been obtained from, all applicable governmental entities;
- (vi) no event, circumstance, occurrence or non-occurrence that individually or in the aggregate with other events, circumstances, occurrences or non-occurrences, (i) is or would reasonably be expected to be materially adverse to the business, assets, liabilities, prospects, condition (financial or otherwise) or results of the operations of the Target Company or (ii) could adversely affect the ability of the Seller or the Company to perform their obligations under the Sale and Purchase Agreement having occurred;
- (vii) the Company having obtained the approval from China Health in respect of the proposed sale of the Sale Shares by the Seller in accordance with its articles and as required by the Listing Rules and applicable law and such approval remaining effective as at the Completion Date;

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## LETTER FROM THE BOARD

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- (viii) the Target Company having waived its right of first refusal conferred on it by the constitutional documents of the Target Company with respect to the sale of the Sale Shares as contemplated under the Sale and Purchase Agreement;
- (ix) all of the assets, tangible or intangible, used in, or arising out of, the conduct of the business operations of the Target Company being owned by the Target Company or otherwise held by the Target Company are under valid leases or licenses;
- (x) the Target Company having no subsidiaries;
- (xi) other than the shares reserved pursuant to an equity incentive plan adopted by the Target Company, there being no other securities convertible or exchangeable into shares of capital stock, nor any agreements of any kind relating to the issuance of any shares of capital stock or other securities of the Target Company under the terms of any options, warrants or the like; and
- (xii) each of the documents in relation to the Transaction having been duly executed and delivered by each of the parties thereto.

If the conditions set out above have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Sale and Purchase Agreement shall cease and terminate and thereafter neither party shall have any obligations and liabilities towards each other hereunder. Among the conditions mentioned above, only the condition under aforesaid paragraphs (vii) (in respect of the warranties given by the Seller and the Company) cannot be waived by the Buyer. As at the Latest Practicable Date, all the conditions set out above have been fulfilled and none of the conditions have been waived by any party to the Sale and Purchase Agreement.

### **Guarantee**

The Company has guaranteed to the Buyer, among others, the due and punctual performance by the Seller of its obligations, and the punctual discharge by the Seller of its liabilities, arising under the Sale and Purchase Agreement.

### **Completion**

Completion shall take place on the later of (a) fifteenth Business Day following the fulfilment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement and (b) 25 November 2021 or such other date as the parties to the Sale and Purchase Agreement may agree in writing.

Upon Completion, the Target Company will cease to be a subsidiary of the Company.

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## LETTER FROM THE BOARD

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### INFORMATION OF THE GROUP AND THE SELLER

The Company is an investment holding company and the Group is currently principally engaged in (i) the manufacturing and sales of prescription drugs, including chemical drugs and prescribed traditional Chinese medicines, and laboratory related products in the PRC; and (ii) operating fitness centres and providing consultation services for fitness and health activities, and operating franchise business for royalty fee income.

#### The Seller

The Seller is a limited partnership incorporated in the Cayman Islands and wholly-owned by the Company. The Seller is principally engaged in investment holding.

### INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in the United States in 2016 and an indirect non-wholly owned subsidiary of the Company as at the Latest Practical Date. The Target Company is principally engaged in research and development of tumor treatments and tumor immunotherapy. In particular, the Target Company focuses on the discovery and development of Toll-Like Receptor-7 (TLR7) agonists and has developed a portfolio of small molecule TLR7 agonists for the treatment of cancer and infectious disease. The first clinical candidate was cleared by the United States Food and Drug Administration and entered Phase 1 clinical trial in colorectal cancer patients in 2021.

Set out below is a summary of the key financial data of the Target Company for the two years ended 31 December 2020 which are prepared in accordance with the HKFRSs:

	<b>For the year ended 31 December 2019 (unaudited) HK\$'000</b>	<b>For the year ended 31 December 2020 (unaudited) HK\$'000</b>
Revenue	Nil	Nil
Loss before taxation	14,304	8,330
Loss after taxation	14,304	8,330
Loss attributable to owners of the Company	11,655	6,787

As at 30 June 2021, the total assets value and net assets value of the Target Company were approximately US\$7.69 million and US\$2.34 million respectively. The assets of the Target Company as at 30 June 2021 mainly comprised of intangible assets categorised as “development expenditure”, which includes but not limited to remuneration of research and development staff, relevant expenses incurred for the development of treatments and immunotherapy for gastrointestinal malignant tumor and lung cancer capitalised. The liabilities of the Target Company as at 30 June 2021 mainly comprised of the Novated Loans for the sum of US\$5 million and unpaid interest accrued thereon.

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECT OF THE TRANSACTION

Upon Completion, the Group will cease to have any interests in the Target Company, and the financial results of the Target Company thereafter will no longer be consolidated in the financial statements of the Group.

The excess of the Consideration over the net asset value of the Target Company as at 30 June 2021 was approximately US\$13.7 million. The Group expects to record an estimated profit of approximately HK\$49.05 million as a result of the Transaction at the Completion. The said estimated amount of profit represents the excess of the Sale Shares Consideration over the net assets attributable to the owner of the Target Company, as elaborated below:

Sale Shares Consideration ( <i>note 1</i> )	HK\$82,151,000
Less: Estimated net assets attributable to the owner ( <i>note 2</i> )	<u>HK\$33,105,000</u>
Estimated profit upon Completion	HK\$49,046,000

*Notes:*

- (1) The figure is calculated by the amount of the Consideration, deducted by amount of the Novation Consideration, and the amount of Novation Consideration is calculated up to and including 31 August 2021, which is the latest practicable date for ascertaining the amount of the Novation Consideration prior to entering into the Sale and Purchase Agreement.
- (2) This figure represents the net assets of the Target Company attributable to the owner as of 31 August 2021, which is the latest practicable date for ascertaining the value of the net assets prior to entering into the Sale and Purchase Agreement.

The actual profit as a result of the Transaction to be recorded by the Group is subject to audit to be performed by the auditors of the Company.

The total assets of the Group will be increased by the excess of the Consideration over the total asset value of the Target Company upon Completion. There will be no significant impact on Group's total liabilities as the Novated Loans were carried out between the Target Company and Tongfang Pharmaceutical, which are two subsidiaries of the Group, and eliminated in the consolidated financial statements of the Group before the Completion.

### REASONS FOR THE TRANSACTION

The Target Company is principally engaged in research and development of tumor treatments and tumor immunotherapy at clinical laboratory located in the United States. The technologies and products developed by the Target Company are still at clinical trial stage and yet reach commercialization. It is expected that tremendous capital will further be required to be injected into the Target Company for the trials before the technologies and products could be commercialized. The Company believes that the Transaction represents a good opportunity to realize its investment in the Target Company which has been

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## LETTER FROM THE BOARD

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loss-making and demands unavoidable heavy capital expenditure. It is also the current plan of the Group to deploy its resources in a more optimal way by concentrating the resources on driving the growth of pharmaceutical business of the Group in the PRC.

The terms and conditions of the Transaction and the Consideration of the Transaction were negotiated on arm's length basis and on normal commercial terms between the Seller, the Buyer and the Company with reference to the financial performance and asset value of the Target Company, the amount of the Novated Loans as well as the capital historically contributed by the Group to the Target Company. The Consideration to be received in cash by the Group is expected to be applied as general working capital of the Group, including but not limited to procurement of materials for manufacturing, repayment of borrowings, payment of rental and salaries, etc. Accordingly, the Transaction will enable the Group to increase its working capital, and will improve the liquidity and strengthen the overall financial position of the Group.

After thorough consideration of the above factors, the Directors consider that the terms of the Sale and Purchase Agreement (including the Consideration) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Transaction exceed 25% but are below 75%, the Transaction constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders have a material interest in the Sale and Purchase Agreement and the transaction contemplated thereunder and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder.

### **WRITTEN SHAREHOLDER'S APPROVAL**

As at the Latest Practicable Date, the Company has obtained a written Shareholder's approval from China Health, a controlling Shareholder directly holding 3,172,778,000 Shares, representing approximately 56.77% of the issued share capital of the Company as at the date of the Sale and Purchase Agreement and up to the Latest Practicable Date, for approving the Sale and Purchase Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules. Accordingly, no general meeting of the Company will be held for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Although no general meeting will be convened for approving the Transaction, the Directors (including the independent non-executive Directors) believe that the Transaction and the Sale and Purchase Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, if the general meeting were convened for approving the Transaction, the Directors would have recommended the Shareholders to vote in favour of the Transaction and the Sale and Purchase Agreement.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of  
**Tongfang Kontafarma Holdings Limited**  
**Chai Hongjie**  
*Chairman*

## 1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group:

- (i) for the year ended 31 December 2020 has been disclosed on pages 96 to 308 of the Company's 2020 annual report published on 26 April 2021;
- (ii) for the year ended 31 December 2019 has been disclosed on pages 93 to 288 of the Company's 2019 annual report published on 14 May 2020;
- (iii) for the year ended 31 December 2018 has been disclosed on pages 91 to 288 of the Company's 2018 annual report published on 29 April 2019; and
- (iv) for the six months ended 30 June 2021 has been disclosed on pages 6 to 48 of the Company's 2021 interim report published on 16 September 2021.

The aforesaid annual reports and interim report of the Company are available on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and of the Company (<http://www.tfkf.com.hk>).

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the details of the Group's indebtedness and contingent liabilities (unaudited) were as follows:

### **Bank borrowings**

As at 30 September 2021, the Group had outstanding bank borrowings of approximately HK\$235,337,000. The borrowings comprised (i) unsecured and unguaranteed bank borrowings of approximately HK\$41,872,000; (ii) unsecured and guaranteed bank borrowings of approximately HK\$39,932,000; (iii) secured and guaranteed bank borrowings of approximately HK\$47,652,000 and (iv) secured and unguaranteed bank borrowings of approximately HK\$105,881,000.

The aforesaid secured bank borrowings were secured by the Group's right-of-use assets, buildings, pledged bank deposits, trade receivables and the assets of a subsidiary as at 30 September 2021.

### **Lease liabilities**

As at 30 September 2021, the Group had outstanding lease liabilities of approximately HK\$500,768,000. The lease liabilities of (i) approximately HK\$4,531,000 were charged over the leased assets and unguaranteed; and (ii) remaining HK\$496,237,000 were unsecured and unguaranteed.

### **Amounts due to related parties**

As at 30 September 2021, the Group had outstanding amounts due to related parties of approximately HK\$59,618,000 which were unguaranteed and unsecured.

**Contingent liabilities**

As at 30 September 2021, the Group had the following contingent liabilities arising from incidents as disclosed in the 2020 audited consolidated financial statements and 2021 interim condensed consolidated financial statements of the Company.

In August 2019, the Company was served a writ of summons (the “**Writ**”) filed by Mr. Patrick John Wee Ewe Seng (“**Mr. PJW**”) and Active Gains Universal Limited (“**Active Gains**”) as the plaintiffs (collectively as the “**Plaintiffs**”) against the Company and Fester Global Limited (“**Fester Global**”), a wholly-owned subsidiary of the Company, as the defendants in the High Court of Hong Kong (the “**Legal Proceedings**”) regarding certain arrangements under the sale and purchase agreement of acquisition of 51% equity interest in TFKT True Holdings (“**True Cayman**”) (“**SPA**”). The Group has been vigorously defending and opposing the Plaintiffs’ claims. In January 2021, the Group has enforced its right under a share charge agreement since Active Gains has failed to compensate the Group in respect of the profit guarantee shortfalls under the SPA. 10,000 shares in True Cayman charged in favour of Fester Global were transferred to Fester Global as partial settlement of the amounts due and payable under the profit guarantee arrangement. Subsequently, the Group issued a Counterclaim against the Plaintiffs to recover the balance of the profit guarantee shortfalls, and in response, the Plaintiffs filed their Amended Reply, Defence to Counterclaim and Counterclaim to Counterclaim. The Legal Proceedings are still at a preliminary stage and the date of trial has not been fixed up to the date of this circular. Based on the opinion of the management of the Company in consideration of the latest development, the possibility of any significant economic outflow in relation to the Legal Proceedings is remote.

In March 2021, Chongqing Kangle Pharmaceutical Co., Ltd.\* (重慶康樂製藥有限公司) (“**Chongqing Kangle**”), a non-wholly owned subsidiary of the Company, received a court summons\* (傳票) attaching a statement of civil claim\* (民事起訴狀) (the “**Shanghai Legal Proceedings**”) from the Shanghai Xuhui District People’s Court\* (上海市徐匯區人民法院) in relation to the claim made by Shanghai Haixin Pharmaceutical Co., Ltd.\* (上海海欣醫藥股份有限公司) (“**Shanghai Haixin**”) against Chongqing Kangle as defendant for the alleged non-performance of a cooperation agreement on project for Hydroxychloroquine Sulfate\* (硫酸羥氯喹項目合作協議) signed on 19 May 2011 between Chongqing Kangle and Shanghai Haixin (the “**Cooperation Agreement**”). Shanghai Haixin sought for court order to terminate the Cooperation Agreement, and claimed against Chongqing Kangle for the damages in the amount of RMB49,000,000 and the costs incurred in connection with the Shanghai Legal Proceedings. Chongqing Kangle has engaged lawyers and intends to vigorously defend Shanghai Haixin’s claims. Based on the opinion of the management of the Company in consideration of the latest development, the possibility of any significant economic outflow in relation to the Shanghai Legal Proceedings is remote.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables, at 30 September 2021, the Group did not have any debt securities issued or outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

### **3. WORKING CAPITAL OF THE GROUP**

The Directors, after due and careful enquiry, are of the opinion that, taking into account the internal financial resources and credit facilities available to the Group and the effect of the Transaction, and in the absence of unforeseen circumstances, the Group will have sufficient working capital for its present requirements for a period of at least 12 months from the date of this circular.

### **4. MATERIAL ADVERSE CHANGE**

As disclosed in the announcement of the Company dated 6 August 2021 and the unaudited interim results announcement for the six months ended 30 June 2021, the Company recorded a consolidated loss before taxation for the six months ended 30 June 2021 of approximately HK\$74.0 million as compared to the consolidated profit before taxation from continuing operations of approximately HK\$17.3 million for the corresponding period in 2020. Apart from the decrease in gross profit, the turnaround from profit to loss was mainly attributable to (i) one-off impairment on goodwill and expected credit loss on receivables in the fitness business of the Group; and (ii) significant loss of the Group in the fitness business segment resulting from the suspension of operation of our fitness centres in Singapore and Taiwan due to the outbreak of the COVID-19 in the second quarter of 2021 in these two regions.

Save and except disclosed above, 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 2020, being the date to which the Group's latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

### **5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in (i) manufacturing and sales of prescription drugs, including chemical drugs and prescribed traditional Chinese medicines, and laboratory related products in the PRC; and (ii) operating fitness centres and providing consultation services for fitness and health activities, and operating franchise business for royalty fee income.

As stated in paragraph headed "Reasons for the Transaction" in the Letter from the Board, the Board considers that the Transaction represents a good opportunity for the Group to realize its investment in the Target Company and allows it to deploy its resources in a more optimal way by concentrating the resources on driving the growth of pharmaceutical business of the Group in the PRC.

In addition, the capital realized from the Transaction also allows the Group to pursue its overall strategy and benefit its long-term business development by further enhancing the synergies between its pharmaceutical business and fitness business. The Group will keep actively exploring new business models, partners and new profit growth drivers. Coupling such strategy with a focus on health-related businesses, the Company is optimistic about the future prospect and growth potential of the pharmaceutical business and fitness business and expects that such businesses will continue to be the driver of the sustainable growth of the Group going forward.

## 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 document misleading.

## 2. DISCLOSURE OF DIRECTORS' 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, the interests and short positions of each of the Directors and chief executives of the Company in the Shares, 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 10 to the Listing Rules (the "Model Code") were as follows:

#### *Interests in associated corporation:*

Name of Director	Name of associated corporation	Capacity	Approximate percentage of equity interest of associated corporation
Jiang Chaowen <sup>(Note)</sup>	SPF (Beijing) Biotechnology Co., Ltd.* (斯貝福(北京)生物技術有限公司) ("SPF")	Beneficial owner	5.47%

#### *Note:*

As at the Latest Practicable Date, Mr. Jiang Chaowen owned 5.47% interests in the registered capital of SPF, an indirect non-wholly owned subsidiary of the Company.

Save as disclosed above, 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.

**(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:

Name of substantial Shareholders	Capacity	Long position	
		Number of Shares interested	Approximate percentage of issued Shares
China Health	Beneficial owner <i>(Note 1)</i>	3,172,778,000	56.77%
Waranty Assets Management	Interest in a controlled corporation <i>(Note 2)</i>	3,172,778,000	56.77%
Shenzhen Waranty	Interest in a controlled corporation <i>(Note 3)</i>	3,172,778,000	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 <i>(Note 4)</i>	3,172,778,000	56.77%

Name of substantial Shareholders	Capacity	Long position	
		Number of Shares interested	Approximate percentage of issued Shares
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)) (“ <b>Sanjin Guotou</b> ”)	Interest in a controlled corporation <i>(Note 5)</i>	3,172,778,000	56.77%
Shanxi Province Expressway Group Limited Liability Company* (山西省高速公路集團有限責任公司) (“ <b>Shanxi Expressway</b> ”)	Interest in a controlled corporation <i>(Note 6)</i>	3,172,778,000	56.77%
Shanxi Transportation Holdings Group Co., Ltd.* (山西交通控股集團有限公司) (“ <b>Shanxi Transportation</b> ”)	Interest in a controlled corporation <i>(Note 7)</i>	3,172,778,000	56.77%
Shanxi State-owned Capital Operation Co., Ltd.* (山西省國有資本運營有限公司) (“ <b>State-owned Capital Operation Co.</b> ”)	Interest in a controlled corporation <i>(Note 8)</i>	3,172,778,000	56.77%

Name of substantial Shareholders	Capacity	Long position	
		Number of Shares interested	Approximate percentage of issued Shares
State-owned Assets Supervision and Administration Commission of Shanxi Provincial Government (“ <b>Shanxi Government Commission</b> ”)	Interest in a controlled corporation <i>(Note 9)</i>	3,172,778,000	56.77%
THTF Energy-Saving Holdings Limited (“ <b>THTF Energy-Saving</b> ”)	Beneficial owner <i>(Note 10)</i>	513,994,000	9.20%
Resuccess Investments Limited (“ <b>Resuccess</b> ”)	Interest in a controlled corporation <i>(Note 11)</i>	513,994,000	9.20%
Tsinghua Tongfang Co., Ltd.* (同方股份有限公司) (“ <b>Tsinghua Tongfang</b> ”)	Interest in a controlled corporation <i>(Note 12)</i>	513,994,000	9.20%

## Notes:

1. The figure refers to the legal and beneficial interests of China Health in 3,172,778,000 Shares.
2. Warranty Assets Management 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 Warranty, through its wholly owned subsidiary, namely Warranty Assets Management, 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. Shanxi Construction owns 46.40% interests in the registered capital of Shenzhen Warranty and is therefore deemed to have an interest in the Shares in which Shenzhen Warranty is interested. The figure refers to the same interest of China Health in the Shares under the SFO.

5. 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.
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, 90% interests in the registered capital of Shanxi Transportation and 46.38% interests in the registered capital of Sanjin Guotou respectively, State-owned Capital Operation Co. is therefore deemed to have, via Shanxi Construction, Shanxi Transportation and 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.
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 owned 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, Mr. Chai Hongjie, an executive Director, was also a director of Shenzhen Waranty, Mr. Huang Yu, an executive Director, was also a director of Waranty Assets Management, each of which 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 30 June 2021 (being the date to which the latest published unaudited 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

Pursuant to Rule 8.10 of the Listing Rules, the following Director has declared interests in the following businesses (other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or any member of the Group) which are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Group as at the Latest Practicable Date:

Mr. Jiang Chaowen holds directorship in and has interests in the share capital of Chongqing Jewelland Pharmaceutical Co., Ltd.\* (重慶健能醫藥開發有限公司), which principally engages in the wholesale of chemical Active Pharmaceutical Ingredients and its preparations, antibiotic Active Pharmaceutical Ingredients and its preparations, biochemical drugs and proprietary Chinese medicines. In addition, he holds directorship in Si Chuan Jewelland Pharmaceutical Co., Ltd.\* (四川健能製藥有限公司), which principally engages in the production and sales of tablets, medical technology development, and technology transfer and consultations. The business of the abovementioned companies is likely to compete with the pharmaceutical business of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors (not being the independent non-executive directors) 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. LITIGATION

- (1) On 13 August 2019, the Company was served the Writ filed by Mr. PJW and Active Gains as the plaintiffs against the Company and Fester Global, a wholly-owned subsidiary of the Company, as the defendants under High Court Action No. 1469/2019 in the High Court of Hong Kong.

The Plaintiff's allegations in the Writ are related to the acquisition by Fester Global of 51% equity interest in True Cayman pursuant to the SPA dated 6 May 2017 made between Fester Global (as purchaser), the Company (as purchaser's guarantor), Active Gains (being an entity controlled by Mr. PJW as vendor), and Mr. PJW (as vendor's warrantor). Details of the said acquisition were disclosed in the announcements and circular of the Company respectively dated 7 May 2017, 29 May 2017 and 28 July 2017. The Plaintiffs claim for, among others, the following:

- (i) payment of balance of the purchase price, being US\$3,500,000;
- (ii) a declaration that the profit guarantee given by Active Gains and Mr. PJW in favour of the Company and Fester Global in respect of True Cayman and its subsidiaries (the "**True Cayman Group**") for the financial year ended 31 December 2017 had been met; and
- (iii) a declaration that the profit guarantee given by Active Gains and Mr. PJW in favour of the Company and Fester Global in respect of the True Cayman Group for the financial year ended 31 December 2018 and 2019 ceases to have effect and that Active Gain be entitled to exercise the put option so as to sell certain shareholding in True Cayman to Fester Global according to the terms of the SPA.

The Company has filed the Defence to the High Court of Hong Kong on 12 December 2019 and has been vigorously defending and opposing the Plaintiff's claims. Further, the share charge dated 29 May 2017 (the "**Share Charge**") executed by Active Gains in favour of Fester Global in relation to the charge of 10,000 shares in True Cayman was enforced by Fester Global on 29 January 2021. The enforcement of the Share Charge by Fester Global has proceeded as a result of the failure of Active Gains to compensate Fester Global in respect of the shortfall in the guaranteed profit of True Cayman Group pursuant to the SPA, details of which were disclosed in the announcement of the Company dated 1 February 2021.

Subsequently, the Company issued a Counterclaim against the Plaintiffs to recover the balance of the shortfall in the said guaranteed profit, and in response, the Plaintiffs filed their Amended Reply, Defence to Counterclaim and Counterclaim to Counterclaim to the High Court of Hong Kong.

The Legal Proceedings are still at a preliminary stage and the date of trial has not been fixed as at the Latest Practicable Date.

- (2) In March 2021, Chongqing Kangle, an indirect non-wholly owned subsidiary of the Company, received a court summons\* (傳票) attaching a statement of civil claim\* (民事起訴狀) from the Shanghai Xuhui District People's Court\* (上海市徐匯區人民法院) in relation to the claim made by Shanghai Haixin against Chongqing Kangle as defendant for the alleged non-performance of a cooperation agreement on project for Hydroxychloroquine Sulfate\* (硫酸羥氯喹項目合作協議) signed on 19 May 2011 between Chongqing Kangle and Shanghai Haixin. Shanghai Haixin sought for court order to terminate the Cooperation Agreement, and claimed against Chongqing Kangle for the damages in the amount of RMB49,000,000 and the costs incurred in connection with the Shanghai Legal Proceedings. The Company has engaged lawyers and intends to vigorously defend Shanghai Haixin's claims.

Save as disclosed above, as at the Latest Practicable Date, so far as the Directors are aware, none of the member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was pending or threatened against any member of the Group.

## 6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into the ordinary course of business of the Group) had been entered into by members of Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (i) a land use rights assignment contract dated 22 January 2021 entered into between Shaanxi Unisplendour and Natural Resources and Planning Bureau of Baoji Hi-tech Industrial Development District\* (寶雞高新技術產業開發區自然資源和規劃局) in relation to the acquisition of land use rights of a parcel of land located at Shaanxi Province of the PRC at a consideration of RMB25,700,000, details of which are set out in the announcement of the Company dated 22 January 2021;
- (ii) a construction contract and a supplemental agreement both dated 20 April 2021 (the “**Chongqing Construction Contracts**”) entered into between Chongqing Kangle and Beijing Qingkong Zhongchuang Construction Co., Ltd.\* (北京清控中創工程建設有限公司) in relation to the construction project of a production based located at Chongqing of the PRC at the contract price of RMB34,936,651.39 (subject to adjustments), details of which are set out in the announcement and circular of the Company dated 20 April 2021 and 20 May 2021, respectively;

(iii) a construction contract dated 12 July 2021 (the “**Shaanxi Construction Contract**”) entered into between Shaanxi Unisplendour Hi-tech Pharmaceutical Co., Ltd.\* (陝西紫光高新藥業有限公司) and Shanxi Industrial Equipment Installation Group Co., Ltd.\* (山西省工業設備安裝集團有限公司) in relation to the construction project of a production base located at Shaanxi Province of the PRC at the contact price of RMB166,000,000 (subject to adjustments), details of which are set out in the announcement and circular of the Company dated 12 July 2021 and 18 August 2021, respectively; and

(iv) the Sale and Purchase Agreement.

## 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 15th Floor, Allied Kajima Building, 138 Gloucester 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 Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong.

The company secretary of the Company is Ms. Si Tou Man Wai, who is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in Australia.

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

## 8. DOCUMENTS AVAILABLE FOR INSPECTION

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.tfkf.com.hk>) for a period of 14 days from the date of this circular:

- (i) this circular; and
- (ii) the Sale and Purchase Agreement.