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Tong Ren Tang Technologies Co., Ltd.
北京同仁堂科技發展股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock code: 8069)

CONTINUING CONNECTED TRANSACTIONS

On 6 October 2000, the Company and Tongrentang Holdings entered into the Land Use Right Leasing Agreement pursuant to which Tongrentang Holdings agreed to lease to the Company two pieces of land, namely, the Yang Fang Hu Tong Land and the Nan San Huan Zhong Road Land with a total area of 49,776.35 sq.m.

On 1 January 2006, the Company and Tongrentang Holdings entered into the Supplemental Agreement on Termination of Leasing of Certain Land, pursuant to which the parties agreed to the termination of the leasing by the Company of the Yang Fang Hu Tong Land and the continued leasing of the Nan San Huan Zhong Road Land by the Company from Tongrentang Holdings.

On 21 February 2005, the Company entered into various continuing connected transactions with Tongrentang Holdings through the following contracts between them:

- (i) a renewal contract for storage and custody; and
- (ii) a master distribution agreement.

On 2 September 2005, the Company entered into continuing connected transactions with Chuan Chiong through a master distribution agreement between them.

As the terms of the above agreements expired on 31 December 2007 (other than the Land Use Right Leasing Agreement and the Supplemental Agreement on Termination of Leasing of Certain Land), the Company has entered into agreements in respect of the following continuing connected transactions for a period up to 31 December 2010:

- (i) the Contract for Storage and Custody;

- (ii) the Tongrentang Holdings Master Distribution Agreement; and
- (iii) the Chuan Chiong Master Distribution Agreement.

In light of the above transactions as well as the future development of the Company, the Directors propose to fix the annual caps of these transactions and the transaction contemplated under the Land Use Right Leasing Agreement and the Supplemental Agreement on Termination of Leasing of Certain Land for the three years ending 31 December 2010.

The above transactions constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules. These transactions and their respective annual cap are subject to the reporting and announcement requirements and (where necessary) the approval of the Independent Shareholders at the AGM under the GEM Listing Rules.

A circular containing, among others, details of the non-exempt Continuing Connected Transactions and the terms of the relevant agreements, a letter of recommendation from the independent board committee to the Independent Shareholders of the Company, and a letter of advice by an independent financial adviser to the independent board committee and the Independent Shareholders will be dispatched to the Shareholders as soon as practicable pursuant to the GEM Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

(1) Land Use Right Leasing Agreement and Supplemental Agreement on Termination of Leasing of Certain Land

Background and nature of transaction

On 6 October 2000, the Company and Tongrentang Holdings entered into the Land Use Right Leasing Agreement pursuant to which Tongrentang Holdings agreed to lease to the Company two pieces of land with a total area of 49,776.35 sq.m. located at (i) No. 33 Yang Fang Hu Tong, Xi Cheng District, Beijing, the PRC (area: 5,961.2 sq.m.) (“**Yang Fang Hu Tong Land**”); and (ii) No. 20 Nan San Huan Zhong Road, Feng Tai District, Beijing, the PRC (area: 43,815.15 sq.m.) (“**Nan San Huan Zhong Road Land**”, together with the Yang Fang Hu Tong Land, the “**Properties**”), for a term of 20 years commencing on the date thereof.

Pursuant to the Land Use Right Leasing Agreement, the annual rental for leasing the Properties for the initial two years is calculated at the market rate of RMB53.95 per sq.m. (i.e. RMB2,685,434 in total), which shall remain unchanged for the initial two years. Any adjustments to the annual rental shall be made after the initial two-year period at the then market rent, provided that such adjustment shall in no event exceed 10% more or less than that of the previous year.

On 1 January 2006, the Company and Tongrentang Holdings entered into the Supplemental Agreement on Termination of Leasing of Certain Land, pursuant to which the parties agreed to the termination of the leasing by the Company of the Yang Fang Hu Tong Land. Pursuant to this agreement, the annual rental for leasing the Nan San Huan Zhong Road Land remained RMB53.95 per sq.m., making the total annual rental for leasing the Nan San Huan Zhong Road Land RMB2,363,827.34.

There has not been any material change to the terms of the Land Use Right Leasing Agreement since 6 October 2000 up to the date of this announcement, notwithstanding that the Supplemental Agreement on Termination of Leasing Agreement has been entered into. The change to the Land Use Right Leasing Agreement as set out in the Supplemental Agreement on Termination of Leasing Agreement was that, the lease of Yang Fang Hu Tong Land with area of 5,961.2 sq.m. out of the 49,776.35 sq.m was terminated (being approximately 12% of the land area under the Land Use Right Leasing Agreement). The remaining terms of the Land Use Right Leasing Agreement remain the same, in particular, the consideration per square meter remains at RMB53.95 per sq.m.

Tongrentang Holdings is the ultimate holding company of the Company, and is therefore a connected person of the Company under the GEM Listing Rules, the leasing of the Nan San Huan Zhong Road Land pursuant to the Land Use Right Leasing Agreement as amended by the Supplemental Agreement on Termination of Leasing of Certain Land constitutes a continuing connected transaction of the Company under the GEM Listing Rules. Pursuant to a resolution passed by the independent Shareholders at the special general meeting of the Company held on 25 July 2002, the annual transaction value under the Land Use Right Leasing Agreement was capped at RMB3 million up to 31 December 2004. Such cap expired on 31 December 2004 and was renewed and remained until 31 December 2007, as suggested by the Directors of the Company and disclosed by an announcement of the Company dated 21 February 2005.

Annual cap

The total rental paid by the Company to Tongrentang Holdings, during the three years ended 31 December 2007, were approximately RMB2,685,000, RMB2,364,000 and RMB2,364,000 respectively, and have not exceeded the annual cap of RMB3 million for each of the three financial years ended 31 December 2007.

The annual cap of RMB3 million expired on 31 December 2007. Having regard to the terms of the Land Use Right Leasing Agreement and the Supplemental Agreement on Termination of Leasing of Certain Land as well as the historical transaction value, the Directors propose that the annual cap for transactions under the above agreements shall remain at RMB3 million for each of the three financial years ending 31 December 2010.

Payment arrangement

The rental under the Land Use Right Leasing Agreement as amended by the Supplemental Agreement on Termination of Leasing of Certain Land is to be satisfied by the Company in cash and be settled by the 20th day of December of each year during the term on an annual basis.

Reasons for the transaction

As the superstructures on the Nan San Huan Zhong Road Land are part of the factory owned by the Company, it is necessary for the Company to rent the Nan San Huan Zhong Road Land for the purpose of its operations.

GEM Listing Rules implications of the Land Use Right Leasing Agreement and Supplemental Agreement on Termination of Leasing of Certain Land

As the respective applicable percentage ratios (other than the profits ratio) for the annual cap of the total rental under the above agreements each exceeds 0.1% but is less than 2.5% of each of the applicable percentage ratios (other than the profits ratio) of the Company as set out in Rule 20.34(1) of the GEM Listing Rules, the transactions contemplated under the Land Use Right Leasing Agreement as amended by the Supplemental Agreement on Termination of Leasing of Certain Land are subject to reporting and announcement requirements but exempt from Independent Shareholders' approval requirement. Appropriate disclosure of the aforesaid transactions will be made in the annual reports and accounts of the Company in accordance with the GEM Listing Rules.

(2) Contract for Storage and Custody

Background and nature of transaction

On 15 April 2008, the Company entered into the Contract for Storage and Custody whereby Tongrentang Holdings agreed to provide the storage and custody services to the Company for a term up until 31 December 2010. For the initial one year from the effective date of the contract, the storage fee was fixed at RMB252 per sq.m. per year. Adjustment to the storage fee is permitted after the initial one-year period provided that an increase or decrease shall not exceed 10% of that of the previous year, and the annual storage fee shall not exceed RMB7 million for each of the three financial years ending 31 December 2010. The Company is entitled to give Tongrentang Holdings six months' prior notice to terminate the contract.

Tongrentang Holdings is the ultimate holding company of the Company, and is therefore a connected person of the Company under the GEM Listing Rules. The transactions contemplated under the Contract for Storage and Custody will be on an ongoing basis and constitute continuing connected transactions of the Company under Rule 20.14 of the GEM Listing Rules.

Annual cap

Prior to the entering into of the Contract for Storage and Custody, for a period from 6 October 2000 up until 31 December 2007, Tongrentang Holdings provided storage and custody services to the Company pursuant to a contract dated 6 October 2000, a supplemental agreement entered into between them on 17 May 2002 and a renewal contract for storage and custody entered into between them on 21 February 2005. Pursuant to the Renewal Contract for Storage and Custody, the aggregate storage and custody fee paid by the Company for each of the three years ended 31 December 2007 was approximately RMB6,804,000, RMB6,804,000 and RMB6,804,000 respectively, and have not exceeded the annual cap of RMB7 million for each of the three years ended 31 December 2007. The Company currently occupies an area of approximately 27,000 sq.m. which is provided by Tongrentang Holdings for storage of both raw materials and finished products. Having regard to the expected storage and custody demand, the Directors anticipate that the Company would require a storage area of not exceeding 28,000 sq.m. provided by Tongrentang Holdings for the three financial years ending 31 December 2010. Based on the storage fee of RMB252 per sq.m. and the expected storage area of not more than 28,000 sq.m., the Directors propose that the annual cap for transactions under the Contract for Storage and Custody shall be RMB7 million for each of the three financial years ending 31 December 2010.

Payment arrangement

The annual storage and custody fee under the Contract for Storage and Custody is to be satisfied by the Company in cash in two instalments for each year during the term. The instalment for the first half of the year shall be paid by the 10th day of July of each year during the term, while the instalment for the second half of the year shall be paid by the 10th day of January of the following year.

Reasons for the transaction

In order to maintain the integrity and functional character of the Chinese medicinal raw materials and finished products, it is necessary for the Company to process and store them at the prescribed temperature and humidity. Given that the storage and custody facilities currently owned by the Company are unable to satisfy the need of the Company's operation and development, the Directors, including the independent non-executive Directors, consider that it is necessary to seek these storage and custody facilities from Tongrentang Holdings. In this connection, the Directors, including the independent non-executive Directors, believe that the Company will continue to rely on Tongrentang Holdings for the provision of storage and custody services within the course of the next three years by reason of cost efficiency and practical necessity.

GEM Listing Rules implications of the Contract for Storage and Custody

As the respective applicable percentage ratios (other than the profits ratio) for the annual cap of the aggregate storage and custody fee under the Contract for Storage and Custody each exceeds 0.1% but is less than 2.5% of each of the applicable percentage ratios (other than the profits ratio) of the Company as set out in Rule 20.34(1) of the GEM Listing Rules, the transactions contemplated under the Contract for Storage and Custody are subject to reporting and announcement requirements but exempt from Independent Shareholders' approval requirement. Appropriate disclosure of the aforesaid transactions will be made in the annual reports and accounts of the Company in accordance with the GEM Listing Rules.

(3) Tongrentang Holdings Master Distribution Agreement

Background and nature of the transaction

The Group is engaged in the business of Chinese patent medicines and currently sells its products to both independent third parties and connected parties. Such connected parties consist of, among others, the Group Agents, namely distributors of pharmaceutical products and subsidiaries or associates of Tongrentang Holdings, in which Tongrentang Holdings are directly or indirectly interested.

With a view to formalizing the transactions with the Group Agents, on 15 April 2008, the Company entered into the Tongrentang Holdings Master Distribution Agreement with Tongrentang Holdings for a term up until 31 December 2010, subject to the approval of the Independent Shareholders at the AGM. Pursuant to this agreement, the Company may sell its products to the Group Agents. The purchase price of the products distributed under the Tongrentang Holdings Master Distribution Agreement shall be determined by the Company and the Group Agents in accordance with the normal commercial practice provided that the purchase price payable by the Group Agents shall be no less than that charged by the Company to other independent customers.

As the Group Agents are connected parties of the Company under the GEM Listing Rules, and the transactions contemplated under the Tongrentang Holdings Master Distribution Agreement will be on an ongoing basis, they constitute continuing connected transactions under Rule 20.14 of the GEM Listing Rules.

Annual cap

Prior to the entering into of the Tongrentang Holdings Master Distribution Agreement, for a period from 21 February 2005 up until 31 December 2007, the Company sold its products to the Group Agents via Tongrentang Holdings pursuant to a master distribution agreement entered into between the Company and Tongrentang Holdings on 21 February 2005. The value of the annual

sale of the Company's products to the Group Agents for each of the three financial years ended 31 December 2007 was as follows and have not exceeded the annual cap of RMB380 million for the three financial years ended 31 December 2007:

Year ended 31 December 2005	Year ended 31 December 2006	Year ended 31 December 2007
RMB92,880,000	RMB98,603,000	RMB109,051,000

With a view to increasing the market share and the sale volume of the Company's products, the Company has been endeavouring to further expand the turnover of the sale of the Company's products via ultimate retail distributors. In light of the aforesaid, the Company expects a substantial increase in the transaction volume with the Group Agents in the coming three years.

Based on the transaction amount of over RMB109,051,000 in respect of the sale of the Company's products to the Group Agents for the year ended 31 December 2007 and on the assumption that the annual growth rate of the transaction amount of the sale of the Company's products to the Group Agents will be approximately 25% for the three years ending 31 December 2010 as a result of substantial increases in the aggregate transaction amount of the sales to the existing Group Agents and the expected expansion in the number of the Group Agents, the Directors propose that the aggregate annual transaction volume for the distribution of products of the Company to the Group Agents shall be capped at RMB140,000,000, RMB170,000,000 and RMB200,000,000 for the three financial years ending 31 December 2010 respectively.

Payment arrangement

The consideration for the products sold by the Company under the Tongrentang Holdings Master Distribution Agreement is to be satisfied by Tongrentang Holdings in cash. The time of payment will be negotiated upon the parties entering into individual contracts pursuant to the Tongrentang Holdings Master Distribution Agreement.

Reasons for the transactions

The Directors consider that it is in the interests of the Company and the Shareholders to sell its products via the Group Agents on the following basis:

- (i) the Group Agents are entities qualified to distribute pharmaceutical products. The Directors believe that the sale of the Company's products to these Group Agents would be beneficial to the development of the Company's business;
- (ii) it would be a waste of resources for not utilising the sales network operating under the brand of "Tong Ren Tang" which is targeted to gain dominant position in respect of sales and pharmaceutical products; and

- (iii) the sales and pricing policies of the Company in respect of the sales of its products to the Group Agents are the same as those for the independent network agents and hence the transactions are concluded fairly and on normal commercial terms in all respects.

GEM Listing Rules implications of the Tongrentang Holdings Master Distribution Agreement

As the respective applicable percentage ratios (other than the profits ratio) for the annual cap of the turnover of the sales to the Group Agents under the Tongrentang Holdings Master Distribution Agreement each exceeds 2.5% of each of the applicable percentage ratios (other than the profits ratio) of the Company as set out in Rule 20.34(1) of the GEM Listing Rules, and the annual cap is more than HK\$10,000,000 as set out in Rule 20.34(2) of the GEM Listing Rules, the transactions contemplated under the Tongrentang Holdings Master Distribution Agreement are subject to reporting, announcement as well as Independent Shareholders' approval requirements. Appropriate disclosure of the aforesaid transactions will be made in the annual reports and accounts of the Company in accordance with the GEM Listing Rules.

(4) Chuan Chiong Master Distribution Agreement

Background and nature of the transaction

On 15 April 2008, the Company entered into the Chuan Chiong Master Distribution Agreement with Chuan Chiong for a term up until 31 December 2010. Pursuant to this agreement, the Company agreed to appoint Chuan Chiong as its agent to sell the products of the Company. The prices of the products to be sold to Chuan Chiong by the Company shall be determined in accordance with various factors such as the (i) market condition; (ii) market acceptance; and (iii) market competitiveness in a particular region and seasonality, but in any event shall not be lower than the cost of such products incurred by the Company. The type and quantity of the products to be sold to Chuan Chiong shall be determined by negotiation between the parties based on market condition. Either party is entitled to give the other party a 60 days' prior written notice to terminate the Chuan Chiong Master Distribution Agreement.

Chuan Chiong, one of the purchasers of the Company's products, is a substantial shareholder of TRT Canada, a non wholly owned subsidiary of the Company and is therefore a connected person of the Company under the GEM Listing Rules. The transactions contemplated under the Chuan Chiong Master Distribution Agreement will be on an ongoing basis and constitute continuing connected transactions of the Company under Rule 20.14 of the GEM Listing Rules.

Payment arrangement

The consideration for the products sold by the Company under the Chuan Chiong Master Distribution Agreement is to be satisfied by Chuan Chiong in cash. The time of payment will be negotiated upon the parties entering into individual contracts pursuant to the Chuan Chiong Master Distribution Agreement.

Reasons for the transactions

Chuan Chiong is a distributor of medicines. Chuan Chiong has been one of the major customers of the Company since the establishment of the Company. The Directors believe that the sale of the Company's products to Chuan Chiong would increase the market share of the Company in the respective regions and thus would be in the best interest of the Company and the Shareholders as a whole.

Annual cap

Prior to the entering into of the Chuan Chiong Master Distribution Agreement, for a period from 2 September 2005 up until 31 December 2007, the Company sold its products to Chuan Chiong pursuant to a master distribution agreement entered into between the Company and Chuan Chiong on 2 September 2005. The value of the annual transactions in respect of the sale of the Company's products to Chuan Chiong for each of the three financial years ended 31 December 2007 was as follows and have not exceeded the annual cap of RMB15 million for the three financial years ended 31 December 2007:

Year ended 31 December 2005	Year ended 31 December 2006	Year ended 31 December 2007
RMB5,235,000	RMB6,800,000	RMB9,255,000

With a view to increasing the market share and the sales volume of the Company's products, the Company has been endeavoring to further expand the turnover of the sales of the Company's products in Hong Kong via distributors since 2005. In this connection, the Directors expect that the transaction volume in Hong Kong will increase at a rate of about 22% per annum for the period up to 31 December 2010. Based on the aforesaid, the value of the Company's transactions with Chuan Chiong for the financial year ending 31 December 2010 will be approximately RMB16,806,000. In addition, since the Company sells its products to Chuan Chiong with reference to the actual market condition, the volume of transactions under the Chuan Chiong Master Distribution Agreement may fluctuate when the market condition changes. In order to secure that the sales transactions of the Company are smoothly conducted and to effectively increase the sales volume of the Company in the relevant regions, the Directors propose that the annual cap for the transactions under the Chuan Chiong Master Distribution Agreement shall be RMB17,000,000 for each of the three financial years ending 31 December 2010.

GEM Listing Rules implications of the Chuan Chiong Master Distribution Agreement

As the respective applicable percentage ratios (other than the profits ratio) for the annual cap of the turnover of the sales to Chuan Chiong under the Chuan Chiong Master Distribution Agreement each exceeds 0.1% but is less than 2.5% of each of the applicable percentage ratios (other than the profits ratio) of the Company as set out in Rule 20.34(1) of the GEM Listing Rules, the transactions contemplated under the Chuan Chiong Master Distribution Agreement are subject to reporting and announcement requirements but exempt from Independent Shareholders' approval requirement. Appropriate disclosure of the aforesaid transactions will be made in the annual reports and accounts of the Company in accordance with the GEM Listing Rules.

Benefits of the Continuing Connected Transactions

The Directors believe that it is in the interest of the Company to enter into the above agreements and to fix the respective annual caps of the above transactions as they will facilitate the smooth operations of the Company's day-to-day production and sale business and will therefore enhance the growth of the sale volume and market share of the Company.

An independent financial adviser will be appointed to advise the independent board committee of the Company, comprising the three independent non-executive Directors (namely, Ms. Tam Wai Chu, Maria, Mr. Ting Leung Huel, Stephen and Mr. Jin Shi Yuan), and the Independent Shareholders as to the reasonableness and fairness of the non-exempt Continuing Connected Transactions referred to in the section headed "Non-exempt Continuing Connected Transactions" below. A letter of recommendation from the independent board committee of the Company to the Independent Shareholders will be included in the circular to be dispatched by the Company with regard to the non-exempt Continuing Connected Transactions.

Continuing Connected Transactions exempt from Independent Shareholders' approval requirement

Given that each of the applicable percentage ratios (other than the profit ratio) calculated in accordance with Chapter 19 of the GEM Listing Rules with respect to:

- (i) the Land Use Right Leasing Agreement and the Supplemental Agreement on Termination of Leasing of Certain Land;
- (ii) the Contract for Storage and Custody; and
- (iii) the Chuan Chiong Master Distribution Agreement

does not exceed 2.5% on an annual basis, the transactions under these agreements are only subject to the reporting, announcement and annual review requirements under Chapter 20 of the GEM Listing Rules and are exempt from Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

The Directors (including independent non-executive Directors) consider that the terms of the Land Use Right Leasing Agreement and the Supplemental Agreement on Termination of Leasing of Certain Lands, the Contract for Storage and Custody and the Chuan Chiong Master Distribution Agreement are made on an arm's length basis in the ordinary and usual course of business of the Company and on normal commercial terms which are no less favorable than terms available to or from independent third parties. The Directors (including independent non-executive Directors) are of the view that the terms and the respective proposed annual caps of these agreements are fair and reasonable and in the interest of the Shareholders as a whole.

Non-exempt Continuing Connected Transactions

Under the GEM Listing Rules, transactions in relation to the Tongrentang Holdings Master Distribution Agreement are considered to be non-exempt continuing connected transactions which are subject to the requirements of reporting, announcement, Shareholders' approval and annual review under Chapter 20 of the GEM Listing Rules. Accordingly, the Directors propose to seek the approval from the Independent Shareholders in relation to the above transactions and their respective aggregate annual caps for a period of three years expiring on 31 December 2010.

The Company confirms that since 1 January 2008, the Company has complied with Chapter 20 of the GEM Listing Rules with regard to each of the Continuing Connected Transactions as referred to in this announcement. The Company also confirms that it will ensure that the value of the non-exempt Continuing Connected Transactions from 1 January 2008 up to the date of the AGM would not exceed the threshold for requiring Independent Shareholders' approval under Chapter 20 of the GEM Listing Rules.

The Directors (excluding independent non-executive Directors) consider that the terms of Tongrentang Holdings Master Distribution Agreement are made on an arm's length basis in the ordinary and usual course of business of the Company and on normal commercial terms which are no less favorable than terms available to or from independent third parties. The Directors (excluding independent non-executive Directors) are of the view that the terms and the respective proposed annual caps of these agreements are fair and reasonable and in the interest of the Shareholders as a whole.

Connections between the parties in the Continuing Connected Transactions

Tongrentang Holdings is the ultimate holding company of the Company which currently holds approximately 55.24% of the share capital of Tongrentang Limited. Tongrentang Limited is in turn interested in approximately 51.02% of the issued share capital of the Company. As such, each of Tongrentang Holdings and its associates (as defined in the GEM Listing Rules) is a connected party to the Company for the purpose of the GEM Listing Rules. Tongrentang Holdings is engaged in the processing, production and sale of Chinese medicinal raw materials, Chinese patent medicine, oral consumption medicine, healthcare products, medical food, cosmetic products and medical equipment.

TRT Canada is owned as to 51% and 49% by the Company and Chuan Chiong respectively. As such, Chuan Chiong is the substantial shareholder of TRT Canada and is a connected party to the Company under the GEM Listing Rules. Chuan Chiong is principally engaged in the distribution of medicines.

Accordingly, the various transactions under the agreements referred to in this announcement constitute continuing connected transactions of the Company under the GEM Listing Rules. Transactions which took place since 1 January 2008 and prior to this announcement represented de minimus transactions under GEM Listing Rule 20.33(3).

Each of the Continuing Connected Transactions is a separate transaction from each other and they together do not constitute a series of transactions which should be aggregated pursuant to GEM Listing Rule 20.25. Moreover, there are no other transactions which should be aggregated with the Continuing Connected Transactions pursuant to GEM Listing Rule 20.25.

FURTHER INFORMATION ABOUT THE COMPANY

The Company is mainly engaged in the production and sale of Chinese patent medicine. Tongrentang Holdings is engaged in the processing, production and sale of Chinese medicinal raw materials, Chinese patent medicine, oral consumption medicine, healthcare products, medical food, cosmetic products and medical equipment.

ANNUAL GENERAL MEETING AND CIRCULAR TO SHAREHOLDERS

A circular containing, among others, details of the non-exempt Continuing Connected Transactions and the terms of the relevant agreement, a letter of recommendation from the independent board committee of the Company to the Independent Shareholders, and a letter of advice by an independent financial adviser to the independent board committee and the Independent Shareholders will be dispatched to the Shareholders as soon as practicable pursuant to the GEM Listing Rules. The Directors propose to seek the approval of the non-exempt Continuing Connected Transactions from the Independent Shareholders at the AGM by poll. Tongrentang Holdings, Tongrentang Limited and their respective associates, as defined in the GEM Listing Rules, will abstain from voting with respect to the non-exempt Continuing Connected Transactions at the AGM.

DEFINITIONS

As used in this announcement, the following words and phrases shall have the following meanings:

“AGM” the annual general meeting of the Company in respect of the financial year ended 31 December 2007 which is to be convened to, among other things, consider and, if thought fit, approve the non-exempt Continuing Connected Transactions

“Chuan Chiong”	Chuan Chiong Co., Ltd. (泉昌有限公司), a company incorporated in Hong Kong, being a distributor of medicines and a substantial shareholder of TRT Canada
“Chuan Chiong Master Distribution Agreement”	an agreement dated 15 April 2008 entered into between the Company and Chuan Chiong, pursuant to which the Company agreed to sell its products to Chuan Chiong
“Company”	Tong Ren Tang Technologies Co., Ltd., a joint stock company incorporated in the PRC with limited liability and the issued shares of which are listed on GEM
“Continuing Connected Transactions”	Continuing connected transactions between the Company, Tongrentang Holdings, Chuan Chiong and subsidiaries and associates of Tongrentang Holdings as more specifically described in this announcement
“Contract for Storage and Custody”	a contract dated 15 April 2008 entered into between the Company and Tongrentang Holdings, pursuant to which Tongrentang Holdings agreed to provide the storage and custody services to the Company
“Directors”	the directors of the Company
“GEM Listing Rules”	Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (as amended from time to time)
“Group Agents”	distributors of pharmaceutical products in which Tongrentang Holdings is directly or indirectly interested and which are either subsidiaries or associates of Tongrentang Holdings
“Independent Shareholders”	Shareholders other than Tongrentang Holdings, Tongrentang Limited, Chuan Chiong and their respective associates (as defined in the GEM Listing Rules)
“Land Use Right Leasing Agreement”	an agreement dated 6 October 2000 entered into between the Company and Tongrentang Holdings, pursuant to which Tongrentang Holdings agreed to lease the Properties to the Company
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement on Termination of Leasing of Certain Lands”	an agreement dated 1 January 2006 entered into between the Company and Tongrentang Holdings, pursuant to which the parties agreed to terminate the leasing by the Company of the Yang Fang Hu Tong Land, which agreement is supplemental to the Land Use Right Leasing Agreement
“Tongrentang Holdings”	China Beijing Tong Ren Tang Group Co., Ltd. (中國北京同仁堂(集團)有限責任公司), a State-owned enterprise established in the PRC under the laws of the PRC and the ultimate holding company of the Company and Tongrentang Limited
“Tongrentang Holdings Master Distribution Agreement”	an agreement dated 15 April 2008 entered into between the Company and Tongrentang Holdings, pursuant to which the Company agreed to sell its products to the Group Agents
“Tongrentang Limited”	Beijing Tongrentang Company Limited (北京同仁堂股份有限公司), a joint stock limited company established in the PRC, the shares of which have been listed on the Shanghai Stock Exchange A Shares Market since 1997, and is the holding Company of the Company
“TRT Canada”	Beijing Tong Ren Tang Canada Co., Ltd., a limited liability company incorporated in Canada, being a non wholly owned subsidiary of the Company

By order of the board of Directors
Tong Ren Tang Technologies Co., Ltd.
Mei Qun
Chairman

Beijing, the PRC, 15 April 2008

As at the date of this announcement, the Board comprises (i) Mr. Mei Qun, Mr. Zhang Sheng Yu, Mr. Kuang Gui Shen, Mr. Yin Shun Hai, Mr. Wang Quan and Ms. Ding Yong Ling as executive directors; (ii) Ms. Tam Wai Chu, Maria, Mr. Ting Leung Huel, Stephen and Mr. Jin Shi Yuan as independent non-executive directors.

This announcement, for which the directors of Tong Ren Tang Technologies Co., Ltd. collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Tong Ren Tang Technologies Co., Ltd. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting.