



中期報告 INTERIM REPORT

2025

GUARDIAN



Beijing Tong Ren Tang  
Chinese Medicine Company Limited  
北京同仁堂國藥有限公司

(Incorporated in Hong Kong with limited liability)  
(於香港註冊成立之有限公司)

Stock code 股份代號: 3613

# CORPORATE INFORMATION

## DIRECTORS

### Executive Directors

Gu Hai Ou (*Chairman*)  
Yue Zheng (*Vice Chairman*)  
Wang Chi  
Yan Han

### Non-executive Director

Feng Li

### Independent Non-executive Directors

Tsang Yok Sing, Jasper  
Xu Hong Xi  
Chan Ngai Chi

## AUDIT COMMITTEE

Chan Ngai Chi (*Chairman*)  
Tsang Yok Sing, Jasper  
Xu Hong Xi

## NOMINATION COMMITTEE

Tsang Yok Sing, Jasper (*Chairman*)  
Feng Li  
Xu Hong Xi  
Chan Ngai Chi

## REMUNERATION COMMITTEE

Xu Hong Xi (*Chairman*)  
Tsang Yok Sing, Jasper  
Chan Ngai Chi

## COMPANY SECRETARY

Tsang Fung Yi

## AUTHORISED REPRESENTATIVES

Gu Hai Ou  
Yan Han

## HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

## COMPANY'S WEBSITE

cm.tongrentang.com

## REGISTERED ADDRESS

Room 1405-1409, Office Tower  
Convention Plaza, 1 Harbour Road  
Wanchai, Hong Kong

## LEGAL ADVISER

as to Hong Kong laws:  
Jingtian & Gongcheng LLP  
Suite 3203-3207  
32/F  
Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

## AUDITOR

Ernst & Young  
Certified Public Accountants and  
Registered Public Interest Entity Auditor  
27th Floor, One Taikoo Place  
979 King's Road  
Quarry Bay, Hong Kong

## STOCK CODE

3613



# FINANCIAL HIGHLIGHTS

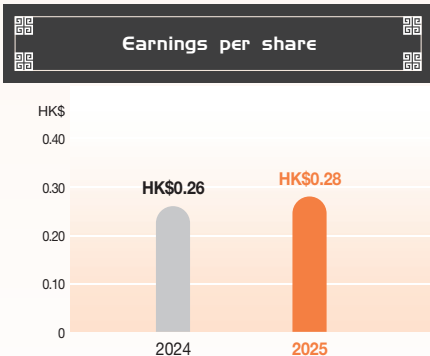
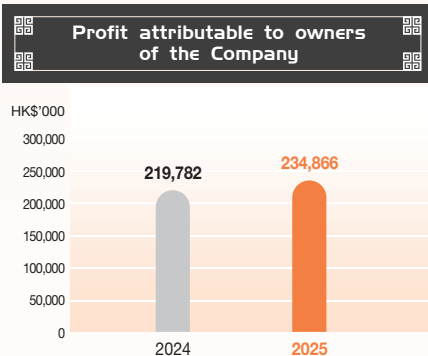
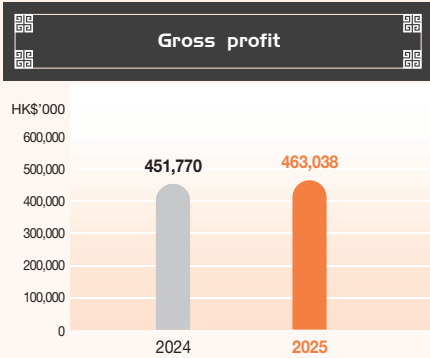
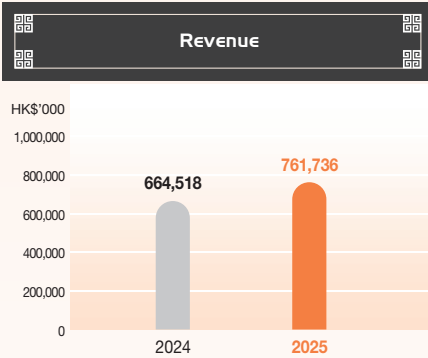
## Six months ended 30 June

(HK\$'000)	2025	2024	Change
Revenue	761,736	664,518	14.6%
Gross profit	463,038	451,770	2.5%
Profit before income tax	289,671	283,642	2.1%
Profit for the period	245,936	240,344	2.3%
Profit attributable to owners of the Company	234,866	219,782	6.9%
Earnings per share	HK\$0.28	HK\$0.26	HK\$0.02

## As at

(HK\$'000)	30 June 2025	31 December 2024	Change
Cash and bank balances	2,005,545	1,819,753	10.2%
Total assets	4,534,467	4,559,525	-0.5%
Total equity	4,222,210	4,246,434	-0.6%

For the six months ended 30 June 2024 and 2025



# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

In the first half of 2025, the global economy faced numerous challenges and uncertainties. Momentum for global economic growth weakened, protectionism intensified, trade became increasingly fragmented, and debt levels remained elevated, which continued to disrupt and constrain global economic development. Against the backdrop of a complex and challenging global economic landscape, the overall economy of the Hong Kong Special Administrative Region (“**Hong Kong**”) of the People’s Republic of China (the “**PRC**” or “**China**”) has risen to the challenges and formed a positive trend of steady growth. Nevertheless, the retail sectors in both Hong Kong and the Macao Special Administrative Region (“**Macao**”) of the PRC still faced multiple pressures, including shifts in consumer behaviour, intensified market competition, and fluctuations in the external economic environment. The value index of total retail sales from the Census and Statistics Department of the Hong Kong Special Administrative Region Government showed a total year-on-year decline of 3.3% for the first half of 2025, with the category of Chinese drugs and herbs declining by 3.4% year-on-year. The retail sales volume index in the first quarter of 2025 from the Statistics and Census Service of the Macao Special Administrative Region Government also recorded a period-on-period decline of 17.8%.

For the six months ended 30 June 2025 (the “**Period**”), the Group (Beijing Tong Ren Tang Chinese Medicine Company Limited defined as the “**Company**” below, together with its subsidiaries as the “**Group**” or “**we**”), actively seized market opportunities and achieved growth against prevailing headwinds. The Group’s revenue amounted to HK\$761.7 million (2024: HK\$664.5 million), representing an increase of 14.6% compared to the corresponding period last year; and profit attributable to owners of the Company amounted to HK\$234.9 million (2024: HK\$219.8 million), representing an increase of 6.9% compared to the corresponding period last year.



### Market Expansion

With the Hong Kong market as the core, the Group actively expanded its presence in the Hong Kong retail market, including the addition of a new retail outlet in Yuen Long, Hong Kong. It also undertook upgrades to the image and layout of its retail outlets, comprehensively revitalising their appearance and continuously empowering the retail business. In addition, the Group is committed to deepening its marketing strategies by updating the packaging design of a series of products, such as the Rhodiola Rosea Capsule and the Blueberry & Rhodiola Rosea Capsule, to enhance their market appeal. Leveraging omni-media platforms, the Group carried out comprehensive brand and product promotion initiatives. At the same time, the Group actively expanded both online and offline sales channels, continuously enriching its sales network layout to reach a broader consumer base. In addition, the Group fully participated in the Hong Kong exhibitions and arranged various exhibitions and sales activities at the Hong Kong 3rd Hometown Market Carnival, vividly showcasing the unique charm of Beijing culture and the profound heritage of traditional Chinese medicine (“TCM”). During the event, the Group presented the high-quality Chinese medicine products and rich cultural legacy of the century-old brand Tong Ren Tang, including a live demonstration of the “Production Techniques of Angong Niu Huang Wan”, an item on the National List of Intangible Cultural Heritage. This offered the public a splendid feast that harmoniously blended tradition with modernity and culture with health.

To steadfastly uphold the enterprise’s brand reputation and protect consumers’ legitimate rights, the Group has resolutely carried out anti-counterfeiting efforts in Hong Kong, precisely targeting infringing products. During the Period, the Group conducted searches across approximately 140 e-commerce platforms and pharmacies, while collaborating with Hong Kong Customs and Excise Department on anti-counterfeiting operations. The Group actively promotes societal and market awareness of genuine products, guiding consumers to make prudent purchases and support genuine goods, thereby strengthening the brand protection framework.

As an important force in the inheritance and promotion of TCM culture, the Group adhered to the purpose of promoting TCM culture and serving the public health, and actively participated in various TCM culture promotion activities. During the Period, the Group brought TCM culture into campuses by organising the “Tong Ren — The Extraordinary Journey” (《「銅人」非凡之旅》) TCM Culture Campus Visit Activity, allowing students to learn the basic knowledge of Chinese medicine in a relaxed and enjoyable atmosphere, thereby promoting students’ cognition and understanding of TCM culture. In order to further promote the widespread dissemination of Tong Ren Tang’s TCM culture in the academic community of Hong Kong, the Group launched the first “Hong Kong Student Ambassador Programme for Chinese Medicine and Health Care” (香港學界中醫藥健康學生大使計劃) with an innovative approach. For the first time, TCM culture was combined with modern technology, leveraging the power of the younger generation to achieve the inheritance and dissemination of TCM culture.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group maintains a solid foundation in Hong Kong and aims for the global market. During the Period, the Company entered into a strategic cooperation agreement with China Duty Free International Limited (“**CDF International**”). Both parties regard each other as key cooperative partners to achieve mutual development and maximise benefits. The cooperation of the Company and CDF International will be conducive to giving full play to the advantages of the parties’ respective fields, leveraging the sharing, synergy, integration and complementation of the advantageous resources. With TCM culture as a driving force, it will promote the global spread of China-Chic consumer goods. Under the new development framework of prioritising the domestic cycle and fostering mutual reinforcement between domestic and international dual cycle, both parties jointly commit to further focusing on the value of TCM, thereby providing diversified health solutions to people worldwide, and collaboratively shaping the future of the marco-health industry.

The Group actively seized the precious opportunities of participating in large-scale events, continued to increase its investment in publicity, and made every effort to accelerate the market expansion pace of the brand. At the 27th China Beijing International High-Tech Expo, the Group showcased its newly packaged Sporoderm-Broken Ganoderma Lucidum Spores Powder product, fully presenting the Group’s representative achievements in modernising Chinese medicine. It is worth mentioning that on the occasion of the 41st anniversary of the establishment of diplomatic relations between the PRC and the United Arab Emirates, the Group successfully promoted the publication of the Arabic version of the “Chinese medicinal identification: An illustrated approach” (《中藥材鑒定圖典》), demonstrating the Group’s important role in promoting the internationalisation of Chinese medicine and further expanding the brand influence of Tong Ren Tang’s TCM culture in the Middle East.

During the Period, the Group and Tong Ren Tang Holdings visited the Ministry of Health of the Kingdom of Cambodia to discuss matters related to the registration of major products in Cambodia. Both parties agreed to collaborate closely to implement cooperative projects and promote the exchange and dissemination of TCM culture, enabling more Cambodian people to benefit from “Chinese prescriptions” and jointly writing a new chapter in China-Cambodia traditional medicine cooperation. The Group also successfully co-organised the “Silk Road Legacy, Benevolent Healing” (「絲路流芳 仁濟蒼生」) health culture exchange event, fostering the integrated development of TCM and Cambodian traditional medicine, promoting their synergy to better serve the Cambodian population.



### Production and Research and Development

The Group's Tai Po production and R&D base has always adhered to a rigorous style and strict process control, and has successfully passed the Hong Kong GMP and ISO22000 certification. In order to further improve the cost competitiveness of its products, the Group has strengthened the transformation and upgrading of its production layout, increased the degree of mechanisation and automation of production, which has effectively reduced production costs while increasing production capacity, and ensured the market supply of products.

The Group has remained deeply committed to the proprietary Chinese medicine sector, continuously expanding and enriching its product portfolio. Among which, "Jin Chai Shi Hu San (金釵石斛散)" developed by the Group was awarded the Certificate of Registration of Proprietary Chinese Medicines by the Chinese Medicine Council of Hong Kong, further optimising the Group's product matrix. During the Period, the invention patent of "A preparation method and use of an anti-aging product" applied by Beijing Tong Ren Tang (Hainan) Holding Co., Ltd, a subsidiary of the Company, has successfully obtained the official authorisation from the China National Intellectual Property Administration. In addition, the clinical trial plan of Lingzhi Turmeric Compound Blood-supplementing and Nerve-calming Capsules also successfully passed the expert review. These achievements have laid a solid foundation for the market promotion and injected vitality into the Group's continued stable development.

While inheriting and developing TCM services, the Group also focused on market demand and the development of natural health products and overseas expansion. In April this year, Beijing Tong Ren Tang's deer products were officially launched in New Zealand. The products launched this time mainly include high-end health products such as deer velvet, deer tail, deer pizzle, deer sinew, deer blood, and deer placenta. They strictly follow Beijing Tong Ren Tang's over 350 years of traditional processing techniques and combine with New Zealand's standardised production process to create "traceable, quantifiable, and exportable" premium Chinese medicine products. This is not only an important milestone in the Group's industrial layout in New Zealand, but also another landmark achievement of TCM culture to "Go Global".

In order to further expand scientific research results, the Group has actively built a scientific and technological innovation system with deep integration of production, learning, research and sales, and jointly built a cooperative scientific research platform with Hong Kong Baptist University, Macau University of Science and Technology, City University of Macau, etc., and continued to carry out comprehensive daily cooperation projects such as conducting scientific research cooperation, promoting the transformation of scientific research results, and establishing professional talent training programmes, in order to leverage science and technology to inject new impetus into the development of the Chinese medicine industry and promote Chinese medicine to embark on a new journey of modernisation and internationalisation.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Prospect

At present, the pharmaceutical industry is undergoing a critical phase of rapid development and transformation. With the intensifying trend of population ageing and the rising demand for healthcare, market demand for pharmaceutical products continues to grow. As an integral part of the pharmaceutical sector, Chinese medicine is now embracing unprecedented development opportunities, with highly promising prospects for future growth.

The Group remains firmly committed to deepening its research and development and innovation strategy, continuously enriching its product portfolio and actively expanding its proprietary product matrix to build new growth engines, thereby propelling the Group into a new phase of high-quality development. At the same time, the Group will focus on comprehensive business expansion through an integrated online and offline layout strategy, accelerating the pace of business footprint expansion and continuously strengthening its core competitiveness to ensure steady and sustainable growth in the Group's business scale.

## Human Resources

As at 30 June 2025, we had a total of 789 employees (2024: 779 employees). During the Period, the staff cost of the Group was HK\$113.5 million (2024: HK\$104.5 million). In order to attract and retain talents, the Group reviewed its remuneration policy on a regular basis and offered discretionary bonus to qualified employees according to the results and personal performance.

## FINANCIAL REVIEW

### Financial Resources and Liquidity

As at 30 June 2025, the Group continued to be in a strong financial position with cash and bank balances amounting to HK\$2,005.5 million (31 December 2024: HK\$1,819.8 million). The increase in cash and bank balances was mainly attributable to the collection of trade receivable and an increase in revenue and profit during the Period. During the Period, the Group funded its liquidity by resources generated internally. Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances, the Group has adequate liquidity and financial resources to meet the daily operations and working capital requirements as well as to fund its expansion plans.

As at 30 June 2025, the Group's cash and bank balances were mainly denominated in Hong Kong dollars, Renminbi and Macao Pataca and were deposited in reputable financial institutions with maturity dates falling within one year.





As at 30 June 2025, the Group had total non-current assets, net current assets and net assets of HK\$609.6 million, HK\$3,708.9 million and HK\$4,222.2 million, respectively (31 December 2024: HK\$593.8 million, HK\$3,730.4 million and HK\$4,246.4 million respectively). The current ratio of the Group, defined as the ratio of current assets to current liabilities, was 18.2 as at 30 June 2025 (31 December 2024: 16.9), which reflects the abundance of financial resources of the Group. The gearing ratio of the Group, defined as the borrowings and lease liabilities to total equity, was 3.4% as at 30 June 2025 (31 December 2024: 2.9%).

### Capital Expenditure

During the Period, the Group's capital expenditure was HK\$16.4 million (2024: HK\$11.2 million), which was mainly used in renovation of retail outlets and purchase of machinery and equipment for production and operation purposes.

### Foreign Currency Risk

The Group's main business operations are conducted in Hong Kong and other overseas countries/regions. The transactions, monetary assets and liabilities of the Group are mainly denominated in Hong Kong dollar, Renminbi, and Macao Pataca. During the Period, there was no material impact to the Group arising from the fluctuation in the exchange rates of these currencies.

The Group did not engage in any derivatives activities and did not commit to any financial instruments to hedge its foreign exchange exposure during the Period.

### Major Investment, Acquisitions and Disposals

During the Period, the Group did not have any major investment, acquisitions and disposals.

### Charges over Assets of the Group

As at 30 June 2025, the Group did not have any charges over assets of the Group (2024: Nil).

### Contingent Liabilities

As at 30 June 2025, the Group did not have any significant contingent liabilities.

### Dividends

The board of directors (the "Board") of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2025 (2024: Nil).

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2025 together with the comparative unaudited figures for the corresponding period in 2024 as follows:

		Unaudited Six months ended 30 June	
	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	761,736	664,518
Cost of sales	7	(298,698)	(212,748)
<b>Gross profit</b>		<b>463,038</b>	451,770
Distribution and selling expenses	7	(102,641)	(129,014)
General and administrative expenses	7	(88,659)	(74,685)
Net (provision)/reversal of impairment losses on financial assets	7	(7,334)	6,907
Other gains, net		937	3,900
<b>Operating profit</b>		<b>265,341</b>	258,878
Finance income		27,520	34,965
Finance costs		(3,379)	(3,219)
Finance income, net	8	24,141	31,746
Share of profits/(losses) of investments accounted for using the equity method		189	(6,982)
<b>Profit before income tax</b>		<b>289,671</b>	283,642
Income tax expense	9	(43,735)	(43,298)
<b>Profit for the period</b>		<b>245,936</b>	240,344
<b>Profit attributable to:</b>			
Owners of the Company		234,866	219,782
Non-controlling interests		11,070	20,562
		<b>245,936</b>	240,344
<b>Earnings per share attributable to owners of the Company for the period (expressed in HK\$ per share)</b>			
Basic and diluted earnings per share	10	0.28	0.26

The notes on pages 15 to 31 are an integral part of this condensed consolidated interim financial information.





# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Unaudited  
Six months ended 30 June

	2025 HK\$'000	2024 HK\$'000
<b>Profit for the period</b>	<b>245,936</b>	240,344
<b>Other comprehensive income:</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences attributable to owners of the Company	<b>12,086</b>	(5,133)
<i>Item that will not be reclassified to profit or loss</i>		
Currency translation differences attributable to non-controlling interest, net	<b>2,564</b>	(1,389)
Change in fair value of financial asset at fair value through other comprehensive (losses)/income	<b>(825)</b>	990
<b>Other comprehensive income/(losses) for the period</b>	<b>13,825</b>	(5,532)
<b>Total comprehensive income for the period</b>	<b>259,761</b>	234,812
<b>Attributable to:</b>		
Owners of the Company	<b>246,127</b>	215,639
Non-controlling interests	<b>13,634</b>	19,173
<b>Total comprehensive income for the period</b>	<b>259,761</b>	234,812

The notes on pages 15 to 31 are an integral part of this condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	215,191	211,111
Right-of-use assets		217,403	201,234
Intangible assets	13	65,953	67,313
Investments accounted for using the equity method		54,512	53,546
Financial asset at fair value through other comprehensive income		7,818	8,643
Prepayments and deposits		16,886	16,445
Deferred income tax assets, net		31,804	35,486
		609,567	593,778
<b>Current assets</b>			
Inventories	14	1,457,297	1,589,016
Trade receivables and other current assets	15	462,058	556,978
Short-term bank deposits with original maturities exceeding three months		216,591	46,679
Cash and cash equivalents		1,788,954	1,773,074
		3,924,900	3,965,747
<b>Total assets</b>		<b>4,534,467</b>	<b>4,559,525</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	16	938,789	938,789
Reserves			
— Other reserves		(47,116)	(58,377)
— Retained earnings		3,136,829	3,194,948
		4,028,502	4,075,360
Non-controlling interests		193,708	171,074
<b>Total equity</b>		<b>4,222,210</b>	<b>4,246,434</b>



# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2025 Notes HK\$'000	Audited 31 December 2024 HK\$'000
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings		106	142
Lease liabilities		84,322	65,799
Deferred income tax liabilities, net		8,763	8,708
Retirement benefit obligations		3,088	3,088
		96,279	77,737
<b>Current liabilities</b>			
Borrowings		71	71
Trade and other payables	17	126,307	157,308
Lease liabilities		58,210	57,408
Current income tax liabilities		31,390	20,567
		215,978	235,354
<b>Total liabilities</b>		312,257	313,091
<b>Total equity and liabilities</b>		4,534,467	4,559,525

The notes on pages 15 to 31 are an integral part of this condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited								
	Attributable to owners of the Company							Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Merger reserve HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Exchange reserve HK\$'000	Retained earnings HK\$'000	Total HK\$'000		
<b>At 1 January 2024</b>	938,789	(13,124)	(11,394)	6,229	(24,900)	2,970,913	3,866,513	154,177	4,020,690
<b>Comprehensive income</b>									
Profit for the period	—	—	—	—	—	219,782	219,782	20,562	240,344
<b>Other comprehensive income</b>									
Change in fair value of financial asset at fair value through other comprehensive income	—	—	990	—	—	—	990	—	990
Currency translation differences									
— Group	—	—	—	—	(4,407)	—	(4,407)	(1,389)	(5,796)
— Joint ventures and an associate	—	—	—	—	(726)	—	(726)	—	(726)
<b>Total comprehensive income</b>	—	—	990	—	(5,133)	219,782	215,639	19,173	234,812
<b>Transactions with owners in their capacity as owners</b>									
Dividends paid	—	—	—	—	—	(276,243)	(276,243)	(9,800)	(286,043)
Liquidation of subsidiaries	—	—	—	—	—	—	—	93	93
<b>Total transactions with owners in their capacity as owners</b>	—	—	—	—	—	(276,243)	(276,243)	(9,707)	(285,950)
<b>At 30 June 2024</b>	938,789	(13,124)	(10,404)	6,229	(30,033)	2,914,452	3,805,909	163,643	3,969,552
<b>At 1 January 2025</b>	938,789	(13,124)	(10,584)	6,229	(40,898)	3,194,948	4,075,360	171,074	4,246,434
<b>Comprehensive income</b>									
Profit for the period	—	—	—	—	—	234,866	234,866	11,070	245,936
<b>Other comprehensive income</b>									
Change in fair value of financial asset at fair value through other comprehensive income	—	—	(825)	—	—	—	(825)	—	(825)
Currency translation differences									
— Group	—	—	—	—	11,309	—	11,309	2,564	13,873
— Joint ventures and an associate	—	—	—	—	777	—	777	—	777
<b>Total comprehensive income</b>	—	—	(825)	—	12,086	234,866	246,127	13,634	259,761
<b>Transactions with owners in their capacity as owners</b>									
Dividends paid	—	—	—	—	—	(292,985)	(292,985)	—	(292,985)
Capital contributions from non-controlling shareholders	—	—	—	—	—	—	—	9,000	9,000
<b>Total transactions with owners in their capacity as owners</b>	—	—	—	—	—	(292,985)	(292,985)	9,000	(283,985)
<b>At 30 June 2025</b>	938,789	(13,124)	(11,409)	6,229	(28,812)	3,136,829	4,028,502	193,708	4,222,210

The notes on pages 15 to 31 are an integral part of this condensed consolidated interim financial information.



# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

## Unaudited Six months ended 30 June

	2025 HK\$'000	2024 HK\$'000
<b>Net cash generated from/(used in) operating activities</b>	<b>480,494</b>	(303,857)
<b>Cash flows from investing activities</b>		
Interest received	28,230	31,017
(Increase)/decrease in short-term bank deposits with original maturities exceeding three months	(169,912)	1,330,623
Purchase of property, plant and equipment and intangible assets	(4,171)	(2,245)
Proceeds from disposal of property, plant and equipment	1	2
Deposit paid for purchase of property, plant and equipment and intangible assets	(12,229)	(8,972)
<b>Net cash (used in)/generated from investing activities</b>	<b>(158,081)</b>	1,350,425
<b>Cash flows from financing activities</b>		
Principal elements of lease payments	(30,664)	(30,881)
Repayment of borrowings	(36)	(83)
Interest paid	(3,379)	(3,219)
Dividends paid to the Company's shareholders	(292,985)	(276,243)
Dividends paid to non-controlling interests	—	(9,800)
Capital contributions from non-controlling shareholders	9,000	—
<b>Net cash used in financing activities</b>	<b>(318,064)</b>	(320,226)
<b>Net increase in cash and cash equivalents</b>	<b>4,349</b>	726,342
<b>Cash and cash equivalents at beginning of period</b>	<b>1,773,074</b>	999,814
Exchange gain/(losses) on cash and cash equivalents	11,531	(4,665)
<b>Cash and cash equivalents at end of period</b>	<b>1,788,954</b>	1,721,491
<b>Analysis of balances of cash and cash equivalents</b>		
Cash at bank and on hand and deposits with banks with original maturity within three months	1,788,954	1,721,491

The notes on pages 15 to 31 are an integral part of this condensed consolidated interim financial information.

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## I GENERAL INFORMATION

The Group is engaged in manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments. The immediate holding company of the Company is Tong Ren Tang Technologies Co. Ltd. (“**Tong Ren Tang Technologies**”) which is a joint stock limited liability company established in the PRC and is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The intermediate holding company of the Company is Beijing Tong Ren Tang Company Limited (“**Tong Ren Tang Ltd.**”) which is a joint stock limited company incorporated in the PRC and is listed on the Shanghai Stock Exchange. The ultimate holding company of the Company is China Beijing Tong Ren Tang Group Co., Ltd. (“**Tong Ren Tang Holdings**”) which is a company incorporated in the PRC.

The shares of the Company were listed on GEM of the Stock Exchange starting from 7 May 2013 and were transferred to be listed on the Main Board of the Stock Exchange starting from 29 May 2018.

The condensed consolidated interim financial information is presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board on 22 August 2025.

This condensed consolidated interim financial information has not been audited.

## 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”).

The financial information relating to the year ended 31 December 2024 that is included in this condensed consolidated interim financial information as comparative information does not constitute the Company’s statutory annual consolidated financial statements for the year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2024 to the Companies Registry as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).





# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2024.

Taxation on income in the interim periods is accrued using the tax rate that would be applicable to expected total annual earnings.

### Adoption of revised framework and amendments to standards

The Group has adopted the following revised framework and amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 January 2025.

Amendments to HKAS 21

*Lack of Exchangeability*

The adoption of the above revised framework and amendments to standards did not have any significant financial impact on this condensed consolidated interim financial information.

## 4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 5 FINANCIAL RISK MANAGEMENT

### (a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate risk), credit risk and liquidity risk.

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2024.

There have been no changes in the risk management policies and procedures since last year end.

### (b) Liquidity risk

Compared to 31 December 2024, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

## 6 REVENUE AND SEGMENT INFORMATION

### (a) Revenue

Unaudited Six months ended 30 June		
	2025 HK\$'000	2024 HK\$'000
Sales of products	739,820	642,311
Service income	21,847	21,996
Royalty fee income	69	211
	761,736	664,518

### (b) Segment information

The chief operating decision maker has been identified as the executive directors and non-executive director of the Company (the "**Executive Directors**" and "**Non-executive Director**"). The Executive Directors and Non-executive Director review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.



# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 6 REVENUE AND SEGMENT INFORMATION *(Continued)*

### (b) Segment information *(Continued)*

The Executive Directors and Non-executive Director assess the performance of the operating segments based on revenue and segment results of each segment. The Executive Directors and Non-executive Director have determined the operating segments based on the location of the entities and the information reviewed by the Group's chief operating decision maker for the purposes of allocating resources and assessing performance and have determined that the Group has three reportable operating segments.

The geographical location of revenue is analysed based on location where goods are sold and services are provided. The details are set out as follows:

- (i) Hong Kong — sale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments through retail outlets as well as wholesale of Chinese medicine products and healthcare products in Hong Kong. In addition, it includes the royalty fee income received from overseas entities for using "Tong Ren Tang" brand name.
- (ii) Mainland China (for the purpose of this interim report, regions of China other than Hong Kong, Macao and Taiwan China) — wholesale of Chinese medicine products and healthcare products in the Mainland China and the sole distribution of "Tong Ren Tang" branded products of Tong Ren Tang Technologies and Tong Ren Tang Ltd. to customers outside the Mainland China.
- (iii) Overseas (countries/regions other than (i) and (ii) as mentioned, for the purpose of this interim report, including Macao) — Overseas retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments.

Unallocated items comprise mainly corporate expenses.

Sales between segments are carried in accordance with terms agreed by the parties involved.

Segment assets include property, plant and equipment, right-of-use assets, intangible assets, investments accounted for using equity method, financial asset at fair value through other comprehensive income, prepayments and deposits, deferred income tax assets, inventories, trade receivables and other current assets, short-term bank deposits and cash and cash equivalents. Segment liabilities include borrowings, lease liabilities, trade and other payables, retirement benefit obligations, current and deferred income tax liabilities.

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 6 REVENUE AND SEGMENT INFORMATION *(Continued)*

### (b) Segment information *(Continued)*

#### (i) Analysis of condensed consolidated statement of profit or loss

	Hong Kong HK\$'000	Mainland China HK\$'000	Overseas HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2025 (Unaudited)</b>				
Segment revenue	515,131	146,749	208,809	870,689
Inter-segment revenue	(80,197)	(28,756)	—	(108,953)
Revenue from external customers	434,934	117,993	208,809	761,736
Timing of revenue recognition				
At a point in time	434,865	117,235	206,802	758,902
Overtime	69	758	2,007	2,834
	434,934	117,993	208,809	761,736
Segment results	195,634	7,099	21,622	224,355
Inter-segment elimination				40,986
Operating profit				265,341
Finance income	25,658	29	1,833	27,520
Finance costs	(1,527)	(47)	(1,805)	(3,379)
Share of profits of investments accounted for using equity method				189
Profit before income tax				289,671
Income tax expense				(43,735)
Profit for the period				245,936

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 6 REVENUE AND SEGMENT INFORMATION *(Continued)*

### (b) Segment information *(Continued)*

#### (i) Analysis of condensed consolidated statement of profit or loss *(Continued)*

	Hong Kong HK\$'000	Mainland China HK\$'000	Overseas HK\$'000	Total HK\$'000
<b>Six months ended 30 June 2024 (Unaudited)</b>				
Segment revenue	372,148	162,537	214,369	749,054
Inter-segment revenue	(38,341)	(46,195)	—	(84,536)
Revenue from external customers	333,807	116,342	214,369	664,518
Timing of revenue recognition				
At a point in time	333,596	115,695	214,308	663,599
Overtime	211	647	61	919
	333,807	116,342	214,369	664,518
Segment results	128,044	20,431	35,893	184,368
Inter-segment elimination				74,510
Operating profit				258,878
Finance income	33,192	64	1,709	34,965
Finance costs	(1,725)	(99)	(1,395)	(3,219)
Share of losses of investments accounted for using equity method				(6,982)
Profit before income tax				283,642
Income tax expense				(43,298)
Profit for the period				240,344

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 6 REVENUE AND SEGMENT INFORMATION *(Continued)*

### (b) Segment information *(Continued)*

#### (ii) Analysis of condensed consolidated statement of financial position

	Hong Kong HK\$'000	Mainland China HK\$'000	Overseas HK\$'000	Total HK\$'000
<b>At 30 June 2025 (Unaudited)</b>				
<b>Segment assets and liabilities</b>				
Total assets	3,558,697	384,502	591,268	4,534,467
Investments accounted for using equity method	28,824	20,118	5,570	54,512
Total liabilities	(154,559)	(38,670)	(119,028)	(312,257)
<b>At 31 December 2024 (Audited)</b>				
<b>Segment assets and liabilities</b>				
Total assets	3,621,070	404,233	534,222	4,559,525
Investments accounted for using equity method	23,219	25,012	5,315	53,546
Total liabilities	(180,944)	(34,649)	(97,498)	(313,091)



# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 7 EXPENSES BY NATURE

	Unaudited Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold	262,616	169,295
Employee benefit expenses (including directors' emoluments)	113,545	104,467
Expenses relating to short-term leases	4,619	4,037
Variable lease payments not included in the measurement of lease liabilities ( <i>Note</i> )	250	703
Depreciation of right-of-use assets	35,769	32,569
Amortisation of intangible assets ( <i>Note 13</i> )	3,065	1,686
Depreciation of property, plant and equipment ( <i>Note 12</i> )	9,218	8,655
Loss on disposal of property, plant and equipment	36	—
Net provision/(reversal) of impairment loss on trade receivables	7,334	(6,907)
Promotion and advertising expenses	9,879	40,371

*Note:* Variable lease payments represent the amounts which are calculated based on percentages of turnover generated by certain retail outlets that exceed their fixed rentals.

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 8 FINANCE INCOME, NET

Unaudited Six months ended 30 June		
	2025 HK\$'000	2024 HK\$'000
Finance income		
Bank interest income	27,520	34,965
Finance costs		
Borrowings	—	(4)
Lease liabilities	(3,379)	(3,215)
	(3,379)	(3,219)
Finance income, net	24,141	31,746

## 9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the period. PRC corporate income tax has been provided at the rate of 25% (2024: 25%) on the estimated assessable profits for the period of the subsidiaries operating in Mainland China. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the entities operate.

Unaudited Six months ended 30 June		
	2025 HK\$'000	2024 HK\$'000
Current income tax	39,623	25,684
Deferred income tax	4,112	17,614
Income tax expense	43,735	43,298

In December 2021, the Organisation for Economic Co-operation and Development released the Global Anti-Base Erosion (“**GloBE**”) model rules (also known as “**Pillar Two**”) to reform international corporate taxation. The Group is within the scope of the Pillar Two. Under Pillar Two, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.





# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 9 INCOME TAX EXPENSE *(Continued)*

As of the reporting date, Pillar Two legislation has come into effect in certain jurisdictions in which the Group operates, including Australia, Canada, Czech Republic, Germany, Hong Kong, Italy, Netherlands, New Zealand, Poland, Singapore, South Korea, Sweden, Switzerland, the United Arab Emirates. The Group has assessed the top-up tax implication under the Pillar Two legislation based on the financial data for the period ended 30 June 2025. According to the assessment, the effective tax rate of the Group's subsidiaries in Macao is estimated to be below 15%. However, the Group does not anticipate significant exposure to Pillar Two top-up taxes in Macao or other jurisdictions as of the reporting date. The Group will continue to monitor global developments related to the Pillar Two legislation and reassess any potential impacts accordingly.

The Group has adopted the temporary mandatory exception, provided in the amendments to HKAS 12 "Income Taxes" issued by the HKICPA in July 2023, from recognising or disclosing information about deferred income tax assets and liabilities associated with Pillar Two Income Taxes.

## 10 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Six months ended 30 June	
	2025	2024
Profit attributable to owners of the Company (HK\$'000)	234,866	219,782
Weighted average number of ordinary shares in issue (thousand shares)	837,100	837,100
Earnings per share (HK\$)	0.28	0.26

There were no potential dilutive shares for the six months ended 30 June 2025 (2024: Nil).

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## II DIVIDENDS

A dividend of HK\$292,985,000 in respect of the year ended 31 December 2024 was paid in June 2025 (2024: HK\$276,243,000).

During the six months ended 30 June 2025, the Board did not recommend the payment of any interim dividend (2024: Nil).

## 12 PROPERTY, PLANT AND EQUIPMENT

The net book value of property, plant and equipment is analysed as follows:

	HK\$'000
At 1 January 2025 (audited)	211,111
Additions	8,345
Disposals	(37)
Depreciation charge	(9,218)
Currency translation differences	4,990
At 30 June 2025 (unaudited)	215,191

As at 30 June 2025, no bank borrowing is secured by a freehold land and building (31 December 2024: Nil).

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 13 INTANGIBLE ASSETS

The net book value of intangible assets is analysed as follows:

	Goodwill HK\$'000	Computer software HK\$'000	Other intangible assets HK\$'000	Total HK\$'000
At 1 January 2025 (audited)	49,419	17,677	217	67,313
Addition	—	1,700	—	1,700
Amortisation	—	(2,848)	(217)	(3,065)
Currency translation differences	—	5	—	5
At 30 June 2025 (unaudited)	49,419	16,534	—	65,953

## 14 INVENTORIES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Raw materials	1,284,360	1,361,708
Work in progress	16,247	15,281
Finished goods and trading materials	156,690	212,027
	1,457,297	1,589,016

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 15 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Trade receivables		
— immediate holding company	—	15,574
— fellow subsidiaries	150,923	155,991
— joint ventures	1,915	2,061
— associate	4,552	4,552
— third parties	301,955	365,274
Trade receivables, gross	459,345	543,452
Less: loss allowance	(50,496)	(42,374)
Trade receivables, net	408,849	501,078
Bank acceptance notes	629	—
Prepayments	21,423	17,761
Other receivables	12,856	23,963
Deposits	17,331	13,206
Amount due from a joint venture	970	970
	462,058	556,978

The aging analysis of trade receivables (including amounts due from related parties of trading in nature) based on invoice date is as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Up to 90 days	204,134	328,684
91–180 days	82,616	1,936
181–365 days	57,327	43,174
Over 365 days	115,268	169,658
	459,345	543,452

The age of the bank acceptance notes is within 180 days.



# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 16 SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares issued and fully paid:		
At 1 January 2025 (audited) and 30 June 2025 (unaudited)	837,100,000	938,789

## 17 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Trade payables		
— intermediate holding company	866	7,759
— immediate holding company	8,439	6,057
— fellow subsidiaries	11,785	9
— associate	1,097	1,080
— third parties	28,225	23,440
Trade payables	50,412	38,345
Accruals and other payables	68,454	113,825
Contract liabilities	7,441	5,138
	126,307	157,308

# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 17 TRADE AND OTHER PAYABLES (Continued)

The aging analysis of trade payables (including amounts due to the related parties of trading in nature) based on invoice date is as follows:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Up to 90 days	40,974	30,668
91–180 days	1,580	803
181–365 days	690	—
Over 365 days	7,168	6,874
	50,412	38,345

## 18 COMMITMENTS

### (a) Capital commitments

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
Contracted but not provided for — property, plant and equipment and intangible assets	13,234	16,050

### (b) Lease commitments

The Group has recognised right-of-use assets for leases, except for short-term and low-value leases as set out below:

	Unaudited 30 June 2025 HK\$'000	Audited 31 December 2024 HK\$'000
No later than 1 year	1,867	1,013

As at 31 December 2024, undiscounted future lease payments amounted to HK\$13,755,000 were committed by the Group but the relevant lease periods had not commenced. These lease commitments were recognised as right-of-use assets upon the lease commencement date after 31 December 2024. As at 30 June 2025, the Group has no relevant lease commitments not commenced.



# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 19 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to those disclosed in other sections of this condensed consolidated interim financial information, the following transactions were carried out with related parties:

		Unaudited Six months ended 30 June	
	Notes	2025 HK\$'000	2024 HK\$'000
<b>(a)</b> Sales of products to:			
— Intermediate holding company	(i)	5,558	—
— Fellow subsidiaries	(i)	68,999	71,024
— Joint ventures	(i)	—	685
		<b>74,557</b>	71,709
<b>(b)</b> Purchase of products from:			
— Immediate holding company	(i)	9,319	30,494
— Intermediate holding company	(i)	21,447	51,924
— Fellow subsidiaries	(i)	413	352
		<b>31,179</b>	82,770
<b>(c)</b> Royalty fee income from joint ventures	(ii)	69	211
<b>(d)</b> Rental expenses to:			
— Immediate holding company	(i)	504	504
— Fellow subsidiaries	(i)	2,265	2,294
		<b>2,769</b>	2,798

At 30 June 2025, the Group recognised lease liabilities payable to immediate holding company of HK\$495,000 (31 December 2024: HK\$976,000) and fellow subsidiaries of HK\$2,475,000 (31 December 2024: HK\$6,025,000) over the relevant property leases.

<b>(e)</b> Advertising agency services expense to a fellow subsidiary	(i)	<b>2,976</b>	545
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# NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

## 19 SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

### (f) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The emoluments paid or payable to key management for employee services is as follows:

Unaudited Six months ended 30 June		
	2025 HK\$'000	2024 HK\$'000
Salaries and other short-term employee benefits	5,070	3,835
Pension costs — defined contribution plans	448	325
	5,518	4,160

Notes:

- (i) These transactions were conducted in the normal course of business at prices and terms mutually agreed between the parties involved.
- (ii) In accordance with the royalty agreements, the royalty fee is charged annually by the Company at either 1% on revenue or 1.5% on profit before income tax of the joint ventures, whichever is higher. Pursuant to these agreements, these joint ventures are permitted to operate under "Tong Ren Tang" brand name.

## 20 COMPARATIVE AMOUNTS

Certain comparative amounts have been restated to conform with the current period's presentation and disclosures.





## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 June 2025, none of the directors of the Company (the **"Directors"**) and chief executives of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the **"SFO"**) (Chapter 571 of the laws of Hong Kong)) which would have to be notified to the Company pursuant to Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2025, the interest of the persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

### Long position in shares of the Company

Name of shareholder	Capacity	Number of shares	Approximate percentage of issued share capital
Tong Ren Tang Technologies	Beneficial owner	318,540,000	38.05%
Tong Ren Tang Ltd. <sup>(1)</sup>	Beneficial owner	281,460,000	33.62%
	Interest of a controlled corporation	318,540,000	38.05%
Tong Ren Tang Holdings <sup>(2)</sup>	Interest of a controlled corporation	600,000,000	71.67%

## OTHER INFORMATION

### Notes:

- (1) Tong Ren Tang Ltd. directly holds approximately 46.85% of the issued share capital of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Ltd. is deemed to be interested in 318,540,000 shares of the Company held by Tong Ren Tang Technologies.
- (2) Tong Ren Tang Holdings directly holds approximately 52.45% of the issued share capital of Tong Ren Tang Ltd. which in turn directly holds approximately 46.85% of the issued share capital of Tong Ren Tang Technologies. Tong Ren Tang Holdings also directly holds approximately 1.34% domestic shares and H shares in total of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Holdings is deemed to be interested in 318,540,000 shares of the Company and 281,460,000 shares of the Company held by Tong Ren Tang Technologies and Tong Ren Tang Ltd., respectively.

Save as disclosed above, the Company had not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2025 was the Company, any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.



## INTERESTS IN COMPETING BUSINESSES

To ensure that the business classification between the Company, Tong Ren Tang Ltd., Tong Ren Tang Technologies and Tong Ren Tang Holdings (collectively the “**Controlling Shareholders**”) are properly documented and established, each of the Controlling Shareholders entered into a deed of non-competition in favour of the Company on 18 April 2013 (the “**Deed of Non-competition**”), details of which are set out in the prospectus of the Company dated 25 April 2013 (the “**Prospectus**”), mainly to the effect that at any time until their collective beneficial interest in the equity interest in the Company is less than 30%, each of them shall not, and shall procure their respective subsidiaries (except through its interests in the Group) not to, without prior written consent of the Company, directly or indirectly:

- (i) engage in the research, development, manufacture and sales of any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials in markets outside of the Mainland China (the “**Non-Mainland China Markets**”);
- (ii) engage in the research, development, manufacture and sale of any products with “Tong Ren Tang” brands in the Non-Mainland China Markets, except for the manufacture of the Chinese medicine products for the two independent third parties in Japan; for the avoidance of doubt and without prejudice to the generality of the Deed of Non-competition, except for the current excluded business in Japan, engage in arrangement with any other parties in the Non-Mainland China Markets similar to the excluded business in Japan;
- (iii) carry out any sales or registration (new or renewal) for Angong Niu Huang Wan in the Non-Mainland China Markets;
- (iv) engage in the distribution of any Chinese medicine products in the Non-Mainland China Markets, except for certain existing arrangements as disclosed in the Prospectus; and
- (v) carry out any new overseas registration of “Tong Ren Tang” branded products ((i) to (v) are collectively known as “**Restricted Business**”).

## OTHER INFORMATION

In addition, under the Deed of Non-competition, each of the Controlling Shareholders has also undertaken that if each of them and/or any of its associates is offered or becomes aware of any project or new business opportunity (the “**New Business Opportunity**”) that relates to the Restricted Business, whether directly or indirectly, it shall (i) promptly and in any event not later than seven (7) days notify the Company in writing of such opportunity and provide such information as is reasonably required by the Company in order to enable the Company to come to an informed assessment of such opportunity; and (ii) use its best endeavours to procure that such opportunity is offered to the Company on terms no less favourable than the terms on which such opportunity is offered to it and/or its associates.

The Directors (including the independent non-executive Directors) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity within thirty (30) business days of receipt of notice from Controlling Shareholders.

Tong Ren Tang Holdings has also granted the Company rights of first refusal to acquire its interest in Beijing Tong Ren Tang Hong Kong Medicine Management Limited, Beijing Tong Ren Tang (UK) Limited and Beijing Tong Ren Tang Tai Fong Co., Ltd. on terms which are not less favorable than the terms it wishes to sell to other parties.

In this connection, the Group adopted the following corporate governance measures to manage any potential conflicts of interest arising from any future potential competing business and to safeguard the interests of the shareholders of the Company:

- (i) the independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the Deed of Non-competition by the Controlling Shareholders; and
- (ii) the Company will disclose the review by the independent non-executive Directors with basis on the compliance with and enforcement of the terms of the Deed of Non-competition in its annual report.



In monitoring the competing business of the Parent Group (refer to Tong Ren Tang Holdings, Tong Ren Tang Ltd., Tong Ren Tang Technologies and their respective subsidiaries, other than the Group and their respective predecessors), an executive committee (the **“Competition Executive Committee”**) comprising two disinterested Directors, namely Mr. Wang Chi and Mr. Yan Han, has been established with the following major responsibilities:

- (a) conduct quarterly inspection of the distribution channels of the Parent Group, including retail stores and wholesale customers, to check whether any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials (other than ganoderma lucidum spores powder capsule manufactured by the Group) is sold in the Non-Mainland China Markets; and
- (b) conduct quarterly communications with representatives of the Parent Group to confirm whether their research and development portfolio has any products which contain ganoderma lucidum or ganoderma lucidum spores as raw materials.

A supervisory committee, comprising three independent non-executive Directors, namely, Mr. Tsang Yok Sing, Jasper (Chairman), Mr. Xu Hong Xi and Mr. Chan Ngai Chi, has been established with the following major responsibilities:

- (a) meet quarterly and review the quarterly inspection record and daily communication records by the Competition Executive Committee (if applicable); and
- (b) report findings during its review of the records provided by the Competition Executive Committee to the Board which will be published in the Company's annual report.

## PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company (including sale of treasury shares).

As at 30 June 2025, the Company did not hold any treasury shares.

## COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code contained in Appendix C3 to the Listing Rules. Having made specific enquires to all the Directors, all the Directors confirmed that they had complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by Directors adopted by the Company during the Period.

# OTHER INFORMATION

## CORPORATE GOVERNANCE CODE

The Company has complied with the provisions set out in Appendix C1 of the Corporate Governance Code to the Listing Rules during the Period.

## CHANGE IN INFORMATION OF DIRECTORS

Save as disclosed in the 2024 annual report of the Company, the change in the information of the Directors of the Company since the date of the 2024 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

Name of Director	Detail of change
<i>Executive Directors</i>	
Mr. Chen Fei	Resigned as an Executive Director, the executive deputy general manager, a member of competition executive committee and authorised representative of the Company (the <b>"Authorised Representative"</b> ) under Rule 3.05 of the Listing Rules with effect from 12 May 2025, due to change in work arrangement.
Mr. Yue Zheng	Appointed as an Executive Director and the vice chairman of the Board of the Company with effect from 12 May 2025.
Mr. Yan Han	Appointed as an Executive Director, a member of the competition executive committee and the Authorised Representative of the Company with effect from 12 May 2025.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control are the essential parts of the operation and governance procedures of the Group. Effective risk management and internal control help the Group identify and evaluate risks, adopt measures to cope with threats, continue implement its development strategies and ensure the realisation of targets set.

The Group's risk management and internal control governance structure is based on the "Three Lines of Defence" model comprised of day-to-day operational management and control, risk and compliance management, and independent supervision assurance.



In view of the ever-changing internal and external environment, the Group takes an active and systematic approach for the ongoing risk identification and assessment in the course of business operations, defines risk control responsibilities, reviews the adequacy and effectiveness of risk control measures, and continuously incorporate risk control concepts into operation and governance process so as to strengthened the risk control capabilities of the Group on all fronts and helped to achieve operating targets and steady development.

During the Period, the relevant functional departments and operating units performed their respective duties. Apart from daily monitoring of risks, they reported the overall status of significant risks and risk management initiatives by submitting the risk control report. After further analysis and summarisation of the relevant risk control reports, the Group's risk management report is formed and reported to the audit committee of the Company (the **"Audit Committee"**) and the Board for continuous supervision and review of the effectiveness of the Group's risk management and internal control system.

## AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information and the interim report of the Group for the six months ended 30 June 2025. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

By order of the Board  
**Beijing Tong Ren Tang**  
**Chinese Medicine Company Limited**  
**Gu Hai Ou**  
*Chairman*

Hong Kong, 22 August 2025



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