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Tong Ren Tang Technologies Co. Ltd.

北京同仁堂科技發展股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1666)

CONTINUING CONNECTED TRANSACTIONS
RENEWAL OF PROPERTY LEASING FRAMEWORK AGREEMENT

The Board hereby announces that, as the Property Leasing Framework Agreement entered into between the Company and Tong Ren Tang Holdings will expire on 31 December 2025, the parties renewed such agreement on 30 December 2025, for a term of three years from 1 January 2026 to 31 December 2028, and set the annual caps for the continuing connected transactions contemplated under the aforesaid agreement for the three years ending 31 December 2028.

Tong Ren Tang Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the renewed Property Leasing Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to IFRS 16, the Group if entering into lease transaction as a lessee should recognise the right-of-use asset in the consolidated financial statements. The entering into lease transactions by the Group as lessee contemplated under the renewed Property Leasing Framework Agreement will be regarded as an acquisition of asset under Rule 14.04(1)(a) of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios in respect of the estimated annual caps for the continuing connected transactions under the renewed Property Leasing Framework Agreement exceed 0.1% but are all less than 5%, the renewed Property Leasing Framework Agreement and the proposed annual caps for the continuing connected transactions contemplated thereunder are only subject to reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated 25 January 2017, 19 March 2019, 30 December 2019 and 30 December 2022 in relation to continuing connected transactions under the Property Leasing Framework Agreement between the Group and Tong Ren Tang Group.

As the Property Leasing Framework Agreement entered into between the Company and Tong Ren Tang Holdings will expire on 31 December 2025, the parties renewed such agreement on 30 December 2025, for a term of three years from 1 January 2026 to 31 December 2028, and set the annual caps for the continuing connected transactions contemplated under the aforesaid agreement for the three years ending 31 December 2028.

RENEWAL OF THE PROPERTY LEASING FRAMEWORK AGREEMENT

Major Terms of the renewed Property Leasing Framework Agreement

Renewal Date:	30 December 2025
Parties:	(i) the Company (as lessee); and (ii) Tong Ren Tang Holdings (as lessor)
Term:	The renewed Property Leasing Framework Agreement is for a term of three years commencing from 1 January 2026 and ending on 31 December 2028.
Principal Terms and Conditions:	Pursuant to the renewed Property Leasing Framework Agreement, Tong Ren Tang Holdings has agreed to lease and procure other members of the Tong Ren Tang Group to lease certain premises to any members of the Group for productions and operations purposes, including but not limited to office premises, warehouses and staff quarters.
Pricing Policies:	The continuing connected transactions under the renewed Property Leasing Framework Agreement will be entered into in accordance with the pricing policies below: The rentals under the renewed Property Leasing Framework Agreement shall be determined by reference to the relevant market price which is with reference to the rental information of certain premises of similar specification and size in similar locations, and shall be negotiated on an arm's length basis of such market terms, to ensure that the terms offered by the Tong Ren Tang Group would not be less favorable than those offered by independent third parties on the market.

Payment Agreement:	The rentals under the renewed Property Leasing Framework Agreement are payable by cash or wire transfer according to the specific and separate implementation agreements and funded by the Group's internal resources. The Directors are of view that such payment terms are in line with the market practice.
Implementation Agreements:	The Group and Tong Ren Tang Group shall enter into specific and individual implementation agreements from time to time as necessary to specify the detailed terms of the property lease under the renewed Property Leasing Framework Agreement, and such implementation agreement shall not contravene with the provisions of the renewed Property Leasing Framework Agreement. Given that the implementation agreements are entered into pursuant to the renewed Property Leasing Framework Agreement, they shall not constitute a new category of connected transactions. Any such implementation agreement shall be made within the scope of the renewed Property Leasing Framework Agreement and the relevant annual caps; if the scope is exceeded, the Company shall comply with the applicable Hong Kong Listing Rules accordingly.

Annual Caps

Historical Annual Caps and Historical Transaction Amounts

The historical annual caps of under the existing Property Leasing Framework Agreement for the three years ended 31 December 2025 are RMB60,000,000, RMB60,000,000 and RMB60,000,000, respectively.

The historical total value of right-of-use assets under the Property Leasing Framework Agreement for the two years ended 31 December 2024 and the eleven months ended 30 November 2025 are set out below:

	Year ended 31 December 2023 *(RMB '000)* *(Audited)*	**Year ended 31 December 2024** *(RMB '000)* *(Audited)*	**Eleven months ended 30 November 2025** *(RMB '000)* *(Unaudited)*
Historical total value of newly-added right-of-use assets[(1)]	46,826	454	24,170 [(2)]

Notes:

(1) In accordance with IFRS 16 "Leases", for the two years ended 31 December 2024 and the eleven months ended 30 November 2025, the historical annual caps for the continuing connected transactions of property leasing with the Group as the lessee were set based on the total value of newly-added right-of-use assets relating to the leased property of the Group.

(2) Based on the unaudited management accounts of the Group, the actual amounts of newly-added right-of-use assets from January to November 2025 amounted to approximately RMB24,170,000.

The Directors have been monitoring the transaction amount contemplated under the Property Leasing Framework Agreement, and for the two years ended 31 December 2024, the annual cap for each year has not been exceeded. As at the date of this announcement and for the year ending 31 December 2025, the annual cap for the year ending 31 December 2025 for the transactions contemplated under the Property Leasing Framework Agreement has not been and is not expected to be exceeded.

Proposed Annual Caps

According to IFRS 16, the Group is required to recognise a right-of-use asset and a lease liability, which are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate in the year of entering into the lease where the Company acts as a lessee. Accordingly, the Group is required to set annual caps on the total value of right-of-use assets relating to leases to be entered into by the Group as a lessee in each year under the renewed Property Leasing Framework Agreement.

The proposed annual caps of newly-added right-of-use assets for the transactions contemplated under the renewed Property Leasing Framework Agreement for the three years ending 31 December 2028 are set below, which represent the total value of right-of-use assets relating to leases to be entered into by the Group each year under the renewed Property Leasing Framework Agreement:

	Year ending 31 December 2026 *(RMB '000)*	**Year ending 31 December 2027** *(RMB '000)*	**Year ending 31 December 2028** *(RMB '000)*
Proposed annual caps of newly-added right-of-use assets	110,000	25,000	15,000

In arriving at the above expected annual caps, the Directors have taken into account the following factors:

(i) the actual amounts incurred by the Group in respect of the caps on additions to right-of-use assets in the historical years;

(ii) the number, area and corresponding rental amounts of properties that the Group plans to lease from Tong Ren Tang Group during the period from 1 January 2026 to 31 December 2028, based on its business development plans. The estimated amounts of additions to right-of-use assets arising from such property leases that need to be recognized over the next three years in accordance with IFRS 16;

(iii) the market rental prices of similar properties in the locations of the leased properties or adjacent areas, as well as the rental price fluctuations over the next three years;

(iv) the potential expansion in the number and area of properties to be leased by the Group over the next three years to meet its business development needs;

(v) the incremental borrowing rate adopted by the Company as the discount rate in the process of calculating the caps on additions to right-of-use assets for the next three years;

(vi) the potential appreciation in the RMB and other foreign currencies against HKD; and

(vii) an approximately 5% buffer has been provided to the proposed annual caps for the possible demand of the Group for the new leases of premises for its business expansion.

Reasons for and Benefits of Renewal of the Property Leasing Framework Agreement

According to the business development needs of the Group, and taking into account that the Group has been using the properties of Tong Ren Tang Group historically as office premises, warehouses and staff quarters etc., with its fixed assets such as machinery, equipment and office facilities all housed in the relevant properties, it is more aligned with the interests of the Group in terms of cost, time and stability to renew the Property Leasing Framework Agreement instead of finding and relocating to alternative properties.

The Directors are of the view that entering into the renewed Property Leasing Framework Agreement will continue the existing leases with the Tong Ren Tang Group and satisfy the future business needs of the Company from time to time, which is beneficial to the business development of the Group.

The Directors (including the independent non-executive Directors) consider that the renewed Property Leasing Framework Agreement is entered into on normal commercial terms or better and the terms of the leases contemplated thereunder (including the proposed annual caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Measures of Internal Control

To ensure the Group's conformity with the pricing policies in relation to the continuing connected transactions contemplated under the renewed Property Leasing Framework Agreement, the Group has the following internal control procedures in place:

（i） after entering into the renewed Property Leasing Framework Agreement, the continuing connected transactions shall be strictly in compliance with the approved terms and conditions. Implementation agreements under the renewed Property Leasing Framework Agreement shall be performed in strict accordance with pricing policies set out in the renewed Property Leasing Framework Agreement. If revision of such terms and conditions is required due to change of actual situation, it is required to re-perform appropriate approval process;

（ii） the relevant departments of the Company are responsible to continuously monitor the pricing terms and actual transaction amounts of each of the specific implementation agreements to the renewed Property Leasing Framework Agreement. The financial department of the Company is responsible to collect the total transaction amounts of the continuing connected transactions under the renewed Property Leasing Framework Agreement on a monthly basis and prepare summary report accordingly. Relevant departments, if discover any imminent or possible exceeding of the annual caps of any continuing connected transactions under the renewed Property Leasing Framework Agreement shall report as soon as possible to the financial department of the Company and the securities department. If relevant departments confirm the necessity to raise the annual caps, the relevant departments shall apply to revise annual caps. After obtaining the approval of the person in charge, it shall be submitted to the Party committee meeting and the executive office of the Company for consideration, and the Board or the general meeting of shareholders shall ultimately decide whether to revise the annual caps for the continuing connected transactions and to perform the disclosure procedures accordingly. Before completion of all of the approval and disclosure procedures, the person in charge of relevant departments shall ensure that the transaction amounts do not exceed the respective annual caps;

（iii） the independent non-executive Directors will review the continuing connected transactions under the renewed Property Leasing Framework Agreement to ensure all transactions contemplated thereunder are entered into on normal commercial terms or better, are fair and reasonable, the terms and conditions available to the Group are no less favourable than those available to independent third parties, and such transactions are carried out pursuant to the terms of the renewed Property Leasing Framework Agreement; and

（iv） the auditors of the Company will also conduct an annual review on the pricing and annual caps of the continuing connected transactions under the renewed Property Leasing Framework Agreement.

Taking into account of: (i) the above methods and procedures are necessary components of an internal control system, including designated department and responsible officer, clear approval process and monitoring system as well as detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures and approval process for explicit assessment criteria can ensure that the transactions will be executed in accordance with the pricing principles stipulated in the renewed Property Leasing Framework Agreement, the Directors (including the independent non-executive Directors) are of the view that such methods and procedures can ensure and safeguard that the transactions contemplated under the renewed Property Leasing Framework Agreement will be on normal commercial terms and not prejudicial to interests of the Company and the Shareholders as a whole.

HONG KONG LISTING RULES IMPLICATIONS

Tong Ren Tang Holdings is the ultimate controlling shareholder of the Company and is therefore a connected person of the Company under the Hong Kong Listing Rules. Accordingly, the transactions contemplated under the renewed Property Leasing Framework constitute continuing connected transactions of the Company under Chapter 14A of the Hong Kong Listing Rules.

Pursuant to IFRS 16, the Group if entering into lease transaction as a lessee should recognise the right-of-use asset in the consolidated financial statements. The entering into lease transactions by the Group as lessee contemplated under the renewed Property Leasing Framework Agreement will be regarded as an acquisition of asset under Rule 14.04(1)(a) of the Hong Kong Listing Rules.

As one or more of the applicable percentage ratios in respect of the estimated annual caps for the continuing connected transactions under the renewed Property Leasing Framework Agreement exceed 0.1% but are all less than 5%, the renewed Property Leasing Framework Agreement and the proposed annual caps for the continuing connected transactions contemplated thereunder are only subject to reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Since each of Mr. Zhang Chun You, Ms. Du Xin and Ms. Feng Li, being a Director also holding a management position or directorship of Tong Ren Tang Holdings, or their associates (as defined under Chapter 14A of the Hong Kong Listing Rules), they are deemed to have material interests in the transactions under the renewed Property Leasing Framework Agreement, and therefore have abstained from voting on the relevant resolutions of the Board. Save for disclosed above, to the best of the Directors' knowledge, information and belief after all reasonable enquiry, no Directors have material interests in the transactions contemplated the renewed Property Leasing Framework Agreement and as a result are required to abstain from voting on the relevant resolutions at the Board meeting.

GENERAL INFORMATION ON THE PARTIES

The Company

The Company is principally engaged in the manufacturing and sale of Chinese medicine.

Tong Ren Tang Holdings

Tong Ren Tang Holdings is engaged in the processing and manufacture of Chinese patent medicine and Chinese medicinal decoction pieces, sales of Chinese medicinal, Chinese patent medicine and Chinese medicinal decoction pieces, medical food, warehousing and transportation, etc. Beijing SASAC is the ultimate beneficial owner of Tong Ren Tang Holdings. Pursuant to the Program for the Reform of the Institutions of the People's Government of Beijing Municipality as approved by the Central Committee of the Communist Party of China and the State Council and the Circular of the People's Government of Beijing Municipality about the Establishment of Institutions, Beijing SASAC is established as a special institution directly under the Municipality Government and is authorized by the Municipality Government to represent the State to perform the duties of the state-owned assets contributor.

DEFINITIONS

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

"associate(s)"	has the meaning ascribed under the Hong Kong Listing Rules
"Beijing SASAC"	means the State-owned Assets Supervision and Administration Commission of the State Council of Beijing Municipality (北京市人民政府國有資產監督管理委員會)
"Board"	means the board of directors of the Company
"Company"	means Tong Ren Tang Technologies Co. Ltd. (北京同仁堂科技發展股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange
"controlling shareholder"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Director(s)"	means the directors of the Company
"Group"	means the Company and its subsidiaries
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC

"Hong Kong Listing Rules"	means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
"Hong Kong Stock Exchange"	means The Stock Exchange of Hong Kong Limited
"IFRS"	means International Financial Reporting Standards
"PRC"	means the People's Republic of China
"Property Leasing Framework Agreement"	means the Property Leasing Framework Agreement entered into between the Company and Tong Ren Tang Holdings on 25 January 2017 and renewed by the parties on 30 December 2019, 30 December 2022 and 30 December 2025 in respect of the leasing certain premises by Tong Ren Tang Holdings or other members of the Tong Ren Tang Group to the Group
"RMB"	means Renminbi, the lawful currency of the PRC
"Shareholder(s) "	means the shareholder(s) of the Company
"Tong Ren Tang Group"	means Tong Ren Tang Holdings and its subsidiaries and associates (excluding the Group)
"Tong Ren Tang Holdings"	means China Beijing Tong Ren Tang Group Co., Ltd. (中國北京同仁堂（集團）有限責任公司), a state-owned enterprise established in the PRC and the ultimate controlling shareholder of the Company

By order of the Board
Tong Ren Tang Technologies Co. Ltd
Zhang Yi
Chairman of the Board

Beijing, the PRC
30 December 2025

As at the date of this announcement, the Board comprises Mr. Zhang Yi, Mr. Zhang Chun You, and Ms. Wen Kai Ting as executive Directors, Ms. Du Xin and Ms. Feng Li as non-executive Directors, Ms. Chan Ching Har, Eliza, Mr. Zhan Yuan Jing and Mr. Li Siu Bun as independent non-executive Directors, and Mr. Zhu Dong Sheng as employee Director.