Tong Ren Tang Technologies Co. Ltd.

北京同仁堂科技發展股份有限公司

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

(Stock Code: 1666)

INTERIM RESULTS ANNOUNCEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2026

HIGHLIGHTS

- For the six months ended 30 June 2026, the Group's revenue represented a decrease of approximately 19.10% compared to the six months ended 30 June 2025.
- For the six months ended 30 June 2026, profit attributable to owners of the Company represented a decrease of approximately 26.43% compared to the six months ended 30 June 2025.
- For the six months ended 30 June 2026, earnings per share for profit attributable to owners of the Company amounted to RMB0.19.
- The Board does not declare the distribution of an interim dividend for the six months ended 30 June 2026.

INTERIM RESULTS (UNAUDITED)

The board of directors (the "**Board**") of Tong Ren Tang Technologies Co. Ltd. (the "**Company**") is pleased to announce the unaudited results of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") as follows:

Condensed Consolidated Income Statement (Unaudited)

		For the six months ended 30 June	
		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	*6*	**3,024,461**	3,738,503
Cost of sales		**(1,935,575)**	(2,311,985)
Gross Profit		**1,088,886**	1,426,518
Distribution expenses		**(414,132)**	(576,087)
Administrative expenses		**(260,054)**	(266,056)
Reversal of/ (provision for) impairment losses on financial assets		**14,420**	(14,516)
Other losses, net		**(113)**	(72)
Operating profit		**429,007**	569,787
Finance income	*7*	**24,665**	44,886
Finance costs	*7*	**(26,092)**	(32,792)
Finance (costs) / income, net	*7*	**(1,427)**	12,094
Share of results of investments accounted for using the equity method		**6,065**	9,400
Profit before income tax		**433,645**	591,281
Income tax expense	*9*	**(82,145)**	(107,251)
Profit for the period		**351,500**	484,030
Profit attributable to:			
Owners of the Company		**249,144**	338,667
Non-controlling interests		**102,356**	145,363
		351,500	484,030
Earnings per share attributable to owners of the Company during the period			
- Basic and diluted	*10*	**RMB0.19**	RMB0.26

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Profit for the period	**351,500**	484,030
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation differences		
- Group	**(151,364)**	(46,877)
- Joint ventures and associates	**707**	(42)
Items that will not be reclassified to profit or loss		
Change in fair value of financial assets at fair value through other comprehensive income	**1,759**	(759)
Other comprehensive income for the period, net of tax	**(148,898)**	(47,678)
Total comprehensive income for the period	**202,602**	436,352
Attributable to:		
Owners of the Company	**194,579**	320,508
Non-controlling interests	**8,023**	115,844
Total comprehensive income for the period	**202,602**	436,352

Condensed Consolidated Balance Sheet (Unaudited)

	Notes	30 June 2026 (Unaudited) *RMB'000*	31 December 2025 (Audited) *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment	*12*	**2,476,098**	2,563,723
Right-of-use assets	*12*	**651,948**	614,897
Intangible assets		**65,548**	71,843
Investments accounted for using the equity method		**119,172**	112,838
Financial assets at fair value through other comprehensive income		**5,644**	6,154
Prepayments for purchases of non-current assets		**77,887**	77,005
Deferred income tax assets		**72,615**	72,224
Other non-current assets		**141**	79
		3,469,053	3,518,763
Current assets			
Inventories		**3,763,370**	4,547,245
Trade and bills receivables	*13*	**991,262**	671,307
Other financial assets at amortised cost		**144,368**	39,212
Prepayments and other current assets		**122,412**	139,834
Financial assets at fair value through profit or loss		**261**	375
Financial assets at fair value through other comprehensive income		**17,548**	33,397
Term deposits placed with banks		**52,797**	56,407
Cash and cash equivalents		**4,789,694**	4,704,271
		9,881,712	10,192,048
Total assets		**13,350,765**	13,710,811

Condensed Consolidated Balance Sheet (Unaudited) (Cont'd)

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	14	**1,280,784**	1,280,784
Reserves		**6,023,517**	6,059,479
		7,304,301	7,340,263
Non-controlling interests		**2,747,108**	2,924,448
Total equity		**10,051,409**	10,264,711
LIABILITIES			
Non-current liabilities			
Borrowings		**1,101,931**	1,453,334
Lease liabilities		**138,734**	91,313
Deferred income tax liabilities		**5,303**	5,547
Retirement benefit obligations		**3,129**	3,253
Deferred income - government grants		**103,598**	111,787
		1,352,695	1,665,234
Current liabilities			
Trade and bills payables	15	**587,396**	666,027
Salary and welfare payables		**30,685**	55,006
Contract liabilities		**80,404**	158,341
Current income tax liabilities		**54,935**	43,495
Other payables and others		**523,139**	398,299
Borrowings		**584,162**	391,394
Lease liabilities		**85,940**	68,304
		1,946,661	1,780,866
Total liabilities		**3,299,356**	3,446,100
Total equity and liabilities		**13,350,765**	13,710,811

Condensed Consolidated Statement of Cash Flows (Unaudited)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cash flows from operating activities:		
Cash generated from operations	**863,725**	1,228,076
Interest paid	**(25,914)**	(30,371)
Income tax paid	**(71,847)**	(77,369)
Net cash generated from operating activities	**765,964**	1,120,336
Cash flows from investing activities:		
Purchase of property, plant and equipment	**(30,522)**	(54,288)
Purchase of other long-term assets	**(2,845)**	(8,515)
Proceeds from disposals of property, plant and equipment and other long-term assets	**522**	167
Increase in term deposits placed with banks with original maturities exceeding three months	**(42,797)**	(245,211)
Decrease in term deposits placed with banks with original maturities exceeding three months	**46,407**	154,205
Dividends received	**1,400**	-
Interest received	**27,889**	46,269
Dividends under immigration review	**(110,667)**	-
Net cash used in investing activities	**(110,613)**	(107,373)

Condensed Consolidated Statement of Cash Flows (Unaudited) (Cont'd)

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Cash flows from financing activities:		
Proceeds from borrowings	**4,000**	1,100,000
Repayments of borrowings	**(162,631)**	(1,136,733)
Capital injection from non-controlling interests	**-**	8,253
Principal elements of lease payments	**(36,593)**	(34,680)
Dividends paid	**(295,018)**	(278,090)
Net cash used in financing activities	**(490,242)**	(341,250)
Net increase in cash and cash equivalents	**165,109**	671,713
Cash and cash equivalents at beginning of the period	**4,704,271**	4,129,488
Effects of exchange rate changes on cash and cash equivalents	**(79,686)**	(20,183)
Cash and cash equivalents at end of the period	**4,789,694**	4,781,018

Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Attributable to owners of the Company										Non-controlling interests	Total equity
(Unaudited)	Share capital	Capital reserve	Statutory surplus reserve fund	Statutory public welfare fund	Tax reserve	Foreign currency translation differences	Financial assets at FVOCI reserve	Other reserve	Retained earnings	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 1 January 2026	**1,280,784**	**412,245**	**800,171**	**45,455**	**102,043**	**78,608**	**(2,227)**	**165,040**	**4,458,144**	**7,340,263**	**2,924,448**	**10,264,711**
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	**249,144**	**249,144**	**102,356**	**351,500**
Change in fair value of financial assets at fair value through other comprehensive income (**"FVOCI"**)	-	-	-	-	-	-	**669**	-	-	**669**	**1,090**	**1,759**
Foreign currency translation differences												
- Group	-	-	-	-	-	**(55,503)**	-	-	-	**(55,503)**	**(95,861)**	**(151,364)**
- Joint ventures and associates	-	-	-	-	-	**269**	-	-	-	**269**	**438**	**707**
Transactions with owners in their capacity												
2025 dividends to shareholders of the Company	-	-	-	-	-	-	-	-	**(230,541)**	**(230,541)**	-	**(230,541)**
2025 dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	**(185,363)**	**(185,363)**
Balance as at 30 June 2026	**1,280,784**	**412,245**	**800,171**	**45,455**	**102,043**	**23,374**	**(1,558)**	**165,040**	**4,476,747**	**7,304,301**	**2,747,108**	**10,051,409**

Condensed Consolidated Statement of Changes in Equity (Unaudited) (Cont'd)

(Unaudited)	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve fund	Statutory public welfare fund	Tax reserve	Foreign currency translation differences	Financial assets at FVOCI reserve	Other reserve	Retained earnings	Total		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance as at 1 January 2025	1,280,784	412,245	761,281	45,455	102,043	112,123	(1,775)	162,743	4,331,298	7,206,197	2,958,882	10,165,079
Comprehensive income												
Profit for the period	-	-	-	-	-	-	-	-	338,667	338,667	145,363	484,030
Change in fair value of financial assets at fair value through other comprehensive income (**"FVOCI"**)	-	-	-	-	-	-	(289)	-	-	(289)	(470)	(759)
Foreign currency translation differences												
- Group	-	-	-	-	-	(17,854)	-	-	-	(17,854)	(29,023)	(46,877)
- Joint ventures and associates	-	-	-	-	-	(16)	-	-	-	(16)	(26)	(42)
Transactions with owners in their capacity												
2024 dividends to shareholders of the Company	-	-	-	-	-	-	-	-	(230,541)	(230,541)	-	(230,541)
2024 dividends to non-controlling Interests	-	-	-	-	-	-	-	-	-	-	(168,383)	(168,383)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	8,253	8,253
Balance as at 30 June 2025	1,280,784	412,245	761,281	45,455	102,043	94,253	(2,064)	162,743	4,439,424	7,296,164	2,914,596	10,210,760

Notes:

1. General Information

The Company was incorporated as a joint stock company with limited liability in the People's Republic of China (the "**PRC**") on 22 March 2000, and was listed on the Growth Enterprise Market (the "**GEM**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 31 October 2000 and transferred from the GEM to the Main Board of the Stock Exchange on 9 July 2010. Its ultimate holding company is China Beijing Tong Ren Tang Group Co., Ltd. (中國北京同仁堂（集團）有限責任公司) ("**Tong Ren Tang Holdings**"), a company incorporated in Beijing, the PRC.

The address of the Company's registered office is No. 16 Tongji Beilu, Beijing Economic and Technological Development Zone, Beijing, the PRC. The Group is principally engaged in the production and distribution of Chinese medicine and primarily operates in the Chinese mainland and Hong Kong.

The interim condensed consolidated financial information was approved by the Board to be issued on 28 August 2026.

The interim condensed consolidated financial information has not been audited.

2. Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with IAS 34 "*Interim financial reporting*". The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, the interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with IFRS Accounting Standards (which include all International Financial Reporting Standards, International Accounting Standards ("**IASs**") and Interpretations) as issued by the International Accounting Standards Board (the "**IASB**"), and the disclosure requirements of the Hong Kong Companies Ordinance.

3. Accounting Policies

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

Taxes on income in the interim periods are accrued using the income tax rates that are expected to be applicable to total annual earnings.

3.1 Adoption of revised IFRS Accounting Standards

The Group has applied the following revised IFRS Accounting Standards which are mandatory for the financial year beginning on or after 1 January 2026:

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[(a)]
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*[(b)]
Annual Improvements to IFRS Accounting Standards – Volume 11	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7[(b)]

The nature and impact of the amended IFRS Accounting Standards are described below:

(a) Amendments to IFRS 9 and IFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

(b) The adoption of these revised IFRS Accounting Standards did not have a material impact on this interim condensed consolidated 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 interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were mostly the same as those that applied to the consolidated financial statements for the year ended 31 December 2025.

5. Financial Risk Management

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

The interim condensed consolidated 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 significant changes in any risk management policies since the end of 2025.

6. Revenue

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Sales of Chinese medicine products		
- Chinese mainland	**2,523,413**	3,139,055
- Outside Chinese mainland	**466,298**	573,019
	2,989,711	3,712,074
Advertising service income		
- Chinese mainland	**8,982**	4,048
Service income		
- Chinese mainland	**5,217**	1,929
- Outside Chinese mainland	**20,551**	20,389
	25,768	22,318
Royalty fee income		
- Outside Chinese mainland	**-**	63
	3,024,461	3,738,503

7. Finance Income and Costs

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Finance income		
Interest income	**24,598**	42,734
Exchange gains, net	**67**	2,152
	24,665	44,886
Finance costs		
Interest on bank borrowings	**(21,330)**	(28,215)
Interest on lease liabilities	**(4,584)**	(4,338)
Others	**(178)**	(239)
	(26,092)	(32,792)
Finance (costs)/ income, net	**(1,427)**	12,094

8. Expenses by Nature

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Depreciation of property, plant and equipment	**93,868**	91,736
Depreciation of right-of-use assets	**58,257**	62,626
Amortisation of other long-term assets	**6,478**	6,130
Provision for impairment of inventories	**39,329**	17,272
(Reversal of)/ provision for impairment of receivables	**(14,420)**	14,516
(Gains)/ losses on disposals of non-current assets	**(56)**	283

9. Income Tax Expense

Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008, enterprises with a High and New Technology Enterprise ("**HNTE**") status are able to enjoy a preferential tax rate of 15%. For the entities without the HNTE status, the PRC income tax rate is 25% (for the six months ended 30 June 2025: 25%). As at 30 June 2026 and 30 June 2025, the Company and certain of its subsidiaries have obtained or expected to continue to obtain the HNTE certificate. Consequently, their applicable income tax rate used for the six months ended 30 June 2026 is 15% (for the six months ended 30 June 2025: 15%).

Hong Kong Special Administrative Region of the PRC ("**Hong Kong, China**") profits tax has been provided at the rate of 16.5% (for the six months ended 30 June 2025: 16.5%) on the estimated assessable profits for the six months ended 30 June 2026.

Income tax on profits from countries and regions other than the Chinese mainland and Hong Kong, China has been calculated on the estimated assessable profits for the Reporting Period at the income tax rates prevailing in the tax jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current income tax expense		
- Chinese mainland	**53,722**	70,059
- Hong Kong, China	**28,028**	31,193
- Other countries and regions (excluding Chinese mainland and Hong Kong, China)	**1,030**	2,833
	82,780	104,085
Deferred income tax (credit)/charge	**(635)**	3,166
	82,145	107,251

10. Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of approximately RMB249,144,000 by the weighted average number of 1,280,784,000 shares in issue during the period.

The Company had no dilutive potential shares for the six months ended 30 June 2026 and 2025.

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Profit attributable to owners of the Company	**249,144**	338,667
Weighted average number of ordinary shares in issue (thousands)	**1,280,784**	1,280,784
Earnings per share	**RMB0.19**	RMB0.26

11. Dividends

The Board does not declare the distribution of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

On 27 March 2026, the Board proposed a cash dividend in respect of the year ended 31 December 2025 of RMB0.18 (including tax) per share based on the total share capital of 1,280,784,000 shares, approximately amounting to a total of RMB230,541,000 which has been approved by the shareholders at the 2025 annual general meeting of the Company held on 12 June 2026. This dividend was paid on 11 August 2026.

12. Additions to Right-of-use Assets and Property, Plant and Equipment

For the six months ended 30 June 2026, additions to the Group's right-of-use assets amounted to approximately RMB104,658,000 (for the six months ended 30 June 2025: RMB63,156,000).

For the six months ended 30 June 2026, additions to the Group's property, plant and equipment amounted to approximately RMB13,866,000 (for the six months ended 30 June 2025: RMB59,463,000).

13. Trade and Bills Receivables

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Trade receivables		
- third parties	**609,443**	436,795
- related parties (Note 18(c))	**404,736**	233,529
	1,014,179	670,324
Bills receivables	**87,597**	126,078
	1,101,776	796,402
Less: provision for impairment		
- third parties	**(53,518)**	(55,984)
- related parties (Note 18(c))	**(56,996)**	(69,111)
	(110,514)	(125,095)
Trade and bills receivables, net	**991,262**	671,307

The carrying amounts of trade and bills receivables approximate their fair values.

Retail sales at the Group's stores are usually made in cash or by debit or credit cards. For wholesale to distributors, the Group normally grants a credit period ranging from 30 days to 180 days. As at 30 June 2026 and 31 December 2025, the ageing analysis of trade and bills receivables based on invoice date was as follows:

13. Trade and Bills Receivables (Cont'd)

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Within 4 months	**737,885**	588,895
Over 4 months but within 1 year	**205,211**	61,587
Over 1 year but within 2 years	**59,333**	27,396
Over 2 years but within 3 years	**4,099**	7,215
Over 3 years	**95,248**	111,309
	1,101,776	796,402

14. Share Capital

	30 June 2026 (Unaudited)		31 December 2025 (Audited)	
	Number of shares	**Nominal Value** ***RMB'000***	Number of shares	Nominal Value *RMB'000*
Total share capital	**1,280,784,000**	**1,280,784**	1,280,784,000	1,280,784
Issued and fully paid				
- Domestic shares with a par value of RMB1 per share	**652,080,000**	**652,080**	652,080,000	652,080
- H shares with a par value of RMB1 per share	**628,704,000**	**628,704**	628,704,000	628,704
	1,280,784,000	**1,280,784**	1,280,784,000	1,280,784

15. Trade and Bills Payables

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Trade payables		
- third parties	**510,718**	454,493
- related parties (Note 18(c))	**33,547**	47,500
	544,265	501,993
Bills payable	**43,131**	164,034
Trade and bills payables	**587,396**	666,027

As at 30 June 2026 and 31 December 2025, the ageing analysis of trade and bills payables based on invoice date was as follows:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Within 4 months	**481,583**	536,541
Over 4 months but within 1 year	**90,063**	98,392
Over 1 year but within 2 years	**9,914**	24,584
Over 2 years but within 3 years	**4,820**	4,817
Over 3 years	**1,016**	1,693
	587,396	666,027

Trade payables are unsecured and are usually paid within 120 days of recognition.

The carrying amounts of trade and bills payables are considered to be the same as their fair values, due to their short-term nature.

16. Segment Information

The Board is the Group's chief operating decision-maker. The Board has determined the operating segments for the purpose of allocating resources and assessing performance.

The reportable operating segments derive their revenue primarily from: (i) the manufacture and sale of Chinese medicine of the Company in Chinese mainland (the **"Company Segment"**), and (ii) Beijing Tong Ren Tang Chinese Medicine Company Limited (**"Tong Ren Tang Chinese Medicine"**) and its subsidiaries engaged in manufacturing, retail and wholesale of Chinese medicine products and healthcare products, and provision of Chinese medical consultation and treatments outside Chinese mainland and wholesale of healthcare products in the Chinese mainland (**"Tong Ren Tang Chinese Medicine Segment"**).

Other companies are engaged in processing and purchasing of Chinese medicinal raw materials, sales of medicinal products, medical services and advertising, etc. They do not form separate reportable segments as they do not meet the quantitative thresholds required by IFRS 8.

The Board assesses the performance of the operating segments based on revenue and profit after income tax of each segment.

16. Segment Information (Cont'd)

The segment information provided to the Board for the reportable segments for the six months ended 30 June 2026 is as follows:

(Unaudited)	**The Company**	**Tong Ren Tang Chinese Medicine**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment revenue	**2,210,012**	**530,155**	**597,592**	**3,337,759**
Inter-segment revenue	**(11,786)**	**-**	**(301,512)**	**(313,298)**
Revenue from external customers	**2,198,226**	**530,155**	**296,080**	**3,024,461**
Timing of revenue recognition				
At a point in time	**2,196,886**	**525,826**	**284,162**	**3,006,874**
Over time	**1,340**	**4,329**	**11,918**	**17,587**
	2,198,226	**530,155**	**296,080**	**3,024,461**
Profit for the period	**200,084**	**180,639**	**(29,223)**	**351,500**
Interest income	**3,635**	**19,882**	**1,081**	**24,598**
Interest expense	**(23,169)**	**(2,604)**	**(141)**	**(25,914)**
Depreciation of property, plant and equipment	**(54,464)**	**(8,892)**	**(30,512)**	**(93,868)**
Depreciation of right-of-use assets	**(24,638)**	**(30,065)**	**(3,554)**	**(58,257)**
Amortisation of other long-term assets	**(3,702)**	**(2,477)**	**(299)**	**(6,478)**
Provision for impairment of inventories	**(38,787)**	**-**	**(542)**	**(39,329)**
(Provision for)/ reversal of impairment of receivables	**(4,978)**	**14,965**	**4,433**	**14,420**
Share of results of investments accounted for using the equity method	**5,910**	**155**	**-**	**6,065**
Income tax expense	**(49,633)**	**(28,337)**	**(4,175)**	**(82,145)**
Additions to non-current assets [1]	**87,972**	**33,609**	**442**	**122,023**

Note:

[1] Excluding investments accounted for using the equity method, financial instruments and deferred income tax assets.

16. Segment Information (Cont'd)

The segment assets and liabilities as at 30 June 2026 are as follows:

(Unaudited)	**The Company**	**Tong Ren Tang Chinese Medicine**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets and liabilities				
Total assets	**7,288,947**	**3,938,185**	**2,123,633**	**13,350,765**
Investments accounted for using the equity method	**93,316**	**25,856**	**-**	**119,172**
Total liabilities	**2,580,374**	**233,771**	**485,211**	**3,299,356**

16. Segment Information (Cont'd)

The segment information provided to the Board for the reportable segments for the six months ended 30 June 2025 is as follows:

(Unaudited)	The Company	Tong Ren Tang Chinese Medicine	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Segment revenue	2,470,911	702,070	989,843	4,162,824
Inter-segment revenue	(14,730)	-	(409,591)	(424,321)
Revenue from external customers	2,456,181	702,070	580,252	3,738,503
Timing of revenue recognition				
At a point in time	2,455,108	698,619	576,204	3,729,931
Over time	1,073	3,451	4,048	8,572
	2,456,181	702,070	580,252	3,738,503
Profit for the period	240,220	230,913	12,897	484,030
Interest income	17,784	22,564	2,386	42,734
Interest expense	(29,195)	(3,089)	(269)	(32,553)
Depreciation of property, plant and equipment	(52,667)	(8,484)	(30,585)	(91,736)
Depreciation of right-of-use assets	(25,256)	(32,921)	(4,449)	(62,626)
Amortisation of other long-term assets	(2,731)	(2,821)	(578)	(6,130)
Provision for impairment of inventories	(16,749)	-	(523)	(17,272)
Provision for impairment of receivables	(1,607)	(7,425)	(5,484)	(14,516)
Share of the profit of associates or joint ventures accounted for using the equity method	4,442	4,958	-	9,400
Income tax expense	(56,830)	(40,253)	(10,168)	(107,251)
Additions to non-current assets [1]	40,063	55,170	33,393	128,626

Note:

[1] Excluding investments accounted for using the equity method, financial instruments and deferred income tax assets.

16. Segment Information (Cont'd)

The segment assets and liabilities as at 31 December 2025 are as follows:

(Audited)	**The Company**	**Tong Ren Tang Chinese Medicine**	**Others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Segment assets and liabilities				
Total assets	7,225,168	4,230,211	2,255,432	13,710,811
Investments accounted for using the equity method	87,406	25,432	-	112,838
Total liabilities	2,691,830	250,671	503,599	3,446,100

16. Segment Information (Cont'd)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement.

The amounts provided to the Board with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the assets.

Revenues from external customers are derived from the sales of medicine and provision of services. The breakdown of sales of medicine by region is provided in Note 6.

The total of the non-current assets other than financial instruments and deferred income tax assets located in the Chinese mainland is RMB2,911,978,000 (31 December 2025: RMB2,955,758,000), and the total of these non-current assets located in other countries and regions is RMB478,816,000 (31 December 2025: RMB484,627,000).

During the six months ended 30 June 2026, revenue from one customer (for the six months ended 30 June 2025: one customer) accounted for ten percent or more of the Group's total external revenue. These revenues are mainly attributable to The Company Segment and Tong Ren Tang Chinese Medicine Segment. The revenues from these customers are summarised below:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Entities under control of ultimate holding company (excluding the Group)	**1,197,005**	1,526,714

17. Commitments

(a) Capital commitments

As at 30 June 2026, the Group had capital commitments of approximately RMB20,916,000, which were contracted but not provided for in the unaudited interim condensed consolidated financial statements of the Group (31 December 2025: RMB23,437,000).

(b) Operating lease commitments

The Group leases various warehouses and factory premises under non-cancellable operating leases.

As at 30 June 2026, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases as set out below.

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Not later than one year	**887**	3,769

18. Related Party Transactions

Related parties are those parties that have the ability to control the other party or exercise significant influence in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

Related parties include the ultimate holding company and its subsidiaries, other entities and corporations in which the Company is able to control or exercise significant influence in making financial and operating decisions and key management personnel of the Company as well as their close family members.

During the Reporting Period, the Group had the following material transactions with related parties, which were entered into at terms mutually agreed with these related parties in the ordinary course of business.

(a)Transactions with the ultimate holding company

Transactions with the ultimate holding company during the Reporting Period are summarised as follows:

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Trademarks license fee (Note (i))	**4,975**	5,916
Sales of Chinese medicine related products (Note (ii))	**2**	2
Advertising services income (Note (iii))	**-**	283
Property leasing expense (Note (iv))	**446**	75
Additions to right-of-use assets - Property, plant and equipment (Note (iv))	**77,848**	14,825

18. Related Party Transactions (Cont'd)

(a)Transactions with the ultimate holding company (Cont'd)

Notes:

(i) On 30 December 2024, the Company renewed the trademark licence agreement with the ultimate holding company, whereby the Company was allowed to use certain trademarks and trademark logos (collectively, "**Trademarks**") of the ultimate holding company, from 1 January 2025 to 31 December 2027.

(ii) On 29 September 2025, the Company renewed the distribution framework agreement with the ultimate holding company. Pursuant to the renewed agreement, the price of the products to be sold by the Group to the ultimate holding company, its subsidiaries and its joint ventures shall not be lower than that charged by the Group to other independent third parties and shall be determined in accordance with a reasonable cost plus a fair and reasonable profit margin. The renewed agreement was approved at the extraordinary general meeting of the Company on 30 December 2025 and for a term of three years from 1 January 2026 to 31 December 2028.

(iii) On 26 February 2026, Beijing Tong Ren Tang Century Advertising Co., Limited ("**Tong Ren Tang Century Advertising**") renewed the advertising agency framework agreement with the ultimate holding company for a term of three years from 26 February 2026 to 31 December 2028. Accordingly, the fees for the provision of advertising agency services by Tong Ren Tang Century Advertising to the ultimate holding company, its subsidiaries and its joint ventures shall be determined with reference to the actual quotations provided by third-party advertising providers based on their published price lists for services such as advertising design, placement, production, exhibition, and consulting, plus a reasonable fee for the advertising agency services rendered by Tong Ren Tang Century Advertising (generally not higher than 10% of the quote offered by third-party advertising providers).

(iv) On 30 December 2025, the Company renewed the property leasing framework agreement with the ultimate holding company, for a term of three years from 1 January 2026 to 31 December 2028. The continuing connected transactions under the renewed Property Leasing Framework Agreement will be entered into in accordance with the pricing policies below: The rentals under the renewed Property Leasing Framework Agreement shall be determined by reference to the relevant market price which is with reference to the rental information of certain premises of similar specification and size in similar locations, and shall be negotiated on an arm's length basis of such market terms, to ensure that the terms offered by the ultimate holding company, its subsidiaries and its joint ventures would not be less favorable than those offered by independent third parties on the market.

(v) On 28 November 2025, the Company renewed the land use right leasing agreement with the ultimate holding company, with a lease period of 3 years commencing from 6 October 2025. The annual rental expense is about RMB9,282,000.

18. Related Party Transactions (Cont'd)

(b) Transactions with the subsidiaries, associates and joint ventures of the ultimate holding company

	For the six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Sales of Chinese medicine related products (Note (a)(ii))	**1,186,571**	1,523,865
Purchases of Chinese medicine related products (Note (i))	**42,706**	155,567
Purchases of products for exclusive distributorship (Note (ii))	**10,347**	10,314
Purchase of e-commerce marketing services (Note (iii))	**2,840**	-
Advertising services income (Note (a)(iii))	**9,114**	1,599
Rental Income (Note (iv))	**1,318**	965
Royalty fee income from joint ventures (Note (v))	**-**	63
Procurement of supply chain management service (Note (vi))	**1,275**	3,524
Procurement of technical service (Note (vii))	**1,112**	1,853

18. Related Party Transactions (Cont'd)

(b) Transactions with the subsidiaries, associates and joint ventures of the ultimate holding company (Cont'd)

Notes:

(i) On 29 September 2025, the Company renewed the master procurement agreement with the ultimate holding company. Pursuant to the agreement, the terms and conditions procured by the Group from the ultimate holding company's subsidiaries and joint ventures shall not be inferior to the price of the procurement from any independent third party or fair market conditions (whichever is better). The renewed agreement was approved at the extraordinary general meeting of the Company on 30 December 2025 and for a term of three years from 1 January 2026 to 31 December 2028.

(ii) Tong Ren Tang Chinese Medicine renewed the exclusive distribution framework agreement with Beijing Tong Ren Tang Company Limited ("**Tong Ren Tang Ltd.**") on 29 November 2023, with an effective period from 1 January 2024 to 31 December 2026, pursuant to which, Beijing Tong Ren Tang International Natural-Pharm Co., Ltd., a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, is appointed as the sole overseas distributor of Tong Ren Tang Ltd., for the purpose of the distribution of the relevant Tong Ren Tang branded products supplied by Tong Ren Tang Ltd. ("**Relevant Products**") outside the Chinese mainland. The price of the Relevant Products supplied shall not be higher than the wholesale price of the Relevant Products sold to the wholesale customers in the Chinese mainland. The renewed agreement has been approved by the extraordinary general meeting of Tong Ren Tang Chinese Medicine on 27 December 2023.

(iii) On 14 May 2026, the Company signed an e-commerce service cooperation framework agreement with Beijing Tong Ren Tang Shuzi Technology Co., Ltd., with the service period from 14 May 2026 to 31 December 2026.

(iv) The Company leased the premises to Beijing Tong Ren Tang Second Traditional Chinese Medicine Hospital Co., Ltd for rental income of RMB1,318,000 for the six months ended 30 June 2026.

(v) In accordance with the royalty agreements, the royalty fee is charged annually by Tong Ren Tang Chinese Medicine, the Company's subsidiary, at either 1% of revenue or 1.5% of profit before income tax of the joint ventures, whichever is higher. Pursuant to these agreements, these joint ventures are permitted to operate under the "Tong Ren Tang" brand name.

(vi) On 6 February 2025, the Company entered into the supply chain management service framework agreement with Beijing Tong Ren Tang Supply Chain Management Co., Ltd. ("**Tong Ren Tang Supply Chain**") for a term from 6 February 2025 to 31 December 2027.

(vii) On 6 February 2025, the Company entered into the technical consulting service framework agreement with Tong Ren Tang Supply Chain for a term from 6 February 2025 to 31 December 2027.

18. Related Party Transactions (Cont'd)

(c) Balances with related parties

Balances with related parties consisted of:

	30 June 2026	31 December 2025
	(Unaudited)	(Audited)
	RMB'000	*RMB'000*
Amounts due from related parties (Note(i)):		
Ultimate holding company		
Trade receivables, net	**1**	-
Other financial assets at amortised cost	**698**	698
	699	698
Subsidiaries, associates and joint ventures of the ultimate holding company		
Trade receivables, net	**347,739**	164,418
Other financial assets at amortised cost	**2,779**	2,565
Prepayments	**4,202**	974
	354,720	167,957
Amounts due to related parties (Note(i)):		
Ultimate holding company		
Other payables	**5,421**	-
Subsidiaries, associates and joint ventures of the ultimate holding company		
Trade payables	**33,547**	47,500
Other payables	**23,005**	29,876
Contract liabilities	**7,552**	509
	64,104	77,885

18. Related Party Transactions (Cont'd)

(c) Balances with related parties (Cont'd)

Balances with related parties consisted of:

	30 June 2026 (Unaudited) ***RMB'000***	31 December 2025 (Audited) *RMB'000*
Lease liabilities		
Ultimate holding company and its subsidiaries (Note (a)(iv)), (Note (a)(v))	**113,925**	25,927
Borrowings from a related party (Note (ii)):		
Ultimate holding company	**32,300**	32,300

Notes:

(i) The amounts due from/to related parties are unsecured, interest-free and recoverable or repayable within twelve months.

(ii) Borrowings from a related party are in the form of entrusted loans which are unsecured, bearing interest by reference to benchmark lending interest rate published by the People's Bank of China with moderate decrease and repayable within three years.

19. Events After the Reporting Period

The Company received the relevant legal documents served by the People’s Court of Miyun District, Beijing (北京市密雲區人民法院) (“**Miyun Court**”), on 14 July 2026, informing the Company that Beijing Dekang Xinrui Trading Co., Ltd. (北京德康信瑞商貿有限責任公司) has filed an application (the “**Application**”) with the Miyun Court seeking the dissolution of Beijing Tong Ren Tang Xing An Healthcare Technologies Co., Limited (北京同仁堂興安保健科技有限責任公司) (“**Tong Ren Tang Xing An Healthcare**”, a 51%-owned subsidiary of the Company), and has timely published the relevant announcement. The case has not yet been heard in court. As a third party, the Company will participate in the relevant litigation proceedings in accordance with the law and actively safeguard the legitimate rights and interests of the Company and all shareholders.

For the six months ended 30 June 2026, Tong Ren Tang Xing An Healthcare accounted for approximately 6.49% and 3.78% of the Group’s revenue and profit, respectively. As at 30 June 2026, Tong Ren Tang Xing An Healthcare accounted for approximately 2.61% of the Group’s total assets. In light of this, the Company anticipates that the potential dissolution of Tong Ren Tang Xing An Healthcare will have potential adverse impact on the Group's future operating results to some extent. However, there remains uncertainty as to whether the Application will be upheld by the court and its actual impact on the Group. The Company will continue to closely monitor developments and actively explore various equity disposal measures, and will make announcement(s) to inform its shareholders when appropriate.

For details, please refer to the announcement of the Company dated 14 July 2026, which is published on the websites of the Stock Exchange and the Company.

INTERIM DIVIDEND

The Board does not declare the distribution of an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The year 2026 marks the first year of the Group's 15th Five-Year Plan and is a pivotal year for the Group to deepen reforms to its operational system and drive high-quality development. Looking back at the first half of the year, the domestic traditional Chinese medicine sector continued to develop with policy support, while also facing multiple challenges such as intensifying market competition and shifts in consumer demand patterns. During the Reporting Period, the Group adhered to the overarching operational principle of seeking progress while maintaining stability. Centring on the working guidelines of "shifting mindsets, emphasising coordination, enhancing quality and efficiency, strengthening execution, prioritising management, and building confidence", the Group focused on its core business of proprietary Chinese patent medicines and continued to advance reforms to its marketing system and optimisation of production and operations. Due to changes in the industry environment, adjustments in market demand and the Group's proactive optimisation of channel operating strategies, the Group's performance for the period declined. In response to market changes, the Group has continued to foster core product lines, optimise product structures and enhance operational efficiency. With all strategic initiatives being implemented steadily and the foundation of the core business remaining stable, the Group has laid the groundwork for long-term sustainable development. For the six months ended 30 June 2026, the Group's revenue amounted to RMB3,024,461,000, representing a decrease of 19.10% compared to RMB3,738,503,000 for the corresponding period of last year; the Group's net profit amounted to RMB351,500,000, representing a decrease of 27.38% compared to RMB484,030,000 for the corresponding period last year; and net profit attributable to owners of the Company amounted to RMB249,144,000, representing a decrease of 26.43% compared to RMB338,667,000 for the corresponding period last year.

In terms of production, during the Reporting Period, the Group continued to optimise its production operations system and strengthen coordination between production and sales. Taking into account changes in market demand, raw material supply and inventory structure, the Group dynamically optimised production schedules, continuously improved its supply assurance mechanisms, and enhanced the coordination and flexibility of its production operations. In terms of supply chain management, the Group has continuously refined its raw material procurement management mechanisms, strengthened the analysis of market price trends, and optimised procurement arrangements and inventory structures. At the same time, it has consistently improved logistics and distribution efficiency, driving a steady improvement in the quality of supply chain operations. In terms of the industrial layout, the Group has steadily advanced the optimised allocation of production resources, systematically carried out applications for new production sites and capacity adjustments for products such as Qiju Dihuang Pills (杞菊地黃丸) and Zhibai Dihuang Pills (知柏地黃丸), thereby further refining its industrial layout. At the same time, the Group has continued to optimise production processes and workflows, shortening the production cycles of certain products (such as Jingzhi Niuhuang Jiedu Tablets (京製牛黃解毒片)) to improve production efficiency and ensure market supply.

In terms of marketing, during the Reporting Period, the Group continued to advance the development of its marketing system, focusing on key areas such as the cultivation of core products, optimised channel management and the development of the retail network, while continuously enhancing its market operational capabilities and product competitiveness. In terms of the development of core product lines, the Group focused on key products such as Liuwei Dihuang Pills (六味地黃丸) and Jinkui Shenqi Pills (金匱腎氣丸). By aligning with market demand and product characteristics, the Group continuously optimised its marketing strategies, strengthened brand communication and market promotion, and made full use of diverse communication channels to enhance market awareness and brand influence for these core products. During the first half of the year, the Group continued to advance its "major varieties strategy". Centring on key products with established brand foundations, market capacity and development potential, the Group strengthened resource allocation and specialised operations. Through targeted marketing, point-of-sale development and market expansion, the Group drove the large-scale development of these key products. At the same time, by refining its product portfolio and strengthening the development of distinctive and high-potential products, the Group continued to enhance its market expansion capabilities.

In terms of channel development, the Group has continued to refine its market management, actively expanded into untapped markets, optimised its channel layout and broadened its retail coverage. At the same time, the Group has strengthened distributor management, improved mechanisms for maintaining market order, continuously optimised the pricing system and inventory structure, and consistently enhanced channel operational efficiency and market control capabilities. In terms of point-of-sale network development, the Group has continued to expand its point of sale network, strengthening coverage in key markets and at core retail outlets. The Group has carried out in-depth promotional activities and brand awareness campaigns at the point of sale to drive sales of core product lines, thereby enhancing product market coverage and brand penetration.

During the Reporting Period, 4 of the Group's products recorded sales of more than RMB100 million, 23 products recorded sales of between RMB10 million and RMB100 million, and 8 products recorded sales of between RMB5 million and RMB10 million. Among the major products, sales revenue from the Liuwei Dihuang Pills (六味地黃丸), Jinkui Shenqi Pills (金匱腎氣丸) and Ejiao (阿膠) series increased by approximately 23.42%, 42.48% and 37.57%, respectively, as compared with the corresponding period of last year. Sales revenue from a number of other products, including the Niuhuang Jiedu (牛黃解毒) and Shengmai Yin (生脈飲) series, also recorded varying degrees of growth, while sales revenue from certain products, including the Ganmao Qingre Granules (感冒清熱顆粒) and Xihuang Pills (西黃丸) series, decreased as compared with the corresponding period of last year. Meanwhile, benefiting from the continued implementation of the "major varieties strategy", sales revenue from each of the Fuzi Lizhong Pills (附子理中丸), Guishao Dihuang Pills (歸芍地黃丸) and Niuhuang Jiangya Pills (牛黃降壓丸) series recorded double-digit growth as compared with the corresponding period of last year.

In terms of scientific research, during the Reporting Period, the Group continued to advance technological innovation and the development of its research and development framework, steadily progressing with various research initiatives centred on key areas such as the research and development of new Chinese patent medicine products, the development of classic herbal formulas, the secondary development of marketed products, and research into quality standards. In terms of new medicine R&D, the Group continued to advance clinical research into the innovative medicine Qishen Granules (芪參顆粒), as well as the development of the improved new medicine Paediatric Rhinitis Granules(小兒鼻炎顆粒) and the classic prescriptions of Shaoyao Gancao Tang Granules (芍藥甘草湯顆粒). At the same time, the Group systematically conducted clinical and evidence-based medical research on marketed products such as Jingzhi Niuhuang Jiedu Tablets (京製牛黃解毒片) and Niuhuang Jiangya Pills (牛黃降壓丸), continuously exploring the clinical value of these products to provide scientific support for market expansion and enhanced competitiveness. Furthermore, the Group actively promoted the enhancement of quality standards for traditional Chinese medicines, the commercialisation of research outcomes, and the exploration and application of artificial intelligence technology in the field of traditional Chinese medicine research and development, thereby continuously strengthening its capacity for scientific and technological innovation and providing robust technological support for the Group's high-quality development.

Tong Ren Tang Chinese Medicine, the principal subsidiary of the Group, continued to advance its internationalisation strategy. Building upon the development model of "driving medicine demand by providing medical services and promoting culture as first priority", it steadily refined its overseas market footprint, actively promoted high-quality traditional Chinese medicine products and culture abroad, and continuously enhanced the "Tong Ren Tang" brand's visibility and influence in international markets. During the reporting period, Tong Ren Tang Chinese Medicine continued to strengthen brand promotion and point-of-sale network development for its core product lines, expanded both online and offline sales channels, and continued to diversify its product portfolio by launching new products such as Ganoderma Liver Detox Pro (金芝肝寶), Lingyangjiao Fen Capsules (羚羊角粉膠囊) and Gum Careluxe Toothpaste (齦養素牙膏), thereby further enriching its health and wellness product range. At the same time, Tong Ren Tang Chinese Medicine continued to advance its marketing strategy for proprietary products, continuously optimising its distribution system in accordance with the principles of "prioritising quality and maintaining control over distribution channels". In the Hong Kong and Macao Special Administrative Regions of China, as well as in the Mainland Chinese market, Tong Ren Tang Chinese Medicine proactively adjusted the distribution channels for its own-brand products, strengthening the management of the terminal pricing and brand image. As a result of these strategic adjustments, wholesale revenue from Tong Ren Tang Chinese Medicine's own-brand products during the Reporting Period decreased compared with the same period last year. For the six months ended 30 June 2026, Tong Ren Tang Chinese Medicine and its subsidiaries achieved sales revenue of RMB530,155,000, representing a year-on-year decrease of 24.49%, and net profit attributable to owners of Tong Ren Tang Chinese Medicine was RMB174,241,000, representing a year-on-year decrease of 19.40%. (The differences between the figures of sales revenue of Tong Ren Tang Chinese Medicine and its subsidiaries and the net profit attributable to the owners of Tong Ren Tang Chinese Medicine disclosed herein, and the figures disclosed in the interim results announcement of Tong Ren Tang Chinese Medicine dated 28 August 2026 are due to foreign currency translation differences between Renminbi and Hong Kong Dollar ("**HKD**")).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 3,801 employees (31 December 2025: 3,951 employees), of which 1,930 were employees of the Company (31 December 2025: 1,956 employees). The Company continually updates and improves its employee remuneration policy and system to ensure equal access to value and sharing of result according to employees' contribution. In the meantime, the Company attaches great importance to the development and growth of talents, and provides employees with skill training, career planning and development opportunities, seeking to create a platform for mutual growth between the Company and employees.

Employee remuneration of the Company are determined with reference to the prevailing market level as well as the performance, qualifications and experience of individual employees. Discretionary bonuses will also be paid based on individual performance during the year to reward employees for their contributions to the Company. Other employee benefits include pension insurance, medical insurance, unemployment insurance, employment injury insurance, maternity insurance and housing fund.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group has maintained a sound financial position. During the Reporting Period, the Group's primary source of funds was cash generated from daily operating activities and borrowings.

The Group mainly uses Renminbi and HKD to make borrowings and loans and to hold cash and cash equivalents.

As at 30 June 2026, the Group's cash and cash equivalents amounted to RMB4,789,694,000 (31 December 2025: RMB4,704,271,000) in total, and term deposits placed with banks amounted to RMB52,797,000 in total (31 December 2025: RMB56,407,000).

As at 30 June 2026, the Group's short-term borrowings amounted to RMB5,000,000 (31 December 2025: RMB1,000,000), bearing an interest rate of 2.841% per annum (2025: 3.000%) and current portion of non-current bank borrowing amounted to RMB579,162,000 (31 December 2025: RMB390,394,000), totally accounting for 17.71% of the total liabilities (31 December 2025: 11.36%). Long-term borrowings amounted to RMB1,101,931,000 (31 December 2025: RMB1,453,334,000), bearing annual interest rate of 2.329% (2025: 2.372%) and representing 33.40% of the total liabilities (31 December 2025: 42.17%). Of all the borrowings of the Group as at 30 June 2026, RMB584,162,000 will mature within one year and RMB1,101,931,000 will mature after one year.

Capital Structure

The Group's capital management policy is to ensure the continuous operations of the Group with an aim to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

As at 30 June 2026, total assets of the Group amounted to RMB13,350,765,000 (31 December 2025: RMB13,710,811,000). Non-current liabilities amounted to RMB1,352,695,000 (31 December 2025: RMB1,665,234,000), current liabilities amounted to RMB1,946,661,000 (31 December 2025: RMB1,780,866,000), equity attributable to owners of the Company amounted to RMB7,304,301,000 (31 December 2025: RMB7,340,263,000) and non-controlling interests amounted to RMB2,747,108,000 (31 December 2025: RMB2,924,448,000). During the Reporting Period, the Group's funds were mainly used for production and operation activities, purchase of property, plant and equipment, repayment of borrowings and payment of cash dividends, etc.

Liquidity

As at 30 June 2026, the Group's liquidity ratio (the ratio of current assets to current liabilities) was 5.08 (31 December 2025: 5.72), reflecting that the Group had sufficient financial resources. The Group's quick ratio (the ratio of liquid assets to current liabilities) was 3.08 (31 December 2025: 3.09), reflecting the Group's high liquidity. The Group's trade receivables turnover ratio (the ratio of revenue to the average of trade receivables balance) was 8.35 (31 December 2025: 9.51), reflecting that the Group's trade receivables were relatively liquid. The Group's trade payables turnover ratio (the ratio of cost of sales to the average of trade payables balance) was 7.40 (31 December 2025: 6.10), reflecting that the payment cycle for the Company's accounts payable has not changed significantly. The Group's inventory turnover ratio (the ratio of revenue to the average of inventory balance) was 1.46 (31 December 2025: 1.34), reflecting that the inventory had a high turnover rate.

Gearing Ratio

The Group monitors its capital on the basis of the gearing ratio. As at 30 June 2026, the Group's gearing ratio (the ratio of total borrowings to total equity) was 0.17 (31 December 2025: 0.18).

Expenses and Expense Ratio

As at 30 June 2026, the Group's distribution expenses amounted to RMB414,132,000 (30 June 2025: RMB576,087,000) and the distribution expense ratio, i.e. the ratio of distribution expenses to revenue, was 0.14 (30 June 2025: 0.15). The distribution expenses ratio has no significant changes compared to the corresponding period of last year.

As at 30 June 2026, the Group’s administrative expenses amounted to RMB260,054,000 (30 June 2025: RMB266,056,000) and the administrative expense ratio, i.e. the ratio of administrative expenses to revenue, was 0.09 (30 June 2025: 0.07). The administrative expenses ratio did not change significantly compared to the corresponding period of last year.

As at 30 June 2026, the Group’s finance costs amounted to RMB1,427,000 (30 June 2025: finance income amounted to RMB12,094,000) and the finance costs ratio, i.e. the ratio of finance cost to revenue, was 0.0005 (30 June 2025: the ratio of finance income to revenue was 0.0032). The finance costs ratio has decreased compared to the corresponding period of last year mainly due to the decreased term deposits placed with banks.

Gross Margin and Net Profit Margin

As at 30 June 2026, the gross margin of the Group was 36.00% (30 June 2025: 38.16%), while the net profit margin was 11.62% (30 June 2025: 12.95%).

Research and Development Expenses

As at 30 June 2026, the research and development expenses (excluding employee benefit expenses, depreciation and amortisation expenses) of the Group were RMB32,289,000 (30 June 2025: RMB26,732,000), accounting for 0.32% of net assets (30 June 2025: 0.26%) and 1.07% of revenue (30 June 2025: 0.72%), respectively. The research and development expenses including employee benefit expense and depreciation and amortisation expense were RMB56,216,000 (30 June 2025: RMB53,005,000), accounting for 0.56% of net assets (30 June 2025: 0.52%) and 1.86% of revenue (30 June 2025: 1.42%), respectively.

Capital Expenditure

As at 30 June 2026, the Group’s capital expenditure incurred amounted to RMB33 million (30 June 2025: RMB63 million), primarily used for the purchase of production equipment.

Pledges over Assets of the Group

As at 30 June 2026, none of the Group’s assets were pledged as securities for any liabilities (31 December 2025: Nil).

Contingent Liabilities

As at 30 June 2026, the Group had no contingent liabilities (31 December 2025: Nil).

Foreign Exchange Risk

The Group primarily operates in the Chinese mainland whose main business is settled in Renminbi. However, the Group also operates internationally and foreign exchange risk arises from overseas business, recognised assets and liabilities and net investments in overseas operations (primarily with respect to HKD). The Group currently does not have a foreign currency hedging policy. The Group manages its foreign exchange risk by closely monitoring the fluctuation of the foreign currency rates.

Significant Investment Held/Future Plans for Material Investments or Purchase of Capital Assets

During the Reporting Period, the Group did not have any significant investment. As at the date of this announcement, the Group does not have any plan for material investments or purchase of capital assets.

Material Acquisition/Disposal of Subsidiaries, Joint Ventures and Associates

During the Reporting Period, the Group did not have any material acquisition/disposal of subsidiaries, joint ventures or associates.

No Material Change

Since the publication of the annual report for the year ended 31 December 2025 on 27 April 2026, there have been no material changes to the Group's business.

FUTURE PROSPECTS

Looking ahead, with the introduction of relevant policies such as the "The 15th Five-Year Plan for the Revitalisation and Development of Traditional Chinese Medicine" and the "The 15th Five-Year Plan for National Health", the strategic importance of the traditional Chinese medicine sector has been further enhanced. Driven by a combination of factors, including policy support, technological innovation and the upgrading of health-related consumer demand, the traditional Chinese medicine industry is gradually advancing towards a phase of high-quality development. The industry's development model is also shifting from scale expansion to improvements in quality and efficiency, presenting new development opportunities for enterprises with brand strengths, innovative capabilities and operational expertise. At the same time, the Group remains mindful of the potential impacts of intensifying industry competition, shifting consumer demand and fluctuations in raw material prices, and continues to enhance its operational resilience and risk management capabilities.

In terms of production, the Group will continue to refine its production and operations system, strengthen coordination between production and sales and enhance supply chain security. It will scientifically coordinate production arrangements in line with market demand, optimise production capacity layout and resource allocation, and focus on improving the supply security of core products and those in high market demand. At the same time, the Group will continue to advance smart manufacturing and technological upgrades, refine coordination mechanisms for the procurement of raw and auxiliary materials, inventory management and production processes, and further improve production efficiency, strengthen cost control and enhance operational quality.

In terms of marketing, the Group will continue to deepen reforms to its marketing system, focusing on core products and key markets, improving channel management and the point-of-sale service system, and enhancing market responsiveness and marketing operational efficiency. The Group will continue to advance its "major varieties strategy", implementing differentiated and refined marketing strategies, and strengthening the development of its product portfolio. Through measures such as stabilising prices, optimising inventory levels and boosting sales, the Group will continuously enhance product profitability and point-of-sale coverage. Furthermore, while consolidating the foundations of its core business in Chinese patent medicines, the Group will steadily advance the development of its wellness sector, including the Ejiao series (阿膠系列), Food as Medicine series (藥食同源系列), beauty and personal care products, and deer-derived products. The Group will accelerate product portfolio expansion and market cultivation, establish a "one core, two wings" (「一核兩翼」) development framework, nurture new business growth drivers, and inject fresh momentum into future development.

Looking ahead, the Group will remain firmly committed to the theme of high-quality development, focusing on enhancing the quality of its core business, driving reform and innovation, and improving management efficiency. The Group will continue to optimise its operational management system, improve the efficiency of resource allocation and the level of refined management across the entire supply chain, strive to achieve a strong start to the 15th Five-Year Plan, and create long-term value for our shareholders.

OTHER INFORMATION

Corporate Governance Code

The Board believes that a good and steady framework of corporate governance is extremely important for the development of the Company. The Company has adopted the principles and standards contained in the Corporate Governance Code (the "**Code**") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as the Company's standards, and combined them with its own experience, aiming to establish a good corporate governance structure. The Company complied with all the code provisions set out in Part 2 of the Code throughout the Reporting Period.

Directors' Dealings in Securities

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard contained in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiries of all the Directors, all of them confirmed that they had strictly complied with the required standard set out in the Model Code and the code of conduct of the Company during the Reporting Period.

Risk Management and Internal Control

The Board is responsible for evaluating and determining the nature and extent of the risks that the Group is capable of taking in achieving its strategic goals, ensuring that the Group has established and maintained reasonable and effective risk management and internal control systems, and overseeing management in the design, implementation and monitoring of the risk management and internal control systems. The Group has established its risk management and internal control system and issued relevant reports with reference to regulations and requirements, including the Code of Practice for Corporate Governance, the framework for Corporate Risk Management, the Basic Standard for Corporate Internal Control, the Guidelines for Corporate Internal Control Assessment and the Guidelines for Related Corporate Internal Control.

The terms of reference of the audit committee of the Board (the "**Audit Committee**") covers its responsibilities in relation to risk management, including monitoring the relevant risk management system to ensure that it is aligned with the Company's strategies and risk appetite. The Company's Legal Affairs Department is responsible for risk management continues to standardize and institutionalize the operation of the risk management system. It regularly identifies, assesses, responds to and monitors risks, and prepares a risk management report every six months for submission to the Audit Committee for review.

The Group has established its internal audit function. The dedicated internal audit department conducts regular and independent reviews on the operation of the Group, thereby identifying any non-compliance activities and risks, and makes relevant recommendations to address the identified risks. It explains any material findings as well as the process and results of internal audit to the Audit Committee in separate reports. During the Reporting Period, the Company further deepened its work effort regarding risk management, internal control and self-inspection and timely proposed improvement suggestions and countermeasures to minimize operational risks.

Change of Directors

With effect from 6 February 2026: (1) Mr. Siu, Paul Yu Hay was appointed as an independent non-executive Director of the Ninth Board of Directors, and was also appointed as the Chairman of the Audit Committee, a member of the Remuneration Committee, and a member of the Strategy and Planning Committee; and (2) Mr. Li Siu Bun resigned as an independent non-executive Director, and also resigned as the chairman of the Audit Committee and a member of each of the Remuneration Committee and the Strategy and Planning Committee.

For details of the aforesaid changes, please refer to the announcements of the Company dated 13 January 2026 and 6 February 2026, and the circular of the Company dated 16 January 2026.

Change in Director's Information

The following Director's information changed during the Reporting Period, and the latest information is as follows:

Mr. Siu Paul Yu Hay, aged 65, is an independent non-executive Director. He is the chairman of the Audit Committee and a member of the Remuneration Committee and the Strategy and Planning Committee.

Mr. Siu also serves as an independent director of a number of listed companies including Haier Smart Home Co., Ltd. (listed on The Stock Exchange of Hong Kong Limited, the Shanghai Stock Exchange and Frankfurt Stock Exchange, stock code: 6690.HK, 600690.SH and 690D), Hangzhou Tigermed Consulting Co., Ltd. (listed on The Stock Exchange of Hong Kong Limited and the Shanghai Stock Exchange, stock code: 3347.HK and 300347.SH), LongBio Pharma (Suzhou) Co., Ltd. (listed on The Stock Exchange of Hong Kong Limited, stock code: 1779.HK) and Shanghai Jiaoda Onlly Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600530.SH).

Mr. Siu is a certified public accountant in Hong Kong and a chartered professional accountant in Ontario, Canada and he held multiple senior leadership positions at Deloitte from April 1996 to May 2023, including corporate development leader of Deloitte Asia Pacific, and various leadership roles in Deloitte China including chief operating officer and deputy chief executive officer, clients and industries leader, eastern region managing partner, eastern region audit leader, and audit partner.

Mr. Siu obtained his bachelor of mathematics degree from the University of Waterloo in Canada in May 1984. He was awarded the Shanghai Magnolia Award in October 2015 by Foreign Affairs Office of the Shanghai Municipal People Government.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

Appointment of Joint Company Secretary

With effect from 9 July 2026: (1) Mr. Han Guan Zhao has resigned as the secretary of the Board of the Company due to work adjustment; (2) Ms. Ma Wing Yee ("**Ms. Ma**") has ceased to serve as the authorised representative (the "**Authorised Representative**") under the Listing Rules due to work adjustment. Ms. Ma remains as a joint company secretary of the Company and the agent for acceptance of service of process and notices on behalf of the Company in Hong Kong under Rule 19A.13(2) of the Listing Rules and Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and (3) Ms. Mei Zhe has been appointed as the Authorised Representative, the secretary of the Board of the Company, and has also been appointed as a joint company secretary of the Company to serve the Board and the Company jointly with Ms. Ma. For details of the aforesaid changes, please refer to the announcement of the Company dated 9 July 2026.

Audit Committee

The Audit Committee has reviewed the operating results, financial position and major accounting policies in the unaudited financial statements of the Group for the six months ended 30 June 2026 and discussed relevant internal audit, risk management and internal control matters. The Audit Committee has no disagreement with the accounting treatment in the unaudited financial statements of the Group for the six months ended 30 June 2026.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 June 2026, none of the Directors and the chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong, the "**SFO**")) which were required to be recorded in the register kept under Section 352 of the SFO or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the requirements in the Model Code as set out in Appendix C3 to the Listing Rules.

Substantial Shareholders' Interest and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 June 2026, as far as it was known to the Directors and the chief executive of the Company, the following persons (other than the Directors and the chief executive of the Company) had interests and/or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholder	Capacity	Number of shares	Percentage of domestic shares	Percentage of H shares	Percentage in total issued voting shares
Tong Ren Tang Ltd.	Beneficial owner	600,000,000 (L) *(Note 1)*	92.01%	-	46.85%
Tong Ren Tang Holdings *(Note 2)*	Interest of corporation controlled by the substantial shareholder	600,000,000 (L) *(Note 1)*	92.01%	-	46.85%
	Beneficial owner	9,480,000 (L) *(Note 1)*	1.45%	-	0.74%
	Beneficial owner	7,649,000 (L) *(Note 1)*	-	1.22%	0.60%
Total		617,129,000 (L) *(Note 1)*	93.46%	1.22%	48.18%
Yuan Sai Nan *(Note 3)*	Beneficial owner	35,732,000 (L) *(Note 1)*	-	5.68%	2.79%

Notes:

(1) (L) – Long position

(2) 600,000,000 shares of the Company held by Tong Ren Tang Holdings were held through Tong Ren Tang Ltd. As at 30 June 2026, Tong Ren Tang Ltd. was owned as to 52.45% by Tong Ren Tang Holdings. Thus, Tong Ren Tang Holdings was deemed to be interested in the 600,000,000 shares of the Company held by Tong Ren Tang Ltd. Besides, Tong Ren Tang Holdings also directly held 9,480,000 domestic shares and 7,649,000 H shares of the Company.

(3) Yuan Sai Nan held 35,732,000 H shares of the Company in long position.

Save as disclosed above, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had interests and short positions in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO as at 30 June 2026.

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)). As at the end of the Reporting Period, no treasury shares (as defined in the Listing Rules) were held by the Company.

Significant Events after the Reporting Period

For significant events after the Reporting Period, please refer to the relevant disclosures set out in Note 19 to the financial statements.

Save as disclosed above, there are no significant events subsequent to 30 June 2026 which could have a material impact on the Group's business operations as at the date of this announcement.

COMPETING INTERESTS

Competition with Tong Ren Tang Ltd. and Tong Ren Tang Holdings

Both the Company and Tong Ren Tang Ltd. engage in the production and sale of Chinese patent medicines, but the principal products of each of them are different. Tong Ren Tang Ltd. mainly produces Chinese patent medicines in traditional dosage forms such as honeyed pills, powder, ointment and medicinal wines. Tong Ren Tang Ltd.'s main products include Angong Niuhuang Pills (安宮牛黃丸), Tongren Niuhuang Qingxin Pills (同仁牛黃清心丸), Tongren Dahuoluo Pills (同仁堂大活絡丸), Tongren Wuji Baifeng Pills (同仁烏雞白鳳丸), and Guogong Wine (國公酒). It also has some minor production lines for the production of granules and water-honeyed pills. These products do not compete with the Group's products in terms of their curative effects. The Company focuses on manufacturing products in new dosage forms which are more competitive compared to western medicine. The Company's main products include Liuwei Dihuang Pills (六味地黃丸), Niuhuang Jiedu Tablets (牛黃解毒片), Ganmao Qingre Granules (感冒清熱顆粒), Jinkui Shenqi Pills (金匱腎氣丸), etc. Tong Ren Tang Holdings is an investment holding company.

To ensure that the business delineation among the Company, Tong Ren Tang Holdings and Tong Ren Tang Ltd. is properly documented and established, Tong Ren Tang Holdings and Tong Ren Tang Ltd. undertake, pursuant to an undertaking dated 19 October 2000 from Tong Ren Tang Holdings and Tong Ren Tang Ltd. in favor of the Company ("**October Undertaking**"), that other than Angong Niuhuang Pills (安宮牛黃丸), Tong Ren Tang Holdings, Tong Ren Tang Ltd. and their respective subsidiaries will not produce in future any products that bear the same names or bear the same names with different dosage forms as those pharmaceutical products produced by the Company, which may compete directly with those pharmaceutical products of the Company.

Save as mentioned above, the Directors confirm that none of the products of the Company is in direct competition with the products of Tong Ren Tang Ltd. or Tong Ren Tang Holdings.

Right of First Refusal

To procure that the Company focuses on the development of the four major forms of products (namely granules, honeyed pills, tablets and soft capsules), Tong Ren Tang Holdings and Tong Ren Tang Ltd. have granted the Company, pursuant to the October Undertaking, a right of first refusal to manufacture and sell any of the new products which is developed by Tong Ren Tang Holdings, Tong Ren Tang Ltd. or any of their respective subsidiaries and which belongs to one of the four main forms of existing products of the Company. Upon the exercise of the right of first refusal, both Tong Ren Tang Ltd. and Tong Ren Tang Holdings or their respective subsidiaries are not allowed to manufacture any of such new products. In the event that the Company develops any new product based on the existing products of Tong Ren Tang Holdings, Tong Ren Tang Ltd. or their respective subsidiaries, and such new product is one of the major forms of the Company, the Company will be entitled to manufacture such new product and Tong Ren Tang Holdings, Tong Ren Tang Ltd. and their respective subsidiaries will not be allowed to manufacture such new product. The Directors believe that the above undertakings would clarify that both Tong Ren Tang Ltd. and Tong Ren Tang Holdings would support the Company in its development of the four major forms of products in the future.

In the event that the Company refuses the right of first refusal offered by Tong Ren Tang Ltd. or Tong Ren Tang Holdings, the terms of the option to be offered to an independent third party should not be more favorable than those originally offered to the Company, failing which the Company should be given an opportunity to re-consider the option under the new terms. The above undertakings would no longer be valid in the event that the direct or indirect aggregate shareholdings of Tong Ren Tang Holdings and Tong Ren Tang Ltd. in the Company fall below 30%.

Moreover, Tong Ren Tang Holdings and Tong Ren Tang Ltd. confirm that the Company and its independent non-executive Directors will implement the following undertakings:

(i) the independent non-executive Directors will review, at least on an annual basis, the compliance with the options, pre-emptive rights or rights of first refusal provided by Tong Ren Tang Ltd. and Tong Ren Tang Holdings on their existing or future competing business;

(ii) Tong Ren Tang Ltd. and Tong Ren Tang Holdings have undertaken to provide all information necessary for the annual review by the independent non-executive Directors and the enforcement of the non-competition undertaking;

(iii) the Company will disclose decisions on matters reviewed by independent non-executive Directors in relation to the compliance and enforcement of the undertaking (e.g. the exercise of options or rights of first refusal) either through the annual report, or by way of announcements to the public; and

(iv) an annual declaration by Tong Ren Tang Ltd. and Tong Ren Tang Holdings on compliance with the non-competition undertaking in the annual report of the Company.

PUBLICATION OF THE INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The 2026 interim report of the Company, which contains the unaudited consolidated financial statements of the Group for the six months ended 30 June 2026 and all other information required under Appendix D2 to the Listing Rules, will be provided to the shareholders and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tongrentangkj.com) in due course.

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

Beijing, the PRC
28 August 2026

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