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BEIJING TONG REN TANG CHINESE MEDICINE COMPANY LIMITED
北京同仁堂國藥有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 3613)

CONTINUING CONNECTED TRANSACTIONS REGARDING THE PRODUCT SALES FRAMEWORK AGREEMENT

THE PRODUCT SALES FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 20 February 2023 in relation to, inter alia, the continuing connected transactions contemplated under the Previous TRT Tech PRC Distribution Framework Agreement with Tong Ren Tang Technologies.

As the Previous TRT Tech PRC Distribution Framework Agreement has expired on 31 December 2025, and during the Previous TRT Tech PRC Distribution Framework Agreement's term, due to the Group made adjustments to the distribution channels for the Owned Products (mainly GLSPC) in Chinese mainland, there have been almost no transactions between the Group and Tong Ren Tang Technologies Group for the three years ended 31 December 2025. The transactions under the Previous TRT Tech PRC Distribution Framework Agreement mainly involved the distribution arrangements of the Group's Owned Products (mainly GLSPC) in Chinese mainland. However, according to the current business plans of both parties, future transactions will be based on the procurement needs of Tong Ren Tang Technologies Group, mainly involving the supply and procurement of the Relevant Products for Tong Ren Tang Technologies Group's production and sales purposes. After considering the current actual business arrangements and the procurement needs of Tong Ren Tang Technologies Group, the Company and Tong Ren Tang Technologies believe that the transaction model under the Previous TRT Tech PRC Distribution Framework Agreement no longer meets the current business needs of both parties.

Therefore, the Company and Tong Ren Tang Technologies have decided not to renew the Previous TRT Tech PRC Distribution Framework Agreement, and have entered into the Product Sales Framework Agreement to reflect the current actual business needs and transaction arrangements of both parties. Transactions under the Product Sales Framework Agreement will be conducted on normal commercial terms, and the nature of the transactions, pricing policies, and commercial arrangements thereunder will be consistent with the continuing connected transaction arrangements

under the existing procurement framework agreement renewed on 29 September 2025 between Tong Ren Tang Technologies and Tong Ren Tang Holdings.

In summary, on 29 June 2026 (after trading hours), the Company has entered into the Product Sales Framework Agreement with Tong Ren Tang Technologies, pursuant to which, the Group may, from time to time, supply the Relevant Products to the Tong Ren Tang Technologies Group based on its business needs, and the Tong Ren Tang Technologies Group may, from time to time, procure Relevant Products from the Group based on its business needs within the PRC for production and sales purposes for a period from 29 June 2026 to 31 December 2028.

IMPLICATIONS UNDER THE LISTING RULES

As of the date of this announcement, Tong Ren Tang Technologies, who is interested in approximately 38.05% of the issued share capital of the Company, is a controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Product Sales 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 of the proposed annual caps of the transactions contemplated under the Product Sales Framework Agreement exceed 0.1% but less than 5%, the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under the Listing Rules.

THE PRODUCT SALES FRAMEWORK AGREEMENT

On 29 June 2026 (after trading hours), the Company has entered into the Product Sales Framework Agreement with Tong Ren Tang Technologies, pursuant to which, the Group may, from time to time, supply the Relevant Products to the Tong Ren Tang Technologies Group based on its business needs, and the Tong Ren Tang Technologies Group may, from time to time, procure Relevant Products from the Group based on its business needs within the PRC for production or sale purposes from the Group for a period from 29 June 2026 to 31 December 2028.

The Product Sales Framework Agreement

Date : 29 June 2026

Parties : (1) the Company; and

(2) Tong Ren Tang Technologies

Term : From 29 June 2026 to 31 December 2028 (both days inclusive)

Major terms and conditions :

- The Group may, from time to time, supply the Relevant Products to the Tong Ren Tang Technologies Group based on its business needs, and the Tong Ren Tang Technologies Group may, from time to time, procure Relevant Products from the Group based on its business needs within the PRC for production and sales purposes;

- Details and the quantities of the Relevant Products shall be determined by both parties through negotiation in accordance with the market conditions and shall be stated in separate implementation agreements within the ambit of the Product Sales Framework Agreement.

Pricing policy :

- The Relevant Products supplied to the Tong Ren Tang Technologies Group must satisfy the standard of the Pharmacopoeia of the People's Republic of China (《中華人民共和國藥典》) (if applicable) and the internal quality standard of the Tong Ren Tang Technologies Group. The price for the Relevant 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 and on normal commercial terms. The Group shall: (i) compare the prices of the major Relevant Products supplied to the Tong Ren Tang Technologies 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 prices and sales terms of the purchase orders of the major Relevant Products supplied to the Tong Ren Tang Technologies 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 Relevant Products sold to members of the Tong Ren Tang Technologies Group which shall be the same as those sold to independent third parties under the same condition;

- In addition, the price for the products manufactured by the Group shall be 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 expenses, etc.; and (b) the profit margin shall be determined by reference to the average gross profit rate of such products or similar products in the previous three years.

The consideration for the Relevant Products sold by the Group under the Product Sales Framework Agreement shall be settled by the Tong Ren Tang Technologies Group within three months from the date of their receipt of the Relevant Products and the corresponding value-added tax invoice issued by the Group.

Implementation Agreements

Members of the Group and members of the Tong Ren Tang Technologies Group will enter into, from time to time and as necessary, separate implementation agreements for each of the specific transactions contemplated under the Product Sales 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 Product Sales 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 is the aggregate historical amounts received/receivable by the Group for the three years ended 31 December 2025 as well as the previous annual caps (exclusive of value-added tax in the PRC) under the Previous TRT Tech PRC Distribution Framework Agreement:

	For the year ended 31 December					
	2023		**2024**		**2025**	
	Actual amounts	**Historical Cap**	**Actual amounts**	**Historical Cap**	**Actual amounts**	**Historical Cap**
	(HK$' million) (Audited)		*(HK$' million)* (Audited)		*(HK$' million)* (Audited)	
Amounts received/ receivable under the Previous TRT Tech PRC Distribution Framework Agreement (exclusive of value-added tax in the PRC)	0.2	74.0	-	85.0	-	98.0

The low utilization is mainly attributable to the adjustments made by the Group to the distribution channels for the Owned Products (mainly GLSPC) in Chinese mainland, there have been almost no transactions between the Group and Tong Ren Tang Technologies Group for the three years ended 31 December 2025.

The proposed annual caps (exclusive of value-added tax in the PRC) under the Product Sales Framework Agreement for the period from 29 June 2026 to 31 December 2028 are set out below:

	For the period from 29 June 2026 to 31 December 2026	**For the year ending 31 December 2027**	**2028**
	(HK$' million)	*(HK$' million)*	*(HK$' million)*
Proposed annual caps (exclusive of value-added tax in the PRC)	13.0*(Note)*	38.0	72.0

Note: From 1 January 2026 and up to 28 June 2026, Tong Ren Tang Technologies Group had conducted the purchase of the Relevant Products from the Group for a total of approximately HK$1,350,000 (exclusive of value-added tax in the PRC). As the percentage ratios (other than the profits ratio) are less than 5% and the total consideration of the relevant purchase is less than HK$3,000,000, the relevant purchase is fully exempt under Rule 14A.76 of the Listing Rules.

The proposed annual caps for the period from 29 June 2026 to 31 December 2028 set out above are determined based on the following factors which are applicable to the Product Sales Framework Agreement:

(a) the estimated orders for the Relevant Products for the period from 29 June 2026 to 31 December 2028;

(b) the expected price of the Relevant Products for the period from 29 June 2026 to 31 December 2028; and

(c) a buffer 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 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 of the Tong Ren Tang Technologies Group.

REASONS FOR ENTERING INTO THE PRODUCT SALES FRAMEWORK AGREEMENT

The Directors believe that the transaction arrangements under the Product Sales Framework Agreement are more consistent with the current business models and procurement needs of both parties, are also conducive to the unified management of the supply, procurement and sales arrangements of Relevant Products by both parties, and would be in the interests of the Company and its Shareholders as well as the consumers as a whole.

The Product Sales Framework Agreement enables the Group and Tong Ren Tang Technologies Group to flexibly arrange the supply and procurement of Relevant Products according to their respective actual business needs, which is beneficial to the business development of both the Group and Tong Ren Tang Technologies Group. On the one hand, the Product Sales Framework Agreement helps to ensure the stability of Tong Ren Tang Technologies Group's procurement needs and supply of Relevant Products, on the other hand, the Group can also leverage Tong Ren Tang Technologies Group's sales network and market resources in the Chinese market to enhance the market coverage and brand influence of Relevant Products.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Product Sales Framework Agreement (i) have been negotiated on an arm's length basis; (ii) have been conducted and will be conducted on normal commercial terms; (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.

Ms. Feng Li (who is a non-executive director of Tong Ren Tang Technologies), a non-executive Director of the Company, is considered to have material interests in the transactions contemplated under the Product Sales Framework Agreements by virtue of her position in Tong Ren Tang Technologies, for good corporate governance, Ms. Feng Li has abstained from voting on the relevant Board resolutions in the Board meeting to approve the transactions contemplated under the Product Sales Framework Agreements.

Save as disclosed, there is no other Director who has a material interest in the Product Sales Framework Agreement, nor are they required to abstain from voting in the relevant board resolutions.

INTERNAL CONTROL MEASURES

In order to ensure that the aforesaid pricing policies for the transactions contemplated under the Product Sales 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 Relevant Products sold to the members of the Tong Ren Tang Technologies Group on a monthly basis (or more frequently if it is determined necessary) to ensure that the prices of the Relevant Products are determined in strict accordance with the pricing policies as set out in the Product Sales 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 Product Sales 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 Relevant 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 Relevant Products sold to the members of the Tong Ren Tang Technologies 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 Relevant Products sold to the members of the Tong Ren Tang Technologies 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;

(iii) the independent non-executive Directors and the auditor of the Company will on a regular basis be provided with (i) the Product Sales Framework Agreement; (ii) the agreements entered into between the Group and independent third parties for the sales of the same type of the Relevant Products; and (iii) separate implementation agreements entered into between the Group and the Tong Ren Tang Technologies Group as well as those between the Group and independent third parties in respect of the sales of the Relevant 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 Product Sales Framework Agreements 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 Product Sales Framework Agreement are conducted in accordance with the terms of the Product Sales Framework Agreement on an annual basis; and

(iv) the finance department, on a regular basis, will monitor the status of the collection of the receivables under individual execution agreements and that the members of the Tong Ren Tang Technologies Group shall settle the receivables in accordance with the terms set out in the Product Sales Framework Agreement.

Taking into account 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 abovementioned 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 Product Sales 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 Product Sales 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 date of this announcement, Tong Ren Tang Technologies, who is interested in approximately 38.05% of the issued share capital of the Company, is a controlling shareholder of the Company and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Product Sales 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 of the proposed annual caps of the transactions contemplated under the Product Sales Framework Agreement exceed 0.1% but less than 5%, the transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirements under the Listing Rules.

Save for disclosed above, 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 Technologies Group and their ultimate beneficial owner(s) or otherwise related, which would be, together with the transactions contemplated under the Product Sales Framework Agreement, aggregated under the Listing Rules.

Ms. Feng Li (who is a non-executive director of Tong Ren Tang Technologies), a non-executive Director of the Company, is considered to have material interests in the transactions contemplated under the Product Sales Framework Agreement by virtue of her position in Tong Ren Tang Technologies, for good corporate governance, Ms. Feng Li has abstained from voting on the relevant Board resolutions in the Board meeting to approve the transactions contemplated under the Product Sales Framework Agreement.

Save as disclosed, there is no other Director who has a material interest in the transactions.

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 Technologies

Tong Ren Tang Technologies is principally engaged in the manufacturing and sale of Chinese medicines.

DEFINITIONS

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

"associate"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"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
"Directors"	the directors of the Company
"GLSPC"	Sporoderm-broken Ganoderma Lucidum Spores Powder Capsule manufactured by the Group
"Group"	the Company and its subsidiaries (either directly owned or indirectly owned)
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)

"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 announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Previous TRT Tech PRC Distribution Framework Agreement"	a framework agreement dated 20 February 2023 entered into between the Company and Tong Ren Tang Technologies, pursuant to which the Tong Ren Tang Technologies Group, as a non-exclusive distributor of the Group, would purchase the Relevant 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
"Product Sales Framework Agreement"	a product sales framework agreement dated 29 June 2026 entered into between the Company and Tong Ren Tang Technologies, pursuant to which the Tong Ren Tang Technologies Group may procure the Relevant Products from the Group and the Group may supply the Relevant Products to Tong Ren Tang Technologies Group. It constitutes the specific implementation agreement under the procurement framework agreement renewed on 29 September 2025 between Tong Ren Tang Technologies and Tong Ren Tang Holdings, and the transactions contemplated thereunder are conducted in the ordinary and usual course of business of the Tong Ren Tang Technologies Group
"Relevant Products"	the raw materials, semi-finished products and finished products procured by Tong Ren Tang Technologies Group from the Group and supplied by the Group to Tong Ren Tang Technologies Group, including but not limited to Chinese medicines, daily chemical products, health products and raw materials independently researched, developed, manufactured or sold by the Group, but excluding Angong Niuhuang Wan
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Tong Ren Tang Group"	Tong Ren Tang Holdings, its subsidiaries (either directly owned or indirectly owned), its jointly-controlled entities and its associates (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 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, stock code: 1666, 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.

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

Hong Kong, 29 June 2026

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

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

Non-executive Director:
Ms. Feng Li

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