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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)

(Stock Code: 3613)

**CONTINUING CONNECTED TRANSACTIONS
REGARDING
THE NEW TRADEMARK LICENCE FRAMEWORK AGREEMENT**

THE NEW TRADEMARK LICENCE FRAMEWORK AGREEMENT

Reference is made to Company's prospectus dated 25 April 2013 in relation to, among other things, the Current Trademark Licence Agreement dated 15 April 2013 entered into between the Company and Tong Ren Tang Holdings, pursuant to which, the Company is not subject to any fee or charges for use of the trademarks of Tong Ren Tang Holdings.

As mutually agreed by the parties, the Current Trademark Licence Agreement will be terminated with effect from 31 December 2025. The Company and Tong Ren Tang Holdings have entered into the New Trademark Licence Framework Agreement on 28 November 2025 (after trading hours), pursuant to which, Tong Ren Tang Holdings grants the Group permission to use the "Tong Ren Tang" tradename and certain trademarks of Tong Ren Tang Holdings for a term from 1 January 2026 to 31 December 2027.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Tong Ren Tang Holdings, who is interested in approximately 71.67% of the issued share capital of the Company, is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the New Trademark Licence Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) of the proposed annual cap of the transactions contemplated under the New Trademark Licence Framework Agreement exceed 0.1% but less than 5%, the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirements under the Listing Rules.

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The principal terms of the New Trademark Licence Framework Agreement are set out as follows:

- Date** : 28 November 2025 (after trading hours)
- Parties** : (i) the Company
(ii) Tong Ren Tang Holdings
- Term** : From 1 January 2026 to 31 December 2027 (both days inclusive)
- Licencing scope** : The Company and the Relevant Affiliated Companies are authorised to use "Tong Ren Tang" as their tradename (the "**Tradename**") separately or simultaneously, and/or the following trademarks (the "**Trademarks**") on their names and the relevant Chinese medicine products:
- a. 「北京同仁堂雲頭匾」 trademark logo;
 - b. 「同仁堂出口標」 trademark logo; and
 - c. 「BTRT」 trademark logo.
- Pricing policy** : Annual licence fee = the annual licence fee base number × the licence fee rate × the number of valid days of the agreement in the year / 365. The licence fee rate of the Company and its subsidiaries is 0.3%, and the licence fee rate of the Company's joint ventures and associates is 1.0%.

The annual licence fee base number of the Company or its Relevant Affiliated Companies = operating revenue of audited financial statements for the previous year – amount of sales between the Company and the Relevant Affiliated Companies or in between of the Relevant Affiliated Companies – amount of sales to Tong Ren Tang Holdings and its subsidiaries under connected transactions (excluding the connected transactions in relation to the sales by the Company and its subsidiaries to Beijing Tong Ren Tang Commercial Investment Group Co., Ltd. (北京同仁堂商業投資集團有限公司) and its subsidiaries)

The operating revenue for the Company and each of the Relevant Affiliated Companies shall be determined based on the individual audit reports on a non-consolidated basis of the Company and each of the

Relevant Affiliated Companies for the previous year.

In determining the basis of the annual licence fee, the Company has referenced to, among others, the licence fee charged by other licensors for similar tradename and trademark licencing transactions. In order to ensure the licence fee under the New Trademark Licence Framework Agreement is fair and reasonable and conducted on normal commercial terms, the Company has conducted market research on similar tradename and trademark licencing transactions between listed companies and their controlling shareholders or other connected persons. Based on almost 20 results obtained, it was revealed that the licence fee paid to licensors for similar transactions ranges from 0.12% to 1.5%. Having considered the market research and significant growth of market value and recognition of “Tong Ren Tang” brand, the Company believes that the licence fee under the New Trademark Licence Framework Agreement is in line with prevailing market practice and standards.

Payment terms : Upon receiving the payment notice from Tong Ren Tang Holdings, the Company shall notify each of its Relevant Affiliated Companies of the amount of annual licence fee payable for that year. The Company shall, within 30 working days upon receiving the payment notice from Tong Ren Tang Holdings, pay all due licence fees of the Company, along with those of its overseas Relevant Affiliated Companies, to Tong Ren Tang Holdings. The mainland Relevant Affiliated Companies shall, within 15 working days upon receiving the payment notice from the Company, pay their due licence fee to Tong Ren Tang Holdings.

HISTORICAL TRANSACTIONS AND PROPOSED NEW CAPS

As disclosed in the Company’s prospectus dated 25 April 2013, pursuant to the Current Trademark Licence Agreement dated 15 April 2013 entered into between the Company and Tong Ren Tang Holdings, the Company was not subject to any fee or charges for use of the trademarks of Tong Ren Tang Holdings, as long as Tong Ren Tang Holdings directly or indirectly controls not less than 51% equity interest in the Company. The trademark licence and authorisation had been automatically renewed on the same terms and conditions for a term of 10 years upon expiry on 13 May 2021. Therefore, the historical transactions amount under the Current Trademark Licence Agreement was nil.

Proposed Caps

The proposed caps for the transactions contemplated under the New Trademark Licence Framework Agreement for the two years ending 31 December 2027 are set out below:

	For the years ending 31 December	
	2026	2027
	<i>(HK\$ '000)</i>	<i>(HK\$ '000)</i>
Proposed caps	12,200	14,640

The proposed caps set out above are determined based on the following factors which are applicable to the New Trademark Licence Framework Agreement:

- (i) the projected base for licence fees for 2026 and 2027 will be calculated based on the revenue for 2024;
- (ii) the estimated sales volume of the relevant Chinese medicine products during the term of the agreement taking into account the expected increase in sales volume attributable to the use of “Tong Ren Tang” brand and the synergy effect generated from its goodwill;
- (iii) the pricing standards in relation to the licence fee charged by Tong Ren Tang Holdings to its other subsidiaries (excluding the Group);
- (iv) the licence fee charged by other licensors for similar tradename and trademark licencing transactions, the prevailing market conditions as well as the inflation.

It should be noted that the proposed caps represent the best estimates by the Company of the amount of the relevant transactions based on the information currently available, and bears no direct relationship to, nor should they be taken to have any direct bearings on, the Group’s potential financial performance.

REASONS FOR ENTERING INTO THE NEW TRADEMARK LICENCE FRAMEWORK AGREEMENT

The “Tong Ren Tang” brand is very essential to the Group’s business as it has been widely used in all of its products and other business development. The “Tong Ren Tang” brand is a sought-after well-known brand in the PRC Chinese traditional medicine industry with high brand awareness, loyalty and value.

Since the Company’s listing in 2013, pursuant to the Current Trademark Licence Agreement dated 15 April 2013 entered into between the Company and the Tong Ren Tang Holdings, the Group has been permitted to use the Tradename and the Trademarks free of charge. In view of the significant growth of market value, recognition and reputation of the “Tong Ren Tang” brand as well as the increasing market demand to the “Tong Ren Tang” products, Tong Ren Tang Holdings has adjusted the standards for the grant of Tradename and Trademarks. Having considered the terms and conditions of the New Trademark Licence Framework Agreement, the Board believes that the continuous use of the “Tong Ren Tang” Tradename and the Trademarks is in the interest of the Company, which will further promote sales volume of the Group’s products and command more competitive pricing so as to enhance the value of its Chinese medicine products. Therefore, the parties agreed to terminate the Current Trademark Licence Agreement with effect from 31 December 2025, and entered into the New Trademark Licence Framework Agreement to extend the licence arrangement.

The Directors (including the independent non-executive Directors) are of the view that the terms of the New Trademark Licence Framework Agreement as well as the proposed annual caps (i) have been negotiated on an arm’s length basis; (ii) have been conducted and will be conducted on normal commercial terms or better; (iii) are entered into in the ordinary and usual course of business of the Group; and (iv) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INTERNAL CONTROL MEASURES

In order to ensure that the aforesaid pricing policies for the transactions contemplated under the New Trademark Licence Framework Agreement will be adhered to, the Company will adopt the following internal control measures:

- (i) the management of the Company will from time to time to discuss and consider the terms and conditions and the pricing mechanism of the New Trademark Licence Framework Agreement to ensure that they are fair and reasonable and on normal commercial terms;
- (ii) the Company's finance department will closely monitor and record the actual transaction amounts under the New Trademark Licence Framework Agreement on monthly basis to ensure the relevant annual caps will not be exceeded;
- (iii) conduct regular check to review and assess whether the relevant continuing connected transactions are conducted in accordance with the terms of the New Trademark Licence Framework Agreement;
- (iv) review and discuss about the annual licence fee under the New Trademark Licence Framework Agreement with Tong Ren Tang Holdings as and when appropriate with reference to the market value of the "Tong Ren Tang" brand and market prevailing conditions to ensure the pricing is fair and reasonable and on normal commercial terms, as well as in accordance with the pricing policy; and
- (v) the independent non-executive Directors and the auditors of the Company will conduct annual review on the continuing connected transaction contemplated under the New Trademark Licence Framework Agreement to confirm that the pricing policy and proposed caps remain fair and reasonable, and provide confirmation annually in the annual report of the Company in accordance with the Listing Rules.

Taking into account: (i) the above methods and procedures comprise necessary components of an internal control system with designated department and responsible officer, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the New Trademark Licence Framework Agreement. The Directors (including the independent non-executive Directors) are of the view that the Company has implemented effective internal control measures, and such methods and procedures can ensure that the transactions contemplated under the New Trademark Licence Framework Agreement will be conducted on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Tong Ren Tang Holdings, who is interested in approximately 71.67% of the issued share capital of the Company, is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the New Trademark Licence Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) of the proposed annual cap of the transactions contemplated under the New Trademark Licence Framework Agreement exceed 0.1% but less than 5%, the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but exempt from the independent Shareholders' approval requirements under the Listing Rules.

As none of the Directors has a material interest in the transactions contemplated under the New Trademark Licence Framework Agreement, none of them is required to abstain from the relevant Board resolutions in the Board meeting to approve the transaction contemplated under the New Trademark Licence Framework Agreement.

GENERAL INFORMATION

The Company

The Company is principally engaged in manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments.

Tong Ren Tang Holdings

Tong Ren Tang Holdings is an investment holding company. The Tong Ren Tang Group is engaged in the processing, manufacturing and sale of Chinese medicinal materials, Chinese patent medicine, Chinese medicinal decoction pieces, medical food, warehousing and transportation, etc.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Beijing Tong Ren Tang Chinese Medicine Company Limited, a limited company incorporated in Hong Kong, the shares of which were listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Current Trademark Licence Agreement”	means the current “Tong Ren Tang” trademark and tradename licence agreement and authorised letter (“同仁堂” 商標和字號使用許可合同暨授權書) entered into between the Company and Tong Ren Tang Holdings, which had been automatically renewed on the same terms and conditions for a term of 10 years upon expiry on 13 May 2021
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries (either directly owned or indirectly owned)
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“New Trademark Licence Framework Agreement”	means the “Tong Ren Tang Brand” licence framework agreement (「同仁堂」品牌使用許可框架協議) dated 28 November 2025 (after trading hours) entered into between the Company and Tong Ren Tang Holdings
“PRC”	the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Relevant Affiliated Company”	means the subsidiaries, associates and joint ventures of the Company using the “Tong Ren Tang” tradename and certain trademarks of Tong Ren Tang Holdings
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tong Ren Tang Group”	Tong Ren Tang Holdings, its subsidiaries (either directly owned or indirectly owned), its jointly-controlled entities and its associates
“Tong Ren Tang Holdings”	China Beijing Tong Ren Tang Group Co., Ltd., a state-owned enterprise established in the PRC on 17 August 1992 and is the ultimate controlling shareholder of the Company
“%”	per cents.

By order of the Board
Beijing Tong Ren Tang
Chinese Medicine Company Limited
Yan Han
Chairman

Hong Kong, 28 November 2025

As at the date of this announcement, the composition of the Board is as follows:

Executive Directors:

Mr. Yan Han (*Chairman*)
Mr. Yue Zheng (*Vice Chairman*)
Mr. Wang Chi

Independent Non-executive Directors:

Mr. Tsang Yok Sing, Jasper
Mr. Xu Hong Xi
Mr. Chan Ngai Chi

Non-executive Director:

Ms. Feng Li