THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Beijing Tong Ren Tang Chinese Medicine Company Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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)

(I) CONTINUING CONNECTED TRANSACTIONS REGARDING THE RENEWED TRT GROUP PRC DISTRIBUTION FRAMEWORK AGREEMENT; AND (II) NOTICE OF EGM

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

SOMERLEY CAPITAL LIMITED

A letter from the Board is set out on pages 4 to 14 of this circular and a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders is set out on pages 15 to 16 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 25 of this circular. This circular is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (cm.tongrentang.com).

A notice convening the EGM to be held at Room 1405–1409, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 11 February 2026 at 10:00 a.m., is set out on pages 31 to 32 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof, and deposit it with Computershare Hong Kong Investor Services Limited, the share registrar and transfer office of the Company in Hong Kong, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so desire.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading, and all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

21 January 2026

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"associate"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Chinese Medicine Products"	Chinese medicines, healthcare products, Chinese herbs and raw materials for production of Chinese medicines and healthcare products but excluding Owned Products
"Company"	Beijing Tong Ren Tang Chinese Medicine Company Limited, a limited company incorporated in Hong Kong, the shares of which are listed on the Main Board of the Stock Exchange
"connected persons"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholders"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened to, among other things, consider and, if thought fit, approve the Renewed TRT Group PRC Distribution Framework Agreement and the proposed annual caps contemplated thereunder
"Existing TRT Group PRC Distribution Framework Agreement"	an existing framework agreement dated 20 February 2023 entered into between the Company and Tong Ren Tang Holdings, pursuant to which the Tong Ren Tang Group, as a non-exclusive distributor of the Group, would purchase the Products from the Group and then distribute the same to, among others, distributors, retailers or end-users in the PRC or use them for the purpose of production
"GLSPC"	Sporoderm-broken Ganoderma Lucidum Spores Powder Capsule manufactured by the Group
"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

"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Tsang Yok Sing, Jasper, Mr. Xu Hong Xi and Mr. Chan Ngai Chi, formed for the purpose of advising the Independent Shareholders in respect of the terms of the Renewed TRT Group PRC Distribution Framework Agreement (including the proposed annual caps)
"Independent Shareholders"	Shareholders other than Tong Ren Tang Holdings and their associates (excluding the Group)
"Latest Practicable Date"	16 January 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 of the Listing Rules
"Owned Products"	Chinese medicine and/or healthcare products to be researched, developed and manufactured by the Group from time to time, including the Chinese medicine and/or healthcare products containing ganoderma lucidum or ganoderma lucidum spore as raw materials to be researched, developed and manufactured by the Group (including GLSPC), but for the avoidance of doubt, excluding Angong Niuhuang Wan
"PRC"	the People's Republic of China and for the purpose of this circular, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Products"	collectively, the Chinese Medicine Products and the Owned Products
"Renewed TRT Group PRC Distribution Framework Agreement"	a new framework agreement dated 30 December 2025 entered into between the Company and Tong Ren Tang Holdings, pursuant to which the Tong Ren Tang Group, as a non-exclusive distributor of the Group, would continue to purchase the Products from the Group and then distribute the same to, among others, distributors, retailers or end-users in the PRC or may use them for the purpose of production
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong

"Shareholders"	the shareholders of the Company
"Somerley" or "Independent Financial Adviser"	Somerley Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Renewed TRT Group PRC Distribution Framework Agreement (including the proposed annual caps)
"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 (other than Tong Ren Tang Technologies and its subsidiaries)
"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
"Tong Ren Tang Ltd Group"	Tong Ren Tang Ltd., its subsidiaries (either directly owned or indirectly owned), its jointly controlled entities and its associates (other than Tong Ren Tang Technologies Co. Ltd. and its subsidiaries)
"Tong Ren Tang Ltd."	Beijing Tong Ren Tang Company Limited, a joint stock limited company established in the PRC on 18 June 1997, the shares of which have been listed on the Shanghai Stock Exchange since 1997 and is the intermediate holding company of the Company
"Tong Ren Tang Technologies"	Tong Ren Tang Technologies Co. Ltd., a joint stock limited company established in the PRC on 22 March 2000, the H shares of which are listed on the Stock Exchange and is the immediate holding company of the Company
"Tong Ren Tang Technologies Group"	Tong Ren Tang Technologies, and its subsidiaries (either directly owned or indirectly owned, other than the Group)
"%"	per cents.

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)

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

Non-executive Director:
Ms. Feng Li

Independent non-executive Directors:
Mr. Tsang Yok Sing, Jasper
Mr. Xu Hong Xi
Mr. Chan Ngai Chi

Registered Office:
Room 1405–1409
Office Tower, Convention Plaza
1 Harbour Road
Wanchai, Hong Kong

21 January 2026

To the Shareholders

Dear Sir or Madam,

(I) CONTINUING CONNECTED TRANSACTIONS REGARDING THE RENEWED TRT GROUP PRC DISTRIBUTION FRAMEWORK AGREEMENT; AND (II) NOTICE OF EGM

1. INTRODUCTION

Reference is made to the announcement of the Company dated 30 December 2025 in relation to entering into the Renewed TRT Group PRC Distribution Framework Agreement by the Company with Tong Ren Tang Holdings.

The purpose of this circular is to provide you with, among other things, (i) further information in relation to the terms of the Renewed TRT Group PRC Distribution Framework Agreement and the proposed annual caps; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM.

2. THE RENEWED TRT GROUP PRC DISTRIBUTION FRAMEWORK AGREEMENT

References is made to the announcement of the Company dated 20 February 2023 in relation to, *inter alia*, the continuing connected transactions under the Existing TRT Group PRC Distribution Framework Agreement with Tong Ren Tang Holdings.

As the Existing TRT Group PRC Distribution Framework Agreement has expired on 31 December 2025, the Company has entered into the Renewed TRT Group PRC Distribution Framework Agreement with Tong Ren Tang Holdings on 30 December 2025 to renew the PRC distribution arrangement for a further term of three years ending 31 December 2028.

Major Terms of the Renewed TRT Group PRC Distribution Framework Agreement

Date	:	30 December 2025
Parties	:	(1) the Company; and (2) Tong Ren Tang Holdings
Term	:	The Renewed TRT Group PRC Distribution Framework Agreement shall be from 1 January 2026 to 31 December 2028 (both days inclusive) and shall be effective upon the approval of the Independent Shareholders at the EGM.
Major terms and conditions	:	• The Company agreed that the Tong Ren Tang Group by acting as the non-exclusive distributor of the Group, may purchase the Products from the Group and may distribute the same to, among others, distributors, retailers or end-users in the PRC or use them for the purpose of production; • Details and the quantities of the Products shall be determined by both parties in accordance with the then market conditions and shall be stated in separate implementation agreements within the ambit of the Renewed TRT Group PRC Distribution Framework Agreement.

Pricing policy : ● Price for the Products shall be determined based on the prevailing market price, which is with reference to the price and sale terms of similar products in the industry and in the PRC market at the time when a separate implementation agreement is entered into. The Group shall: (i) compare the prices of the major Products supplied to the Tong Ren Tang Group with the prices for similar products as obtained by the Group on the market from time to time representing market prices for these products; and (ii) at least, on a quarterly basis, compare the price and sales terms of the purchase orders of the major Products supplied to the Tong Ren Tang Group with those entered into with and/or obtained from at least two independent third parties. After conducting the above mechanisms, the Group shall determine the prices and sales terms of the Products sold to members of Tong Ren Tang Group which shall not be more beneficial than those sold to independent third parties under the same condition. Comparing the price and sales terms of purchase orders for major Products supplied to the Tong Ren Tang Group with those from independent third parties on a quarterly basis ensures that the Group can make necessary adjustments to the sales terms and prices to the purchase orders from Tong Ren Tang Group, if needed, to match the market and industry changes and trends and allow the Group to maintain its favourable position, ultimately protecting the interests of the Company and its Shareholders. The Company is of the view that, as demonstrated from its experience in the industry and from historical trends, changes in price and sales terms are not common, and therefore, a review on a quarterly basis is sufficient to maintain the Group's awareness on the supply of the major Products;

- In addition, price for the Owned Products is also determined based on a reasonable cost plus a fair and reasonable profit margin: (a) the reasonable cost shall be determined by reference to the cost of the raw materials, the cost of labour and the manufacturing expense, etc.; and (b) the profit margin shall be determined by reference to the average gross profit rate of the Group in the previous three years, which shall not be less than 50%.

The consideration for the Products sold by the Group under the Renewed TRT Group PRC Distribution Framework Agreement shall be settled by the Tong Ren Tang Group within three months from the date of their receipt of the Products.

The Group will not conduct any transactions underlying the Renewed TRT Group PRC Distribution Framework since 1 January 2026 until the Company obtains the Independent Shareholders' approval for the relevant resolution at the EGM.

Implementation Agreements

Members of the Group and members of the Tong Ren Tang Group will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement during the term thereof. Each implementation agreement will set out the details of the products supplied, and the specifications, quantities, prices and other relevant terms thereof. Any such implementation agreements will be within the ambit of the Renewed TRT Group PRC Distribution Framework Agreement and the relevant annual caps, and if exceeded, the Company will comply with the relevant Listing Rules accordingly.

Historical figures and proposed annual caps

Set out below are the aggregate historical amounts received/receivable by the Group for the two years ended 31 December 2024 and nine months ended 30 September 2025 as well as the annual caps (exclusive of value-added tax in the PRC) under the Existing TRT Group PRC Distribution Framework Agreement:

	Year ended 31 December				Nine months ended 30 September	Year ended 31 December
	2023 *(Note)*		2024		2025	2025
	Annual amounts	Historical cap	Annual amounts	Historical cap	Actual amounts	Historical Cap
	(HK$' million)		*(HK$' million)*		*(HK$' million)*	*(HK$' million)*
	(Audited)		(Audited)		(Unaudited)	
Amounts received/ receivable under the Existing TRT Group PRC Distribution Framework Agreement (exclusive of value-added tax in the PRC)	15.0	330.0	56.8	380.0	83.8	436.0

Note: Pursuant to the Existing TRT Group PRC Distribution Framework Agreement, the term was commenced on 20 February 2023.

The low utilisation is mainly attributable to a deviation between the market actual conditions and demand after the pandemic from expectation, where some distributors in the PRC were still off-loading the Owned Products of the Group during 2023, which had affected the sales of the Group's Owned Products in the PRC. However, the volume of sales is gradually increasing and recovering, with notable year-on-year growth in 2024 and 2025.

The proposed annual caps (exclusive of value-added tax in the PRC) under the Renewed TRT Group PRC Distribution Framework Agreement for distribution of the Products (including both the Owned Products and the Chinese Medicine Products) for each of the three years ending 31 December 2028 are set out below:

	For the year ending 31 December		
	2026	**2027**	**2028**
	(HK$' million)	*(HK$' million)*	*(HK$' million)*
Proposed annual caps (exclusive of value-added tax in the PRC)	230	320	440

The proposed annual caps for the three years ending 31 December 2028 set out above are determined based on the following factors which are applicable to the Renewed TRT Group PRC Distribution Framework Agreement:

(a) the historical figures of the relevant transactions and the historical annual caps as disclosed above;

(b) an estimated year-on-year growth rate of 15% for the demand of the Products for the three years ending 31 December 2028;

(c) the estimated sales of potential new Owned Products and the Chinese Medicine Products for the three years ending 31 December 2028;

(d) the expected price of the Products for the three years ending 31 December 2028; and

(e) a buffer of approximately 10% for any unexpected increase of the sales amount, the current market condition, and for any potential appreciation in the RMB against HK$. The buffer projection is assumed solely for determining the annual cap and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group and of the Tong Ren Tang Group.

Reasons for Entering into the Renewed TRT Group PRC Distribution Framework Agreement

The Directors believe that the Products' continuous availability for sale to the members of the Tong Ren Tang Group would be in the interests of the Company and its Shareholders as well as the consumers as a whole. Other than those under the Renewed TRT Group PRC Distribution Framework Agreement, the Company also entered into distributorship agreements with other PRC distributors, which are independent of and not connected with the Company and its connected persons, the terms of which are substantially the same as those under the Renewed TRT Group PRC Distribution Framework Agreement.

The sale of the Products to the members of the Tong Ren Tang Group would be beneficial to the development of the business of the Group as well as the business of the Tong Ren Tang Group, whose sales network is operating under the brand of Tong Ren Tang which is targeted to gain dominant position in respect of sales of Chinese medicine and healthcare products in the PRC. The sales of the Products through the network of the Tong Ren Tang Group will also provide additional protection to consumers to ensure that no products of substandard will be purchased by the consumers in the distribution network operated by the Tong Ren Tang Group in the PRC.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Renewed TRT Group PRC Distribution Framework Agreement (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.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, there is no other continuing transaction entered into between any member of the Group and the Tong Ren Tang Group and its ultimate beneficial owner(s) or otherwise related, which would be, together with the transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement, aggregated under the Listing Rules.

Internal Control Measures

In order to ensure that the aforesaid pricing policies for the transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement will be adhered to, the Company will continue to adopt the following internal control measures:

(i) the responsible persons of the relevant business departments of the Group shall monitor the performance of the implementation agreements and the prices of the Products sold to the members of the Tong Ren Tang Group on a monthly basis (or more frequently if it is determined necessary) to ensure that the prices of the Products are determined in strict accordance with the pricing policies as set out in the Renewed TRT Group PRC Distribution Framework Agreement. If any revision of terms or any price adjustment is required or if any imminent or possible exceeding of the annual caps is discovered due to change of actual circumstances, the relevant business departments are required to communicate to the finance department of the Company which will consider to initiate the appropriate approval process. Relevant business departments shall also regularly report the actual transaction amount to the finance department of the Company;

(ii) the finance department of the Company is responsible for monitoring, collecting, and evaluating the specific information in relation to the implementation agreements under the Renewed TRT Group PRC Distribution Framework Agreement (including but not limited to the pricing terms of each specific transaction, payment arrangement and the actual transaction amount) to ensure the prices of the Products charged by the Group are in compliance with the pricing policies and the aggregate transaction amount does not exceed the proposed annual caps. In particular, based on the actual transaction amount regularly reported by the relevant business departments of the Company, the finance department will collect and add up the transaction amount of the continuing connected transactions. The finance department maintains a database, which is updated monthly (or more frequently if it is determined necessary), to store all the information for the Products sold to the members of the Tong Ren Tang Group. Such database allows the relevant business departments of the Company to keep up-to-date records of the selling prices and transaction records for the Products sold to the members of the Tong Ren Tang Group. The finance department will check the information monthly (or more frequently if it is determined necessary) to ensure reasonableness of the continuing connected transactions. If the cumulative transaction value under the Renewed TRT Group PRC Distribution Framework Agreement, based on executed implementation agreements and foreseeable demand, is projected to reach 95% of the relevant annual cap for any given financial year, the finance department will immediately alert the relevant departments to further assess the demand forecasts for the remainder of the financial year and engage with Tong Ren Tang Group to align the pacing of transactions. If the annual cap is anticipated to be exceeded, the Company will take appropriate actions to timely comply with the Listing Rules;

(iii) the independent non-executive Directors and the auditor of the Company will on a regular basis be provided with (a) the Renewed TRT Group PRC Distribution Framework Agreement; (b) the agreements entered into between the Group and independent third parties for the distribution of the same type of the Products; and (c) separate implementation agreements entered into between the Group and the Tong Ren Tang Group as well as those between the Group and independent third parties in respect of distribution of the Products in the PRC. The independent non-executive Directors will also review and compare the relevant payment terms, payment method and price payable under these agreements and to ensure that the transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement are conducted on normal commercial terms or better, and are fair and reasonable. The auditor of the Company will review and confirm the transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement are conducted in accordance with the terms of the Renewed TRT Group PRC Distribution Framework Agreement on an annual basis; and

(iv) the finance department of the Company, on a regular basis, will monitor the status of the collection of the receivables under individual purchase agreements and that the members of the Tong Ren Tang Group shall settle the receivables in accordance with the terms set out in the Renewed TRT Group PRC Distribution Framework Agreement.

Taking into account of that: (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 Renewed TRT Group PRC Distribution 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 Renewed TRT Group PRC Distribution 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 at the Latest Practicable Date, 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 Renewed TRT Group PRC Distribution 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 caps of the transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement exceed 5%, the transactions contemplated thereunder are subject to reporting, announcement, circular, annual review as well as the Independent Shareholders' approval requirements under the Listing Rules.

There is no Director who has a material interest in the transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement and is required to abstain from voting on the relevant Board resolutions.

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. 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..

3. EGM

A notice convening the EGM to be held at Room 1405–1409, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 11 February 2026 at 10:00 a.m., is set out on pages 31 to 32 of this circular at which an ordinary resolution will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the terms of the Renewed TRT Group PRC Distribution Framework Agreement and the proposed annual caps.

Votes on the resolution to be proposed at the EGM shall be taken by way of poll. In accordance with the Listing Rules, Tong Ren Tang Holdings and its associates shall abstain from voting on the resolution to be proposed at the EGM in relation to the Renewed TRT Group PRC Distribution Framework Agreement and the respective annual caps contemplated therein. As of the Latest Practicable Date, Tong Ren Tang Holdings and its associates, who directly and indirectly, held 600,000,000 shares of the Company (representing approximately 71.67% of the total number of shares in issue of the Company), control or are entitled to control over the voting right in respect of their shares in the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, other than Tong Ren Tang Holdings and its associates, no connected person of the Company, Shareholder and their respective associates with a material interest in the transaction contemplated under the Renewed TRT Group PRC Distribution Framework Agreement is required to abstain from voting on such resolution at the EGM.

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof, and deposit it with Computershare Hong Kong Investor Services Limited, the share registrar and transfer office of the Company in Hong Kong, at 17M Floor, Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof should you so desire.

4. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out in this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the terms of the Renewed TRT Group PRC Distribution Framework Agreement and the proposed annual caps; and (ii) the letter from the Independent Financial Adviser set out in this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Renewed TRT Group PRC Distribution Framework Agreement and the principal factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Renewed TRT Group PRC Distribution Framework Agreement (including the proposed annual caps) (a) have been negotiated on an arm's length basis; (b) will be conducted on normal commercial terms or better; (c) are entered into in the ordinary and usual course of business of the Group; and (d) are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Renewed TRT Group PRC Distribution Framework Agreement (including the proposed annual caps) by way of poll.

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

The following is the letter of advice from the Independent Board Committee to the Independent Shareholders in respect of the Renewed TRT Group PRC Distribution Framework Agreement (including the proposed annual caps), which has been prepared for the purpose of inclusion in this circular.

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)

21 January 2026

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS REGARDING THE RENEWED TRT GROUP PRC DISTRIBUTION FRAMEWORK AGREEMENT

We refer to a circular (the "**Circular**") of the Company dated 21 January 2026 of which this letter forms part. Terms used in this letter have the same meaning as defined in the Circular unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the terms of the Renewed TRT Group PRC Distribution Framework Agreement and the proposed annual caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having considered the terms of the Renewed TRT Group PRC Distribution Framework Agreement and the proposed annual caps and the advice of the Independent Financial Adviser in relation to the Renewed TRT Group PRC Distribution Framework Agreement and the proposed annual caps thereto as set out on pages 17 to 25 of the Circular, we are of the opinion that the terms of the Renewed TRT Group PRC Distribution Framework Agreement (with the proposed annual caps) are (i) fair and reasonable so far as the Independent Shareholders are concerned; (ii) on normal commercial terms or better and in the ordinary and usual business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter of advice from the Independent Financial Adviser set out on pages 17 to 25 of the Circular. We have also considered, amongst others, the various factors contained in such letter.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Renewed TRT Group PRC Distribution Framework Agreement (including the proposed annual caps).

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Beijing Tong Ren Tong
Chinese Medicine Company Limited

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

Independent Non-executive Directors

The following is the letter of advice from Somerley to the Independent Board Committee and the Independent Shareholders in respect of the Renewed TRT Group PRC Distribution Framework Agreement (including the proposed annual caps), which has been prepared for the purpose of inclusion in this circular.

SOMERLEY CAPITAL LIMITED
20th Floor
China Building
29 Queen's Road Central
Hong Kong

21 January 2026

To: the Independent Board Committee and the Independent Shareholders of Beijing Tong Ren Tang Chinese Medicine Company Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS REGARDING THE RENEWED TRT GROUP PRC DISTRIBUTION FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee and the Independent Shareholders in connection with the Renewed TRT Group PRC Distribution Framework Agreement and the transactions contemplated thereunder together with the proposed annual caps of the transactions under the Renewed TRT Group PRC Distribution Framework Agreement for each of the three years ending 31 December 2028 (the "**Annual Caps**"). Details of the Renewed TRT Group PRC Distribution Framework Agreement (together with the Annual Caps) are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 21 January 2026 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter have the same meanings as those defined in the Circular unless the context requires otherwise.

On 30 December 2025, the Company entered into the Renewed TRT Group PRC Distribution Framework Agreement with Tong Ren Tang Holdings for a period from 1 January 2026 to 31 December 2028 which will become effective upon the approval of the Independent Shareholders at the EGM, pursuant to which the Tong Ren Tang Group, as a non-exclusive distributor of the Group, would purchase the Products from the Group and may distribute the same to, among others, distributors, retailers or end-users in the PRC and use them for the purpose of production.

As stated in the letter from the Board, 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 Renewed TRT Group PRC Distribution 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 Annual Caps of the transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement exceed 5%, the transactions contemplated thereunder are subject to reporting, announcement, circular, annual review, as well as the Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Mr. Tsang Yok Sing, Jasper, Mr. Xu Hong Xi and Mr. Chan Ngai Chi, has been formed to make recommendations to the Independent Shareholders in respect of the terms of the Renewed TRT Group PRC Distribution Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps). We, Somerley Capital Limited, have been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

We are not associated with the Company, Tong Ren Tang Holdings, or their respective substantial shareholders or associates and accordingly we are considered eligible to give independent advice on the terms of the Renewed TRT Group PRC Distribution Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps). Apart from the normal professional fees payable to us in connection with this and similar appointments, no arrangement exists whereby we will receive any fees or benefits from the Company, Tong Ren Tang Holdings, or their respective substantial shareholders or associates. In addition, save for the aforesaid engagement, no other services were provided by Somerley to the Company during the past two years.

In formulating our opinion, we have reviewed, amongst others, the Renewed TRT Group PRC Distribution Framework Agreement, the annual reports and interim reports of the Company and the information contained in the Circular. We have also discussed with and reviewed information provided by the management of the Group regarding the businesses of the Group, the prospects of conducting the Renewed TRT Group PRC Distribution Framework Agreement and the transactions contemplated thereunder.

We have relied on the information and facts supplied, and the opinions expressed to us, by management of the Company and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects at the time they were made. We have also sought and received confirmation from the Company that no material facts have been omitted from the information supplied and opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information have been withheld, nor doubt the truth or accuracy of the

information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice and recommendation with regard to the Renewed TRT Group PRC Distribution Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps), we have taken into account the principal factors and reasons set out below:

1. Information on the Group

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.

2. Information on Tong Ren Tang Holdings and the Tong Ren Tang Group

Tong Ren Tang Holdings is an investment holding company. 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..

3. Reasons for the entering into of the Renewed TRT Group PRC Distribution Framework Agreement

The Directors believe the sale of the Products to the members of the Tong Ren Tang Group would be beneficial to the development of the business of the Group as well as the business of the Tong Ren Tang Group, whose sales network is operating under the brand of Tong Ren Tang which is targeted to gain dominant position in respect of sales of Chinese medicine and healthcare products in the PRC. The sales of the Products through the network of the Tong Ren Tang Group will also provide additional protection to consumers to ensure that no products of substandard will be purchased by the consumers in the distribution network operated by the Tong Ren Tang Group in the PRC.

As the Existing TRT Group PRC Distribution Framework Agreement has expired on 31 December 2025, the Company entered into the Renewed TRT Group PRC Distribution Framework Agreement with Tong Ren Tang Holdings on 30 December 2025, for a further term of three years to renew the PRC distribution arrangement. Pursuant to the Renewed TRT Group PRC Distribution Framework Agreement, the Tong Ren Tang Group, by acting as the non-exclusive distributors of the Group, would purchase the Products from the Group and may distribute the same to, among others, distributors, retailers or end-users in the PRC or use them for the purpose of production.

Based on the above, we concur with the Directors' view that the entering into of the Renewed TRT Group PRC Distribution Framework Agreement is in the ordinary and usual course of the business of the Company and we consider that it is in the interests of the Company and the Shareholders as a whole.

4. Principal terms of the Renewed TRT Group PRC Distribution Framework Agreement

Pursuant to the Renewed TRT Group PRC Distribution Framework Agreement, the Company agreed that the Tong Ren Tang Group, by acting as the non-exclusive distributor of the Group, may purchase the Products from the Group and may distribute the same to, among others, retailers or end-users in the PRC or use them for the purpose of production. Details and the quantities of the Products shall be determined by both parties in accordance with the then market conditions and shall be stated in the separate implementation agreements within the ambit of the Renewed TRT Group PRC Distribution Framework Agreement. The Renewed TRT Group PRC Distribution Framework Agreement shall be for a period from 1 January 2026 to 31 December 2028 and shall be effective upon the approval of the Independent Shareholders at the EGM to be held on 11 February 2026.

Price for the Products shall be determined based on the prevailing market price, which is with reference to the price and sales terms of similar products in the industry and in the PRC market at the time when a separate implementation agreement is entered into. The Group shall, at least, on a quarterly basis compare the price and sales terms of the purchase orders of the major Products supplied to the Tong Ren Tang Group with those entered into with and/or obtained from at least two independent third parties. The prices and sales terms of the Products sold to the Tong Ren Tang Group shall not be more beneficial than those sold to independent third parties under the same condition. In addition, price for the Owned Products shall be determined based on a reasonable cost plus a fair and reasonable profit margin: (a) the reasonable cost shall be determined with reference to the cost of the raw materials, the cost of labour and the manufacturing expense, etc.; and (b) the profit margin shall be determined with reference to the average gross profit rate of the Group in the previous three years, which shall not be less than 50%.The purchase price payable by the Tong Ren Tang Group to the Group shall be not less than that charged by the Group to other independent third parties under the same condition. The consideration for the Products shall be settled by the Tong Ren Tang Group within three months from the date of receipt of the Products.

Members of the Group and members of the Tong Ren Tang Group will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement during the term thereof. Each implementation agreement will set out the details of the products supplied, and the specifications, quantities, prices and other relevant terms thereof. Any such implementation agreements will be within the ambit of the Renewed TRT Group PRC Distribution Framework Agreement and the relevant annual caps, and if exceeded, the Company will comply with the relevant Listing Rules accordingly.

We have selected and reviewed a total of 6 sample sales contracts for the Owned Products entered into with the Tong Ren Tang Group in 2023, 2024 and the first nine months of 2025, which is considered to be a fair and representative sample given that such sales contracts were randomly selected, and compared them with sales contracts entered into with independent third parties in respect of same products in the corresponding periods (if available). Based on the Group's sales record with respect to the Owned Products, it is noted that (i) GLSPC had been the Group's major Owned Products in terms of revenue; (ii) no GLSPC was sold to independent third parties in 2023 possibly due to the destocking process as advised by the management of the Group and (iii) the unit price of GLSPC sold to Tong Ren Tang Group had been the same throughout the review period. We have compared the unit price of GLSPC sold to Tong Ren Tang Group with those sold to independent third parties in 2024 and 2025 and noted that it was the same as or higher than those sold to independent third parties. In addition, it is noted that the unit prices of the remaining Owned Products sold by the Group in each of 2023, 2024 and the first nine months of 2025 to members of the Tong Ren Tang Group were the same as those sold to independent third parties. Furthermore, we have obtained and reviewed four inventory vouchers during the review period and noted that the relevant prices were charged at an average gross profit rate of no less than 50%.

We have selected and reviewed a total of 6 sample sales contracts for the Chinese Medicine Products sold by the Group to Tong Ren Tang Group in 2023, 2024 and the first nine months of 2025, which is considered to be a fair and representative sample given that such sales contracts were randomly selected, and compared them with sales contracts entered into with independent third parties for same Chinese Medicine Products in the corresponding periods (if available), and noted that (i) the unit prices of the Chinese Medicine Products sold to Tong Ren Tang Group were the same as those sold to independent third parties; and (ii) for certain Chinese Medicine Product which has no similar transactions with independent third parties for comparison, the unit price of such Chinese Medicine Product was not lower than the market price published on 康美中藥網 (A website provides market price information for a wide range of Chinese medicine).

Based on our review of the samples, which covered both categories of the Products (i.e. Owned Products and Chinese Medicine Products), as discussed above, we noted that the credit periods offered to Tong Ren Tang Group were no less favorable to the Group than those offered to independent third parties in the PRC except for relatively new distributors or purchasers. As advised by the management of the Group, the independent distributors or purchasers in the PRC, which bought GLSPC from the Group during the review period, had a relatively short cooperation history with the Group and therefore were offered shorter credit periods to mitigate non-payment risks. However, based on the sales contracts for 2023 — 2025 that we have reviewed, it is noted that the independent distributors in Hong Kong for GLSPC were offered the same credit periods as those offered to Tong Ren Tang Group.

Having considered (i) the terms of the Renewed TRT Group PRC Distribution Framework Agreement, which are materially the same as those under the Existing TRT Group PRC Distribution Framework Agreement; (ii) the unit prices of the Owned Products and Chinese Medicine Products sold to members of the Tong Ren Tang Group were the same as or higher than those sold to the independent third parties or were not lower than the then prevailing market prices; and (iii) the credit periods offered under the Renewed TRT Group PRC Distribution Framework Agreement were no less favourable to the Group than those with the independent third parties which has established long-term cooperation relationship with the Group like Tong Ren Tang Group, we consider the terms of the Renewed TRT PRC Distribution Framework Agreement are on normal commercial terms and fair and reasonable as far as the Company and the Independent Shareholders are concerned.

5. The Annual Caps

As stated in the letter from the Board, the proposed Annual Caps have been determined having taken into account, amongst others, the historical transaction amounts and the year-on-year growth rates, the projected procurement quantities by the Tong Ren Tang Group and the buffers. Shareholders should note that such projected sales volumes are assumed solely for determining the Annual Caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group and the Tong Ren Tang Group.

Set out below are the historical transaction amounts (exclusive of value-added tax) and existing annual caps with respect to the Existing TRT Group PRC Distribution Framework Agreement for the two years ended 31 December 2023 and 2024 and the nine months ended 30 September 2025 and the proposed annual caps for the three years ending 31 December 2028 with respect to the Renewed TRT Group PRC Distribution Framework Agreement:

(HK$ million)	**For the year ended 31 December**		**For the nine months ended 30 September**	**For the year ending 31 December**		
	2023	**2024**	**2025**	**2026**	**2027**	**2028**
Sale of Products	15.0	56.8	83.8	208.6	290.7	399.8
Buffer	n.a.	n.a.	n.a.	21.4	29.3	40.2
Annual caps	330.0	380.0	436.0	230.0	320.0	440.0

We have discussed with and are advised by the management of the Group that the historical sales of the Products to the Tong Ren Tang Group was less than expected mainly because Tong Ren Tang Group was in the destocking phase in 2023 as market recovery was slower than expected following the end of the pandemic. In 2024 and 2025, the sales of Products to Tong Ren Tang Group has seen some improvement.

We have reviewed the projection of the sale of the Products (i.e. the Owned Products and the Chinese Medicine Products) to the Tong Ren Tang Group for the three years ending 31 December 2028 and noted that they have been determined based on (i) for the Owned Products and those Chinese Medicine Products which recorded

stable sales in 2025 ("**Stable Sales Products**"), the aggregate of historical and estimated sales amounts for 2025 multiplied by an estimated annual growth rate; (ii) for those Chinese Medicine Products which had minimal sales in 2025 ("**Minimal Sales Products**"), the procurement quantities from the Tong Ren Tang Group for 2026–2028 as estimated by the Group multiplied by the selling price of the relevant products as estimated by the Group; and (iii) a buffer of approximately 10% for each year.

For the Stable Sales Products, the estimated sales amount for the three months ended 31 December 2025 is projected based on the average actual sales amount of the first nine months of 2025. The projected sales amounts of the Stable Sales Products for the next three years are based on the estimated sales amounts in 2025 multiplied by an annual growth rate of 15% for each of 2026–2028, which is determined with reference to the year-on-year increase of 14.6% in the Group's revenue in the first half of 2025.

For the Minimal Sales Products, the estimated procurement quantities are projected based on the discussion between the Group and Tong Ren Tang Group and with reference to Tong Ren Tang Group's historical procurement quantities in the past three years. As advised by the management of the Group, due to the uplift of import restriction of the Chinese Medicine Product for use in Chinese patent medicine production by the PRC government (the "**Restriction Uplift**") in 2025, the Group started to arrange the supply of such Chinese Medicine Product (i.e. the Minimal Sales Products) to Tong Ren Tang Group in the same year. We have reviewed the Restriction Uplift issued by government authority in April 2025 and noted that such relaxation is to meet clinical medication needs by expanding the import of high-quality medicinal material resources from overseas. After recent discussion with Tong Ren Tang Group, the Group is given to understand that it will be able to supply the Minimal Sales Products to Tong Ren Tang Group and has estimated the sales amounts after taking into account Tong Ren Tang Group's historical procurement quantities in the past three years. We have reviewed Tong Ren Tang Group's historical procurement quantities in the past three years as provided by the Group and noted that the estimated procurement quantities from Tong Ren Tang Group only account for a small portion of Tong Ren Tang Group's historical procurement quantities for the last three years and thus consider them to be acceptable. The management of the Group has projected the sales amounts based on the estimated procurement quantities for each of 2026–2028 multiplied by the estimated selling price of relevant product with reference to prevailing market price. We have reviewed the latest market price of the Minimal Sales Products published by 康美中藥網 and noted that the estimated price in 2026–2028 used in the annual cap projection is equivalent to the latest market price published by 康美中藥網.

A buffer of approximately 10% has been built in for each of 2026–2028 for any possible unexpected increase of the sales amount and any potential appreciation in RMB against HK$.

Given the annual caps have been arrived at based on (i) the historical and estimated sales amount of the Stable Sales Products, which amounts to HK$102.7 million and HK$8.8 million respectively, having applied the estimated growth rate of 15% for each of 2026–2028; (ii) the estimated purchase quantities of the Minimal Sales Products from Tong Ren Tang Group for 2026–2028 after the discussion between the Group and Tong Ren Tang Group and taking into account Tong Ren Tang Group's historical purchase quantities multiplied by the estimated selling price of relevant product with reference to the prevailing market price of such product; and (iii) a buffer of approximately 10% to facilitate smooth operations of the Group, we are of the view that the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

6. Internal control measures

As set out in the letter from the Board, (i) business departments must monitor product pricing and implementation agreements monthly to ensure compliance with pricing policies, and report any required revisions, price adjustments, or potential cap exceedances to the finance department for approval; (ii) the finance department monitors and evaluates all transaction details to ensure pricing compliance and that aggregate amounts do not exceed annual caps, maintains a monthly-updated database of all product sales information, and verifies the reasonableness of continuing connected transactions; (iii) independent non-executive Directors and auditors of the Company regularly review the framework agreement and comparable third-party agreements to confirm transactions are conducted on normal commercial terms and are fair and reasonable, with the auditors annually confirming compliance with the agreement terms; and (iv) the finance department regularly monitors receivable collection to ensure members of the Tong Ren Tang Group settle payments in accordance with the framework agreement terms.

For due diligence purposes, as discussed in section 4, we have obtained and reviewed the transaction records and purchase orders for 2023, 2024 and the first nine months of 2025, and selected and reviewed sample sales contracts entered into with the Tong Ren Tang Group and compared them with transactions entered into with independent third parties in respect of the same Products in the corresponding periods. Based on our review, we noted that the unit prices of the Owned Products and Chinese Medicine Products were the same as or higher than those of independent third parties, or where no relevant transactions with independent third parties, such unit prices were not lower than the market prices published on 康美中藥網. We have also reviewed the credit periods offered to the Tong Ren Tang Group as disclosed in section 4 and noted that they are no less favourable than those offered to independent third parties with established long-term cooperation relationships. Furthermore, as advised by the management of the Group, each sales contract is reviewed and approved by the responsible persons of the relevant business departments, the legal department and the finance department. We have obtained and reviewed the sales contract approval forms and noted that they have been duly approved by the aforesaid persons. We have also obtained and reviewed the continuing connected transaction summaries prepared by the finance department for 2023, 2024 and the first nine months of 2025 and noted that

the finance department has collected the actual transaction amounts from the relevant business departments on a monthly basis, maintained up-to-date records of the continuing connected transactions and ensured that the annual caps are not exceeded.

Given (i) regular monitoring and assessment are conducted by the responsible persons of the relevant business departments and the finance department of the Group on a monthly basis to ensure the continuing connected transactions are conducted in accordance with the terms and pricing policies of the Renewed TRT Group PRC Distribution Framework Agreement; (ii) the independent non-executive Directors will, pursuant to Rule 14A.55 of the Listing Rules, review, among other things, whether the transactions contemplated thereunder are conducted on normal commercial terms; (iii) the auditors of the Company will, for the purpose of Rule 14A.56 of the Listing Rules, review, among other things, whether the transactions contemplated thereunder are conducted in accordance with the terms of the Renewed TRT Group PRC Distribution Framework Agreement; and (iv) the prices offered to the Tong Ren Tang Group were no less favourable than those offered to independent third parties and the credit periods were no less favourable to the Group than those offered to independent third parties with established long-term cooperation relationships as discussed in section 4 above, we are of the view that adequate measures have been put in place to monitor the transactions contemplated under the Renewed TRT Group PRC Distribution Framework Agreement in order to protect the interests of the Company and the Independent Shareholders.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the entering into of the Renewed TRT Group PRC Distribution Framework Agreement is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole; and (ii) the terms of the Renewed TRT Group PRC Distribution Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps) are on normal commercial terms and fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders, to vote in favor of the ordinary resolution to be proposed at the EGM in relation to the Renewed TRT Group PRC Distribution Framework Agreement and the transactions contemplated thereunder (together with the Annual Caps).

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Jenny Leung
Director

Ms. Jenny Leung is a licensed person and responsible officer of Somerley Capital Limited registered with the Securities and Future Commission to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Directors and Chief Executive of the Company

As at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests and short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company pursuant to Divisions 7 and 8 of 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 contained in Appendix C3 of the Listing Rules, to be notified to the Company and the Stock Exchange.

(ii) Substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors and the chief executives of the Company, the interest of the persons, other than Directors or chief executives of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of 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

Name of Shareholders	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. *(Note 1)*	Beneficial owner	281,460,000	33.62%
	Interest of a controlled corporation	318,540,000	38.05%
Tong Ren Tang Holdings *(Note 2)*	Interest of a controlled corporation	600,000,000	71.67%

Notes:

(1) Tong Ren Tang Ltd. directly holds 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 52.45% of the issued share capital of Tong Ren Tang Ltd. which in turn directly holds 46.85% of the issued share capital of Tong Ren Tang Technologies. Tong Ren Tang Holdings also directly holds 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, as at the Latest Practicable Date, so far as was known to the Directors and chief executives of the Company, 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.

3. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

4. INTERESTS OF CONTROLLING SHAREHOLDERS IN COMPETING BUSINESS

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 sale of any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials in markets outside of the PRC (the "**Non-PRC Markets**");

(ii) engage in the research, development, manufacture and sale of any products with "Tong Ren Tang" brands in Non-PRC 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-PRC Markets similar to the excluded business in Japan;

(iii) carry out any sales or registration (new or renewal) for Angong Niuhuang Wan in the Non-PRC markets;

(iv) engage in the distribution of any Chinese medicine products in Non-PRC Markets, except for certain existing arrangements as disclosed in the Prospectus of the Company; and

(v) carry out any new overseas registration of "Tong Ren Tang" branded products, ((i) to (v) are collectively known as "**Restricted Business**").

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 the 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:

(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.

5. INTERESTS OF DIRECTORS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors nor their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules).

6. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors was interested, directly or indirectly, in any assets which had since 31 December 2024, the date to which the latest audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or which are proposed to be acquired or disposed of by or leased to any member of the Group. None of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

7. DIRECTORS SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

8. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the following Directors are also employees of the companies which have the interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Directors	Position in the Substantial Shareholders of the Company
Yan Han	Assistant of general manager, the manager of the Publicity Department and the Cultural Heritage Center of Tong Ren Tang Holdings
Feng Li	Non-executive director of Tong Ren Tang Technologies and the deputy general manager and the secretary to the board of directors of Tong Ren Tang Ltd.

9. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the Somerley who have given opinion or advice which is contained in this circular:

Name	Qualification
Somerley	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Somerley:

(1) had no direct or indirect shareholdings in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and

(2) had no interests, direct or indirect, in any assets which had been, since 31 December 2024 being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any of member of the Group, or are proposed to be acquired or disposed of by or leased to any of member of the Group.

Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter, report or opinion and reference to its name in the form and context in which they respectively appear.

10. DOCUMENTS ON DISPLAY

The Renewed TRT Group PRC Distribution Framework Agreement will be posted on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (cm.tongrentang.com) for at least 14 days from the date of this circular.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**EGM**") of Beijing Tong Ren Tang Chinese Medicine Company Limited (the "**Company**") will be held at Room 1405–1409, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 11 February 2026 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution:

As Ordinary Resolution

"**THAT**, the renewed distribution framework agreement entered into between the Company and China Beijing Tong Ren Tang Group Co., Ltd. dated 30 December 2025 (the "**Renewed TRT Group PRC Distribution Framework Agreement**"), and the proposed annual caps for the three years ending 31 December 2028 for the transactions contemplated thereunder are hereby approved, ratified and confirmed; and **THAT** any one director of the Company be and is hereby authorized to sign or execute such other documents or supplemental agreements or deeds on behalf of the Company and to do all such things and take all such actions as he/she may consider necessary or desirable for the purpose of giving effect to the Renewed TRT Group PRC Distribution Framework Agreement and completing the transactions contemplated thereunder with such changes as he/she may consider necessary, desirable or expedient."

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

Hong Kong, 21 January 2026

Notes:

(1) Shareholders entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a shareholder of the Company.

(2) In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority), must be delivered to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.

(3) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.

(4) If a shareholder appoints more than one proxy, such proxies shall only exercise their voting rights by a poll.

(5) For the purpose to determine the entitlements of the shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 6 February 2026 to Wednesday, 11 February 2026 (both days inclusive), during which period no transfer of shares of the Company will be registered. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 5 February 2026.

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

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

Non-executive Director:
Ms. Feng Li

Independent Non-executive Directors:
Mr. Tsang Yok Sing, Jasper
Mr. Xu Hong Xi
Mr. Chan Ngai Chi