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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)

2026 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of Beijing Tong Ren Tang Chinese Medicine Company Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2026. This announcement, containing the full text of the 2026 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in relation to information accompanying preliminary announcement of interim results. The printed version of the Company's 2026 interim report will be despatched to the shareholders of the Company who have elected to receive printed copies and available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at cm.tongrentang.com on or before 30 September 2026.

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

Hong Kong, 28 August 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

CORPORATE INFORMATION

DIRECTORS

Executive Directors

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

Non-executive Director

Feng Li

Independent Non-executive Directors

Tsang Yok Sing, Jasper
Xu Hong Xi
Chan Ngai Chi

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARY

Tsang Fung Yi

AUTHORISED REPRESENTATIVES

Yan Han
Yue Zheng

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
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Wanchai, Hong Kong

COMPANY'S WEBSITE

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LEGAL ADVISER

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AUDITOR

Ernst & Young
Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
27th Floor, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

STOCK CODE

3613

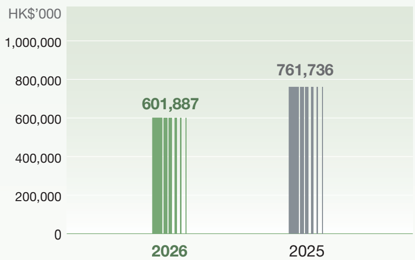
FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
(HK$'000)	**2026**	2025	Change
Revenue	**601,887**	761,736	−21.0%
Gross profit	**384,675**	463,038	−16.9%
Profit before income tax	**233,427**	289,671	−19.4%
Profit for the period	**201,193**	245,936	−18.2%
Profit attributable to owners of the Company	**198,200**	234,866	−15.6%
Earnings per share	**HK$0.24**	HK$0.28	−HK$0.04

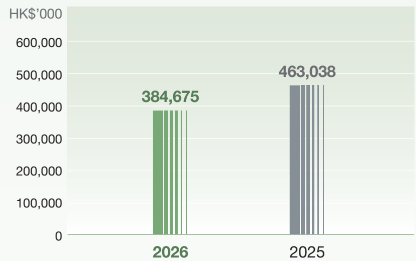
	As at		
(HK$'000)	**30 June 2026**	31 December 2025	Change
Cash and bank balances	**2,207,835**	2,279,224	−3.1%
Total assets	**4,509,845**	4,660,738	−3.2%
Total equity	**4,237,177**	4,368,861	−3.0%

For the six months ended 30 June 2026 and 2025

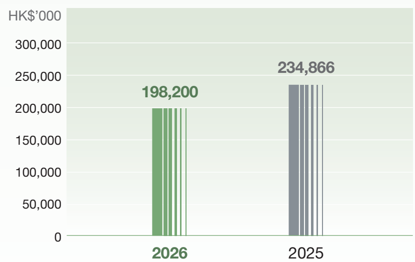
Revenue



Gross profit



Profit attributable to owners of the Company



Earnings per share

BUSINESS OVERVIEW

In the first half of 2026, ongoing geopolitical conflicts continued to disrupt global supply chains, and a structural downgrade in consumption has become a global trend. Data from the Census and Statistics Department of the Hong Kong Special Administrative Region Government showed that the value of total retail sales in Hong Kong increased by 9.6% year-on-year in the first half of 2026, while the value of retail sales in the Chinese drugs and herbs category declined by 5.1% year-on-year, reflecting relatively weak demand in the relevant consumption segment.

For the six months ended 30 June 2026 (the "**Period**"), the Group (Beijing Tong Ren Tang Chinese Medicine Company Limited defined as the "**Company**" below, together with its subsidiaries as the "**Group**" or "**we**") recorded revenue of HK$601.9 million (2025: HK$761.7 million), representing a decrease of 21.0% compared to the corresponding period last year; and profit attributable to owners of the Company amounted to HK$198.2 million (2025: HK$234.9 million), representing a decrease of 15.6% compared to the corresponding period last year. The Group's gross profit margin rose from 60.8% in the corresponding period last year to 63.9% during this Period, representing an increase of 3.1% year-on-year. At the same time, the decline in profit was smaller than the decline in revenue, indicating that our efforts in cost and expense control and optimisation of the product mix continue to yield results. During this Period, our capital structure remained sound, with ample operating cash flow, extremely low interest-bearing debt, and sufficient financial buffers. At the same time, inventory balance continued to decline, asset allocation was further focused on core business, and the overall asset structure continued to improve.

The Group remained steadfast in advancing its marketing strategy for proprietary products and, adhering to the principle of "quality first, controllable channels", continued to optimise its distribution system. In the Hong Kong, Macao and Chinese mainland markets, the Group proactively tightened the distribution channels for proprietary products and strengthened terminal price control and brand image management. Affected by this strategic adjustment, wholesale revenue from proprietary products decreased by 27.8% year-on-year during the Period. On the retail front, the Group continued to step up the layout of its sales network for proprietary products, with a focus on expanding the Hong Kong retail market. Hong Kong retail revenue increased by 5% year-on-year, mainly attributable to enhanced product and brand promotion, optimisation of product marketing strategies, strengthened training of frontline staff, and improvement of the sales incentive mechanism. In the first half of 2026, the Group refined the sales assessment mechanism for core product varieties, optimised the quarterly assessment rhythm of various departments, and guided each business unit to focus on targets and take initiative, thereby continuously advancing the modernisation and refinement of corporate management.

Market Expansion

The Group actively expanded its product portfolio. During the Period, it launched new products including Ganoderma Liver Detox Pro and Antelope Horn Powder Capsules, further enriching its macro-health product matrix. Among these, Ganoderma Liver Detox Pro is positioned in the liver-care segment, while Antelope Horn Powder Capsules is the first product of its kind approved in Hong Kong. Scale-up promotion of "Gum Careluxe" Toothpaste has commenced in Hong Kong, Chinese mainland and overseas regions, gradually expanding into the emerging oral-care segment.

The Group carried out a "Look for the Double Dragon Mark" themed campaign centred on Angong Niuhuang Wan, conducting mobile roadshows in core business districts of Hong Kong to drive sales growth at surrounding retail outlets; completed an omni-channel layout covering JD Worldwide, Tmall Global, Douyin Global Shopping and its proprietary mini-programme; and deepened cooperation with leading retail chain groups in Hong Kong by opening branded counters. The online system has taken full shape, while offline channels have been steadily expanded.

Substantial breakthroughs were achieved in international expansion. During the Period, the Tai Po production and research and development ("**R&D**") base in Hong Kong officially obtained GMP factory certification issued by the Traditional Medicine Administration of the Ministry of Health of Vietnam, becoming the first manufacturer of proprietary Chinese medicines in Hong Kong to receive such certification, thereby clearing the qualification barrier for Angong Niuhuang Wan to enter the Vietnamese market. In May 2026, the Group entered into a memorandum of understanding with Xuan Cau Holdings, specifying six major directions including product registration, joint development of terminals, medical insurance access, Chinese herbal medicine cooperation and cross-border trade. In June 2026, the Group entered into a memorandum of understanding with IRIMIS Limited, Russia's largest local pharmaceutical wholesaler, the Russia-China Cultural and Arts Foundation and Russia-China Import and Export Co., Ltd., covering areas including import and export, sales chains, market access, cultural exchange and e-commerce cooperation.

On the supply chain front, in March 2026, the Group successfully obtained the first Quarantine Permit for Imported Animals and Plants for bezoar issued by Beijing Customs nationwide, completing the first import of Argentine bezoar in the country and opening, for the first time, a supply channel for high-quality rare and precious medicinal materials from South America. In the same period, the Group newly established a South America representative office in Uruguay.

Production and Research and Development

The Group's Tai Po production and R&D base obtained dual certification of ISO22000 and HACCP from SGS, with standardised processes covering quality control, raw material acceptance, and production and processing. In March 2026, Tong Ren Tang Ganoderma Spore and Ganoderma Extract Capsules were granted the Registration Certificate for Imported Health Food. In the first half of 2026, the Group completed Macao filings for 244 product varieties, of which 36 varieties were successfully approved, and 157 externally registered varieties completed Hong Kong compliance upgrades.

On the R&D front, the Group initiated 12 new product R&D projects during the Period and launched an evidence-based medicine study on Suoquan Wan with The Chinese University of Hong Kong; the formulation optimisation studies on Huangqi Guizhi Wuwu Tang and Taohong Siwu Tang in cooperation with Macau University of Science and Technology have completed the establishment of quality standards and process optimisation. Modern pharmacological research on Guizhi Fuling Wan in the field of breast health showed that it can inhibit tumour angiogenesis and improve immune status; the Lingzhi Turmeric Compound demonstrated positive effects including hepatoprotection, lipid-lowering and antioxidation in an animal model of metabolic dysfunction-associated fatty liver disease (MAFLD). The Group also actively advanced the R&D of a multilingual artificial intelligence ("**AI**") powered traditional Chinese medicine ("**TCM**") diagnosis and treatment terminal.

Brand Building and Cultural Promotion

The Group continued to build a multi-dimensional brand promotion system covering youth education, community benefit programmes, intangible cultural heritage experiences and global exhibitions.

"The Extraordinary Journey of the Bronze Man" programme was comprehensively upgraded, relying on the intelligent Chinese herbal medicine garden to carry out off-campus planting practice, and a comic picture book titled The World of Chinese Medicine —"The Extraordinary Journey of the Bronze Man" was compiled and distributed. The 2nd "Beijing Tong Ren Tang Chinese Medicine and Health Student Ambassador Programme" led a number of teachers and students to visit the production and R&D base, the Chinese herbal medicine garden and laboratories, and installed "Baizi Cabinets" in schools to deeply integrate TCM culture into daily campus life. The Group assisted S.K.H. Tin Shui Wai Ling Oi Primary School in establishing the "Tin Ling Mini Clinic", supported the "Strive and Rise Programme", and received students from underprivileged communities for visits to the Tai Po production and R&D base.

The 3rd "Tong Ren Tang Day" was held concurrently with overseas retail outlets. Mobile publicity vehicle roadshows were conducted in core business districts of Hong Kong, focusing on popular science on genuine "Double Dragon Mark" products, while a special anti-counterfeiting operation was carried out jointly with the Hong Kong Customs and Excise Department. Retail outlets launched promotional offers and health consultations. Macao outlets adopted the theme of "Caring for Women, Protecting Children", and linked up with e-hailing platforms to provide product consultation and health advice; the New Zealand team participated in "Chinese Language + Chinese Medicine" themed activities and engaged in in-depth exchanges with the public through free clinics and ongoing health monitoring activities.

At the 139th Canton Fair, the Group exhibited dozens of classic proprietary Chinese medicines including Angong Niuhuang Wan and three major innovative products, with refined decoction pieces making their debut; the Group participated in the "Belt and Road" TCM Development Roundtable Dialogue at the China International Consumer Products Expo and entered into a memorandum of cooperation with Hainan State Farms Group.

Prospect

2026 is the opening year of the "15th Five-Year Plan". At present, the global economic recovery still faces multiple pressures, yet the recognition of TCM in international markets continues to rise, and technology empowerment and standardisation have become key drivers of high-quality development of the industry. In the second half of the year, the Group will anchor its full-year targets and focus on the following six priorities:

First, deepening the "2+2+N" product strategy. Consolidate Angong Niuhuang Wan and Ganoderma spore powder as two core pillars; put effort into the two potential segments of medicine-food homology and medicine-cosmetics homology; and expand N innovative varieties including anti-aging products, iteration of classic prescriptions, and introduction of cross-border varieties.

Second, advancing breakthroughs in overseas product expansion. Taking the landing of Vietnam GMP qualification for Angong Niuhuang Wan as a benchmark, open up scaled sales channels in ASEAN; and advance multi-country registration and filing of new products including "Gum Careluxe" Toothpaste and Ganoderma Liver Detox Pro.

Third, implementing the "3+1" store revitalisation plan. Carry out standardised renovation of Hong Kong retail terminals, unify store image, display standards and service processes, and focus on building overseas cultural flagship stores.

Fourth, improving the global supply chain layout. Build a modern supply chain system featuring global procurement, all-domain supply assurance, efficient allocation and controllable risks, precisely matching the needs of overseas market expansion and terminal operations.

Fifth, making a concerted effort on the import of core medicinal materials. Treat scaled overseas imports as a key supply-chain priority, deeply cultivate resources at overseas places of origin, and build a stable, diversified, safe and controllable import supply chain for core raw materials.

Sixth, embracing "AI + TCM". Actively explore the application of AI-assisted diagnosis and treatment systems, and promote the upgrade of the traditional four diagnostic methods of "inspection, auscultation and olfaction, inquiry and palpation" towards standardisation, digitalisation and intelligentization, so that three centuries of experiential wisdom resonate on the same frequency as modern technology.

The Group will promote the orderly implementation of various strategic deployments with a more refined assessment mechanism and more efficient organisational capabilities. The Group will always uphold the quality commitment of "No manpower shall be spared, no matter how complicated the procedures of production are; no material shall be reduced, no matter how much the cost is", and safeguard the lifeline of its products with craftsmanship. Relying on the international standard system of the Tai Po production and R&D base, the Group will continue to promote evidence-based research on classic prescriptions and product innovation; improve the global supply layout, promote mutual recognition of Chinese herbal medicine standards, deepen the integrated application of modern technologies such as AI with TCM, and create sustainable returns for shareholders of the Company through the synergistic efforts of cultural dissemination and market expansion, contributing to the high-quality international development of TCM.

Human Resources

As at 30 June 2026, we had a total of 763 employees (2025: 789 employees). During the Period, the staff cost of the Group was HK$108.7 million (2025: HK$113.5 million). In order to attract and retain talents, the Group reviewed its remuneration policy on a regular basis and offered discretionary bonus to qualified employees according to the results and personal performance.

FINANCIAL REVIEW

Financial Resources and Liquidity

As at 30 June 2026, the Group continued to be in a strong financial position with cash and bank balances amounting to HK$2,207.8 million (31 December 2025: HK$2,279.2 million). During the Period, the Group funded its liquidity by resources generated internally. Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances, the Group has adequate liquidity and financial resources to meet the daily operations and working capital requirements as well as to fund its expansion plans.

As at 30 June 2026, the Group's cash and bank balances were mainly denominated in Hong Kong dollars, Renminbi and Macao Pataca and were deposited in reputable financial institutions with maturity dates falling within one year.

As at 30 June 2026, the Group had total non-current assets, net current assets and net assets of HK$590.3 million, HK$3,733.2 million and HK$4,237.2 million, respectively (31 December 2025: HK$596.0 million, HK$3,857.9 million and HK$4,368.9 million respectively). The current ratio of the Group, defined as the ratio of current assets to current liabilities, was 21.0 as at 30 June 2026 (31 December 2025: 19.7), which reflects the abundance of financial resources of the Group. The gearing ratio of the Group, defined as the borrowings and lease liabilities to total equity, was 3.0% as at 30 June 2026 (31 December 2025: 2.9%).

Capital Structure

There has been no change in the capital structure of the Group during the Period and up to the date of this report. The capital of the Group only comprises ordinary shares.

Capital Expenditure

During the Period, the Group's capital expenditure was HK$2.6 million (2025: HK$16.4 million), which was mainly used in renovation of retail outlets and purchase of machinery and equipment for production and operation purposes.

Foreign Currency Risk

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

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

Major Investment, Acquisitions and Disposals

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

Significant Investments Held and Future Plans for Material Investments or Capital Assets

Save as disclosed in this report, the Group had no significant investment with a value of 5% or more of the Group's total assets as at 30 June 2026. There was no material acquisition and disposal of subsidiaries, associates or joint ventures during the Period. There were no other plans for material investment or capital assets as at the date of this report.

Charges over Assets of the Group

As at 30 June 2026, the Group did not have any charges over assets of the Group (2025: Nil).

Contingent Liabilities

As at 30 June 2026, the Group did not have any significant contingent liabilities.

Dividends

The board of directors (the "**Board**") of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2026 (2025: Nil).

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The Board is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 June 2026 together with the comparative unaudited figures for the corresponding period in 2025 as follows:

		Unaudited Six months ended 30 June	
	Notes	**2026 HK$'000**	2025 HK$'000
Revenue	*6*	**601,887**	761,736
Cost of sales	*7*	**(217,212)**	(298,698)
Gross profit		**384,675**	463,038
Distribution and selling expenses	*7*	**(100,236)**	(102,641)
General and administrative expenses	*7*	**(82,638)**	(88,659)
Net reversal/(provision) of impairment losses on financial assets	*7*	**17,022**	(7,334)
Other (losses)/gains, net		**(3,235)**	937
Operating profit		**215,588**	265,341
Finance income		**24,381**	27,520
Finance costs		**(3,001)**	(3,379)
Finance income, net	*8*	**21,380**	24,141
Share of (losses)/profits of investments accounted for using the equity method		**(3,541)**	189
Profit before income tax		**233,427**	289,671
Income tax expense	*9*	**(32,234)**	(43,735)
Profit for the period		**201,193**	245,936
Profit attributable to:			
Owners of the Company		**198,200**	234,866
Non-controlling interests		**2,993**	11,070
		201,193	245,936
Earnings per share attributable to owners of the Company for the period (expressed in HK$ per share)			
Basic and diluted earnings per share	*10*	**0.24**	0.28

The notes on pages 16 to 33 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2026 **HK$'000**	2025 HK$'000
Profit for the period	**201,193**	245,936
Other comprehensive income:		
Item that may be reclassified to profit or loss		
Currency translation differences attributable to owners of the Company	**3,806**	12,086
Item that will not be reclassified to profit or loss		
Currency translation differences attributable to non-controlling interest, net	**100**	2,564
Change in fair value of financial asset at fair value through other comprehensive income	**(315)**	(825)
Other comprehensive income for the period	**3,591**	13,825
Total comprehensive income for the period	**204,784**	259,761
Attributable to:		
Owners of the Company	**201,691**	246,127
Non-controlling interests	**3,093**	13,634
Total comprehensive income for the period	**204,784**	259,761

The notes on pages 16 to 33 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	*12*	218,287	225,460
Right-of-use assets		197,240	200,008
Intangible assets	*13*	62,589	64,494
Investments accounted for using the equity method		40,946	42,585
Financial asset at fair value through other comprehensive income		6,498	6,813
Prepayments and deposits		27,454	24,361
Deferred income tax assets, net		37,302	32,261
		590,316	595,982
Current assets			
Inventories	*14*	1,254,311	1,341,633
Trade receivables and other current assets	*15*	457,383	443,899
Short-term bank deposits with original maturities exceeding three months		49,273	51,377
Cash and cash equivalents		2,158,562	2,227,847
		3,919,529	4,064,756
Total assets		4,509,845	4,660,738
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	*16*	938,789	938,789
Reserves			
— Other reserves		(46,587)	(50,078)
— Retained earnings		3,162,539	3,299,179
		4,054,741	4,187,890
Non-controlling interests		182,436	180,971
Total equity		4,237,177	4,368,861

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowings		**36**	71
Lease liabilities		**75,502**	74,171
Deferred income tax liabilities, net		**7,184**	7,185
Retirement benefit obligations		**3,602**	3,602
		86,324	85,029
Current liabilities			
Borrowings		**71**	71
Trade and other payables	*17*	**97,632**	125,611
Lease liabilities		**50,195**	52,227
Current income tax liabilities		**38,446**	28,939
		186,344	206,848
Total liabilities		**272,668**	291,877
Total equity and liabilities		**4,509,845**	4,660,738

The notes on pages 16 to 33 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited								
	Attributable to owners of the Company								
	Share capital HK$'000	Merger reserve HK$'000	Other reserve HK$'000	Statutory reserve HK$'000	Exchange reserve HK$'000	Retained earnings HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'000
At 1 January 2025	938,789	(13,124)	(10,584)	6,229	(40,898)	3,194,948	4,075,360	171,074	4,246,434
Comprehensive income									
Profit for the period	–	–	–	–	–	234,866	234,866	11,070	245,936
Other comprehensive income									
Change in fair value of financial asset at fair value through other comprehensive income	–	–	(825)	–	–	–	(825)	–	(825)
Currency translation differences									
– Group	–	–	–	–	11,309	–	11,309	2,564	13,873
– Joint ventures and an associate	–	–	–	–	777	–	777	–	777
Total comprehensive income	–	–	(825)	–	12,086	234,866	246,127	13,634	259,761
Transactions with owners in their capacity as owners									
Dividends paid	–	–	–	–	–	(292,985)	(292,985)	–	(292,985)
Capital contributions from non-controlling shareholders	–	–	–	–	–	–	–	9,000	9,000
Total transactions with owners in their capacity as owners	–	–	–	–	–	(292,985)	(292,985)	9,000	(283,985)
At 30 June 2025	938,789	(13,124)	(11,409)	6,229	(28,812)	3,136,829	4,028,502	193,708	4,222,210
At 1 January 2026	**938,789**	**(13,124)**	**(11,173)**	**6,229**	**(32,010)**	**3,299,179**	**4,187,890**	**180,971**	**4,368,861**
Comprehensive income									
Profit for the period	**–**	**–**	**–**	**–**	**–**	**198,200**	**198,200**	**2,993**	**201,193**
Other comprehensive income									
Change in fair value of financial asset at fair value through other comprehensive income	**–**	**–**	**(315)**	**–**	**–**	**–**	**(315)**	**–**	**(315)**
Currency translation differences									
– Group	**–**	**–**	**–**	**–**	**1,905**	**–**	**1,905**	**100**	**2,005**
– Joint ventures and an associate	**–**	**–**	**–**	**–**	**1,901**	**–**	**1,901**	**–**	**1,901**
Total comprehensive income	**–**	**–**	**(315)**	**–**	**3,806**	**198,200**	**201,691**	**3,093**	**204,784**
Transactions with owners in their capacity as owners									
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(334,840)**	**(334,840)**	**(1,628)**	**(336,468)**
Total transactions with owners in their capacity as owners	**–**	**–**	**–**	**–**	**–**	**(334,840)**	**(334,840)**	**(1,628)**	**(336,468)**
At 30 June 2026	**938,789**	**(13,124)**	**(11,488)**	**6,229**	**(28,204)**	**3,162,539**	**4,054,741**	**182,436**	**4,237,177**

The notes on pages 16 to 33 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Net cash generated from operating activities	**272,908**	480,494
Cash flows from investing activities		
Interest received	**26,212**	28,230
Decrease/(Increase) in short-term bank deposits with original maturities exceeding three months	**2,104**	(169,912)
Purchase of property, plant and equipment and intangible assets	**(1,791)**	(4,171)
Proceeds from disposal of property, plant and equipment	**—**	1
Deposit paid for purchase of property, plant and equipment and intangible assets	**(833)**	(12,229)
Net cash generated from/(used in) investing activities	**25,692**	(158,081)
Cash flows from financing activities		
Principal elements of lease payments	**(34,159)**	(30,664)
Repayment of borrowings	**(35)**	(36)
Interest paid	**(3,001)**	(3,379)
Dividends paid to the Company's shareholders	**(334,840)**	(292,985)
Dividends paid to non-controlling interests	**(1,628)**	—
Capital contributions from non-controlling shareholders	**—**	9,000
Net cash used in financing activities	**(373,663)**	(318,064)
Net (decrease)/increase in cash and cash equivalents	**(75,063)**	4,349
Cash and cash equivalents at beginning of period	**2,227,847**	1,773,074
Exchange gain on cash and cash equivalents	**5,778**	11,531
Cash and cash equivalents at end of period	**2,158,562**	1,788,954

The notes on pages 16 to 33 are an integral part of this condensed consolidated interim financial information.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

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

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

The condensed consolidated interim financial information is presented in Hong Kong dollars ("**HK$**"), unless otherwise stated. This condensed consolidated interim financial information has been approved for issue by the Board on 28 August 2026.

This condensed consolidated interim financial information has not been audited.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

The financial information relating to the year ended 31 December 2025 that is included in this condensed consolidated interim financial information as comparative information does not constitute the Company's statutory annual consolidated financial statements for the year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2025 to the Companies Registry as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in this condensed consolidated interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2025.

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

Adoption of revised framework and amendments to standards

The Group has adopted the following revised framework and amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on 1 January 2026.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Annual Improvements to HKFRS Accounting Standards — Volume 11	*Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7*

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

4 ESTIMATES

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

5 FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

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

This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2025.

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

(b) Liquidity risk

Compared to 31 December 2025, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

6 REVENUE AND SEGMENT INFORMATION

(a) Revenue

	Unaudited Six months ended 30 June	
	2026 HK$'000	2025 HK$'000
Sales of products	**578,632**	739,820
Service income	**23,255**	21,847
Royalty fee income	**—**	69
	601,887	761,736

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment information

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

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

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

(i) Hong Kong — sale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments through retail outlets as well as wholesale of Chinese medicine products and healthcare products in Hong Kong. In addition, it includes the royalty fee income received from overseas entities for using "Tong Ren Tang" brand name.

(ii) The Chinese mainland (for the purpose of this interim report, regions of China other than Hong Kong, Macao and Taiwan China) — wholesale of Chinese medicine products and healthcare products in the Chinese mainland and the sole distribution of "Tong Ren Tang" branded products of Tong Ren Tang Technologies and Tong Ren Tang Ltd. to customers outside the Chinese mainland.

(iii) Overseas (countries/regions other than (i) and (ii) as mentioned, for the purpose of this interim report, including Macao) — retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatments in other overseas countries/regions, including Macao.

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment information *(Continued)*

Unallocated items comprise mainly corporate expenses.

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

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

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment information *(Continued)*

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

	Hong Kong HK$'000	Chinese Mainland HK$'000	Overseas HK$'000	Total HK$'000
Six months ended 30 June 2026 (Unaudited)				
Segment revenue	458,501	81,997	166,514	707,012
Inter-segment revenue	(72,389)	(32,736)	–	(105,125)
Revenue from external customers	386,112	49,261	166,514	601,887
Timing of revenue recognition				
At a point in time	386,112	48,219	163,796	598,127
Overtime	–	1,042	2,718	3,760
	386,112	49,261	166,514	601,887
Segment results	185,153	8,029	4,163	197,345
Inter-segment elimination				18,243
Operating profit				215,588
Finance income	23,827	17	537	24,381
Finance costs	(1,366)	(11)	(1,624)	(3,001)
Share of losses of investments accounted for using equity method				(3,541)
Profit before income tax				233,427
Income tax expense				(32,234)
Profit for the period				201,193

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment information *(Continued)*

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

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

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

(b) Segment information *(Continued)*

(ii) Analysis of condensed consolidated statement of financial position

	Hong Kong HK$'000	Chinese Mainland HK$'000	Overseas HK$'000	Total HK$'000
At 30 June 2026 (Unaudited)				
Segment assets and liabilities				
Total assets	**3,800,682**	**222,706**	**486,457**	**4,509,845**
Investments accounted for using equity method	**24,370**	**11,178**	**5,398**	**40,946**
Total liabilities	**(155,609)**	**(29,042)**	**(88,017)**	**(272,668)**
At 31 December 2025 (Audited)				
Segment assets and liabilities				
Total assets	3,815,865	262,449	582,424	4,660,738
Investments accounted for using equity method	22,423	14,429	5,733	42,585
Total liabilities	(117,258)	(64,242)	(110,377)	(291,877)

7 EXPENSES BY NATURE

	Unaudited Six months ended 30 June	
	2026 **HK$'000**	2025 HK$'000
Cost of inventories sold	**178,274**	262,616
Employee benefit expenses (including directors' emoluments)	**108,678**	113,545
Expenses relating to short-term leases	**6,426**	4,619
Variable lease payments not included in the measurement of lease liabilities *(Note)*	**369**	250
Depreciation of right-of-use assets	**34,730**	35,769
Amortisation of intangible assets *(Note 13)*	**2,851**	3,065
Depreciation of property, plant and equipment *(Note 12)*	**10,143**	9,218
Loss on disposal of property, plant and equipment	**—**	36
Net (reversal)/provision of impairment loss on trade receivables	**(17,022)**	7,334
Promotion and advertising expenses	**6,060**	9,879

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

8 FINANCE INCOME, NET

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Finance income		
Bank interest income	**24,381**	27,520
Finance costs		
Lease liabilities	**(3,001)**	(3,379)
Finance income, net	**21,380**	24,141

9 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits for the period. PRC corporate income tax has been provided at the rate of 25% (2025: 25%) on the estimated assessable profits for the period of the subsidiaries operating in Chinese mainland. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the entities operate.

	Unaudited Six months ended 30 June	
	2026	2025
	HK$'000	HK$'000
Current income tax	**36,846**	39,623
Deferred income tax	**(4,612)**	4,112
Income tax expense	**32,234**	43,735

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

9 INCOME TAX EXPENSE *(Continued)*

As of the reporting date, Pillar Two legislation has come into effect in certain jurisdictions in which the Group operates, including Australia, Canada, Czech Republic, Germany, Hong Kong, Italy, Netherlands, New Zealand, Poland, Singapore, South Korea, Sweden, Switzerland, the United Arab Emirates. The Group has assessed the top-up tax implication under the Pillar Two legislation based on the financial data for the period ended 30 June 2026. According to the assessment, the effective tax rate of the Group's subsidiaries in Macao is estimated to be below 15%. However, the Group does not anticipate significant exposure to Pillar Two top-up taxes in Macao or other jurisdictions as of the reporting date. The Group will continue to monitor global developments related to the Pillar Two legislation and reassess any potential impacts accordingly.

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

10 EARNINGS PER SHARE

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

	Unaudited Six months ended 30 June	
	2026	2025
Profit attributable to owners of the Company (HK$'000)	**198,200**	234,866
Weighted average number of ordinary shares in issue (thousand shares)	**837,100**	837,100
Earnings per share (HK$)	**0.24**	0.28

There were no potential dilutive shares for the six months ended 30 June 2026 (2025: Nil).

11 DIVIDENDS

The final dividend of HK$309,727,000 and special dividend of HK$25,113,000 in respect of the year ended 31 December 2025 were paid in June 2026 (2025: final dividend of HK$292,985,000 for the year ended 31 December 2024).

During the six months ended 30 June 2026, the Board did not recommend the payment of any interim dividend (2025: Nil).

12 PROPERTY, PLANT AND EQUIPMENT

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

	HK$'000
At 1 January 2026 (audited)	225,460
Additions	1,716
Depreciation charge	(10,143)
Currency translation differences	1,254
At 30 June 2026 (unaudited)	218,287

13 INTANGIBLE ASSETS

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

	Goodwill HK$'000	**Computer software** HK$'000	**Total** HK$'000
At 1 January 2026 (audited)	49,419	15,075	64,494
Addition	—	927	927
Amortisation	—	(2,851)	(2,851)
Currency translation differences	—	19	19
At 30 June 2026 (unaudited)	49,419	13,170	62,589

14 INVENTORIES

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Raw materials	**939,023**	1,113,180
Work in progress	**66,323**	49,551
Finished goods and trading materials	**248,965**	178,902
	1,254,311	1,341,633

15 TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Trade receivables		
— Immediate holding company	**403**	—
— Fellow subsidiaries	**133,870**	138,359
— Joint ventures	**1,915**	2,160
— Associate	**750**	1,552
— Third parties	**373,295**	358,670
Trade receivables, gross	**510,233**	500,741
Less: loss allowance	**(92,685)**	(105,871)
Trade receivables, net	**417,548**	394,870
Bank acceptance notes	**43**	177
Prepayments	**14,243**	15,233
Other receivables	**14,914**	21,533
Deposits	**9,558**	11,116
Amount due from joint ventures	**1,077**	970
	457,383	443,899

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

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Up to 90 days	**68,022**	331,477
91–180 days	**155,644**	672
181–365 days	**137,750**	60,520
Over 365 days	**148,817**	108,072
	510,233	500,741

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

16 SHARE CAPITAL

	Number of shares	Share capital HK$'000
Ordinary shares issued and fully paid:		
At 1 January 2026 (audited) and 30 June 2026 (unaudited)	837,100,000	938,789

17 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Trade payables		
— Intermediate holding company	**–**	31,817
— Immediate holding company	**6,539**	11,240
— Fellow subsidiaries	**64**	67
— Associate	**1,151**	1,107
— Third parties	**29,179**	17,803
Trade payables	**36,933**	62,034
Accruals and other payables	**57,303**	59,725
Contract liabilities	**3,396**	3,852
	97,632	125,611

17 TRADE AND OTHER PAYABLES *(Continued)*

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

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Up to 90 days	**25,566**	53,252
91–180 days	**2,765**	775
181–365 days	**1,174**	881
Over 365 days	**7,428**	7,126
	36,933	62,034

18 COMMITMENTS

(a) Capital commitments

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
Contracted but not provided for — property, plant and equipment and intangible assets	**4,004**	4,373

(b) Lease commitments

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

	Unaudited 30 June 2026 HK$'000	Audited 31 December 2025 HK$'000
No later than 1 year	**802**	1,609

As at 31 December 2025, undiscounted future lease payments amounting to HK$2,179,000 were committed by the Group but the relevant lease periods had not commenced. These lease commitments were recognised as right-of-use assets upon the lease commencement date after 31 December 2025. As at 30 June 2026, the Group had no relevant lease commitments for which the lease terms had not yet commenced.

19 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	Notes	Unaudited Six months ended 30 June 2026 HK$'000	2025 HK$'000
(a) Sales of products to:			
— Intermediate holding company		–	5,558
— Fellow subsidiaries	*(i)*	19,419	68,999
		19,419	74,557
(b) Purchase of products from:			
— Immediate holding company	*(i)*	10,139	9,319
— Intermediate holding company	*(i)*	11,768	21,447
— Fellow subsidiaries	*(i)*	63	413
		21,970	31,179
(c) Royalty fee income from joint ventures	*(ii)*	–	69
(d) Rental expenses to:			
— Ultimate Holding Company	*(i)*	507	–
— Immediate holding company	*(i)*	520	504
— Fellow subsidiaries	*(i)*	2,030	2,265
		3,057	2,769

At 30 June 2026, the Group recognised lease liabilities payable to immediate holding company of HK$2,646,000 (31 December 2025: Nil) and fellow subsidiaries of HK$11,898,000 (31 December 2025: HK$1,914,000) over the relevant property leases.

(e) Advertising agency services expense to a fellow subsidiary	*(i)*	–	2,976

19 SIGNIFICANT RELATED PARTY TRANSACTIONS *(Continued)*

(f) Key management compensation

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

	Unaudited Six months ended 30 June	
	2026 **HK$'000**	2025 HK$'000
Salaries and other short-term employee benefits	**2,988**	5,070
Pension costs — defined contribution plans	**293**	448
	3,281	5,518

Notes:

(i) These transactions were conducted in the normal course of business at prices and terms mutually agreed between the parties involved.

(ii) For the period ended 30 June 2025, the royalty fee is charged annually by the Company at either 1% on revenue or 1.5% on profit before income tax of the joint ventures, whichever was higher in accordance with the royalty agreements in pursuant to which, these joint ventures are permitted to operate under "Tong Ren Tang" brand name.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 30 June 2026, none of the directors of the Company (the "**Directors**") and chief executives of the Company had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**") (Chapter 571 of the laws of Hong Kong)) which would have to be notified to the Company pursuant to Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026, the interest of the persons, other than Directors or chief executive of the Company, in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO, or otherwise notified to the Company were as follows:

Long position in shares of the Company

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

Notes:

(1) Tong Ren Tang Ltd. directly holds approximately 46.85% of the issued share capital of Tong Ren Tang Technologies. Accordingly, Tong Ren Tang Ltd. is deemed to be interested in 318,540,000 shares of the Company held by Tong Ren Tang Technologies.

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

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

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 June 2026 was the Company, any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

INTERESTS IN COMPETING BUSINESSES

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

(i) engage in the research, development, manufacture and sales of any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials in markets outside of Chinese mainland (the "**Non-Chinese Mainland Markets**");

(ii) engage in the research, development, manufacture and sale of any products with "Tong Ren Tang" brands in the Non-Chinese Mainland 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-Chinese Mainland 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-Chinese Mainland Markets;

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

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

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

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

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

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

(i) the independent non-executive Directors shall review, at least on an annual basis, the compliance with and enforcement of the terms of the Deed of Non-competition by the Controlling Shareholders; and

(ii) the Company will disclose the review by the independent non-executive Directors with basis on the compliance with and enforcement of the terms of the Deed of Non-competition in its annual report.

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

(a) conduct quarterly inspection of the distribution channels of the Parent Group, including retail stores and wholesale customers, to check whether any products containing ganoderma lucidum or ganoderma lucidum spores as raw materials (other than ganoderma lucidum spores powder capsule manufactured by the Group) is sold in the Non-Mainland China Markets; and

(b) conduct quarterly communications with representatives of the Parent Group to confirm whether their research and development portfolio has any products which contain ganoderma lucidum or ganoderma lucidum spores as raw materials.

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

(a) meet quarterly and review the quarterly inspection record and daily communication records by the Competition Executive Committee (if applicable); and

(b) report findings during its review of the records provided by the Competition Executive Committee to the Board which will be published in the Company's annual report.

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

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

As at 30 June 2026, the Company did not hold any treasury shares.

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

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

CORPORATE GOVERNANCE CODE

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

CHANGE IN INFORMATION OF DIRECTORS

Save as disclosed in the 2025 annual report of the Company, there is no change in the information of the Directors of the Company since the date of the 2025 annual report of the Company which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROL

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

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

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

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

AUDIT COMMITTEE

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information and the interim report of the Group for the six months ended 30 June 2026. There is no disagreement between the Board and the Audit Committee regarding the accounting treatment adopted by the Company.

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

Hong Kong, 28 August 2026