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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)

**RE-DESIGNATION OF DIRECTORS
AND
APPOINTMENT OF CHIEF EXECUTIVE OFFICER**

The Board would like to announce that with effect from 11 December 2017:

- (1) Mr. Ng Qing Hai, has ceased to be the Managing Director of the Company but will continue to act as an executive Director of the Company;
- (2) Mr. Zhang Yi, an executive Director of the Company, has been re-designated as a non-executive Director of the Company; and
- (3) Mr. Jiang Chaowen, currently a member of the senior management of the Group, has been appointed by the Board as the chief executive officer of the Company.

RE-DESIGNATION OF DIRECTORS AND APPOINTMENT OF CHIEF EXECUTIVE OFFICER

The board (“**Board**”) of directors (“**Directors**”) of Tongfang Kontafarma Holdings Limited (“**Company**”) announces that with effect from 11 December 2017, (i) Mr. Ng Qing Hai (“**Mr. Ng**”), has ceased to be the Managing Director of the Company but will continue to act as an executive Director of the Company; (ii) Mr. Zhang Yi (“**Mr. Zhang**”), an executive Director of the Company, has been re-designated as a non-executive Director of the Company; and (iii) Mr. Jiang Chaowen (“**Mr. Jiang**”), currently a member of the senior management of the Group, has been appointed by the Board as the chief executive officer of the Company. Such arrangement is principally attributable to the increase in scale of the medical, pharmaceutical and health business and the fitness business of the Company and its subsidiaries (“**Group**”) and it is believed such arrangement is beneficial for the long term business development of the Group.

The biographies of each of Mr. Ng Qing Hai, Mr. Zhang Yi and Mr. Jiang Chaowen are set out below.

(I) Mr. Ng Qing Hai

Mr. Ng, aged 61, was appointed as a Director of the Company in March 2011 and was re-designated as an executive Director of the Company in December 2011. Upon ceasing to act as Managing Director of the Company, Mr. Ng will continue to be principally responsible for the overall strategic development of the Group and to make important decisions regarding the Group's business. Mr. Ng was also appointed as a member of each of the executive committee, nomination committee, risks management committee and share dealing committee of the Company. Mr. Ng is a director of certain subsidiaries of the Company. Mr. Ng completed a three-year course in finance and accounting in building materials industry in the faculty of enterprises management at Shanghai Institute of Building Materials Industry in 1983. He is a non-practising member of The Chinese Institute of Certified Public Accountants. Mr. Ng was the 6th vice chairman of Shanghai Cement Industrial Association of the PRC, and was a fellow member of the Asian Knowledge Management Association from November 2005 to November 2006. He was appointed as a member of 11th Shandong Provincial Committee of the Chinese People's Political Consultative Conference in January 2013. Mr. Ng was the chief executive officer (from 15 May 2001 to 20 April 2010), the president (from 15 May 2001 to 24 June 2014) and an executive director (from 15 May 2001 to 24 June 2014) of ChinaVision Media Group Limited (now known as Alibaba Pictures Group Limited) (stock code: 1060), the issued shares of which are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Mr. Ng was a non-executive director of Tian An China Investments Company Limited (stock code: 28), the issued shares of which are listed on the Stock Exchange, from 18 January 2012 to 18 January 2013. Mr. Ng was a non-executive director of China Shanshui Cement Group Limited (stock code: 0691), the issued shares of which are listed on the Stock Exchange, from 1 December 2015 to 2 February 2016. Mr. Ng was appointed as a director (on 27 June 2014) and the general manager (on 21 December 2015) of Grand Ocean Retail Group Limited (security code: 5907), the issued shares of which are listed on the Taiwan Stock Exchange, and the president (on 21 December 2015) and the director as well as the chairman (on 18 October 2016) of its subsidiary, Grand Ocean Department Stores Group Ltd. He is a director of First Steamship Co., Ltd. (stock code: 2601), the issued shares of which are listed on the Taiwan Stock Exchange, with effect from 11 July 2016. Mr. Ng is a younger brother of Mr. Huang Wuhu, a member of the senior management of the Group. Save as disclosed above, Mr. Ng did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

An employment contract which forms the basis of emoluments has been entered into between the Group and Mr. Ng, pursuant to which he is entitled to receive (i) a total remuneration package of HK\$2,834,000 per annum (including a monthly basic salary together with allowances and a thirteen-month salary payment); (ii) a

discretionary bonus which will be based on the performance of both Mr. Ng and the Group; and (iii) performance bonus based on the monthly target scheme adopted by Shanghai Allied Cement Co., Ltd., a subsidiary of the Company. He is also entitled to a Director's fee of HK\$10,000 per annum which was determined by the Board and shall be subject to the approval by the Shareholders. The remuneration of Mr. Ng was determined with reference to the prevailing market conditions and based on the performance and contribution of Mr. Ng in the Group. He will have no designated length of service with the Group but will be subject to retirement and re-election at the annual general meetings of the Company in accordance with the amended and restated article of association of the Company (the "Articles") or any other applicable laws from time to time whereby he shall vacate his office.

Save as disclosed above, Mr. Ng did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company. Mr. Ng had personal interest in 5,000,000 share options of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as at the date of this announcement. Mr. Ng confirmed that he had no disagreement with the board of directors in relation to his cessation as Managing Director of the Company. There are no other matters or information in relation to Mr. Ng that need to be brought to the attention of the shareholders of the Company or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

(II) Mr. Zhang Yi

Mr. Zhang Yi, aged 40, was appointed as an executive Director of the Company in July 2016 before his re-designation as a non-executive Director of the Company on 11 December 2017. He has ceased to be a member of the executive committee of the Company with effect from 11 December 2017 but will continue to be a member of the share dealing committee of the Company. Mr. Zhang is also a director of certain subsidiaries and a joint venture entity of the Group. Mr. Zhang graduated from Saint Joseph's University with a Master of Science degree in September 2002. He obtained an Executive Master's degree in Business Administration from the China Europe International Business School in October 2011. Mr. Zhang has over 15 years of experience in the pharmaceutical industry. Prior to joining the Group, Mr. Zhang was the general manager of 重慶信誼東方藥業股份有限公司 (Chongqing Sine Oriental Pharmaceutical Co., Ltd.*), the deputy general manager of the sales and marketing department of the prescription Drug Division of 上海醫藥(集團)有限公司 (Shanghai Pharmaceutical (Group) Co., Ltd.*), the general manager of 上海信誼天一藥業有限公司 (Shanghai Sine Tianyi Pharmaceutical Co., Ltd.*) and the chairman of 上海信誼大藥房連鎖經營有限公司 (Shanghai Sine Pharmacy Chain Operating Co., Ltd.*) (now known as 上海華氏北區大藥房有限公司 (Shanghai Hua Shi Northern Region Pharmacy Co., Ltd.*). In addition, he was the vice-chairman and president of 同方藥業集團有限公司 (Tongfang Pharmaceutical Group Co., Ltd.*) (formerly known as 北京紫光製藥有限公司 (Beijing Ziguang Pharmaceutical Co., Ltd.*)). Currently, Mr. Zhang is the senior

vice president of 同方股份有限公司 (Tsinghua Tongfang Co., Ltd.*) (stock code: 600100), the issued shares of which are listed on the Shanghai Stock Exchange, and a director and the vice president of 深圳市華融泰資產管理有限公司 (Shenzhen Warranty Asset Management Co., Ltd.*). Mr. Zhang is also currently an executive director and chief executive officer of China Medical & HealthCare Group Limited (stock code: 0383), a company listed on the Stock Exchange. Save as disclosed above, Mr. Zhang did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

A revised employment contract which forms the basis of emoluments will be entered into between the Company and Mr. Zhang in relation to his appointment as a non-executive Director of the Company, pursuant to which (i) his term of appointment as non-executive Director shall be of three years commencing from 11 December 2017, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Articles or any other applicable laws from time to time whereby he shall vacate his office; and (ii) he is entitled to (a) a Director's fee of HK\$10,000 per annum, which was determined by the Board and shall be subject to the approval by the Shareholders; and (b) a salary of HK\$300,000 per annum effective from 11 December 2017. The remuneration of Mr. Zhang was determined with reference to the prevailing market conditions and the terms of the Company's remuneration policy.

Save as disclosed above, Mr. Zhang did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company. Mr. Zhang had personal interest in 20,000,000 share options of the Company within the meaning of Part XV of the SFO as at the date of this announcement. Mr. Zhang confirmed that he had no disagreement with the board of directors in relation to his re-designation as a non-executive Director of the Company. There are no other matters or information in relation to Mr. Zhang that need to be brought to the attention of the Shareholders or to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

(III) Mr. Jiang Chaowen

Mr. Jiang, aged 52, joined the Group in July 2016, is the president of 同方藥業集團有限公司 (Tongfang Pharmaceutical Group Co., Ltd*) (formerly known as 北京紫光製藥有限公司 (Beijing Ziguang Pharmaceutical Co., Ltd.*)) and the chairman of 斯貝福(北京)生物技術有限公司 (SPF (Beijing) Biotechnology Co., Ltd.*), 重慶康樂製藥有限公司 (Chongqing Kangle Pharmaceutical Co., Ltd.*), 陝西紫光辰濟藥業有限公司 (Shaanxi Unisplendour Life Care Pharmaceutical Co., Ltd.*) and 西藏林芝市醫藥公司 (Tibet Linzhi Medical Pharmaceutical Co., Ltd.*), all of which are the subsidiaries of the Company. Mr. Jiang was appointed as the chief executive officer of the Company on 11 December 2017. Mr. Jiang obtained his master degree from School of Business Administration of Chongqing University, during which time he did further study at the Party School of Chinese Communist Party of Chongqing City, Tsinghua

University, Southwest China Normal University, and Chongqing University etc. Prior to joining the Group, he held positions of general manager and chairman in various companies, including 西南製藥一廠 (The First South-west Pharmaceutical Factory*) (重慶青陽藥業有限公司 (Chongqing Qingyang Pharmaceutical Co., Ltd.*)), 重慶佳辰生物工程有限公司 (Chongqing Jiachen Biological Engineering Co., Ltd.*), Chongqing Jewelland Pharmaceutical Development Co., Ltd. and Si Chuan Jewelland Pharmaceutical Co., Ltd. He has nearly 30 years of extensive management experience in the pharmaceutical industry. Mr. Jiang did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years.

Mr. Jiang will enter into a service contract with the Company with no fixed term and is entitled to an annual remuneration of HK\$1.5 million, which is determined by reference to his experience, level of responsibilities within the Company, the Company's remuneration policy and comparable market statistics. Mr. Jiang did not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company. Mr. Zhang had personal interest in 12,000,000 share options of the Company within the meaning of Part XV of the SFO as at the date of this announcement.

Save as disclosed above, there are no other matters relating to the appointment of Mr. Jiang as chief executive officer of the Company that need to be brought to the attention of the shareholders of the Company and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

By order of the Board
Tongfang Kontafarma Holdings Limited
Huang Yu
Chairman

Hong Kong, 11 December 2017

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Huang Yu (Chairman) and Mr. Ng Qing Hai, one non-executive Director, namely Mr. Zhang Yi and three independent non-executive Directors, namely Mr. Chan Sze Chung, Mr. Zhang Ruibin and Mr. Zhang Junxi Jack.

* For identification purpose only