

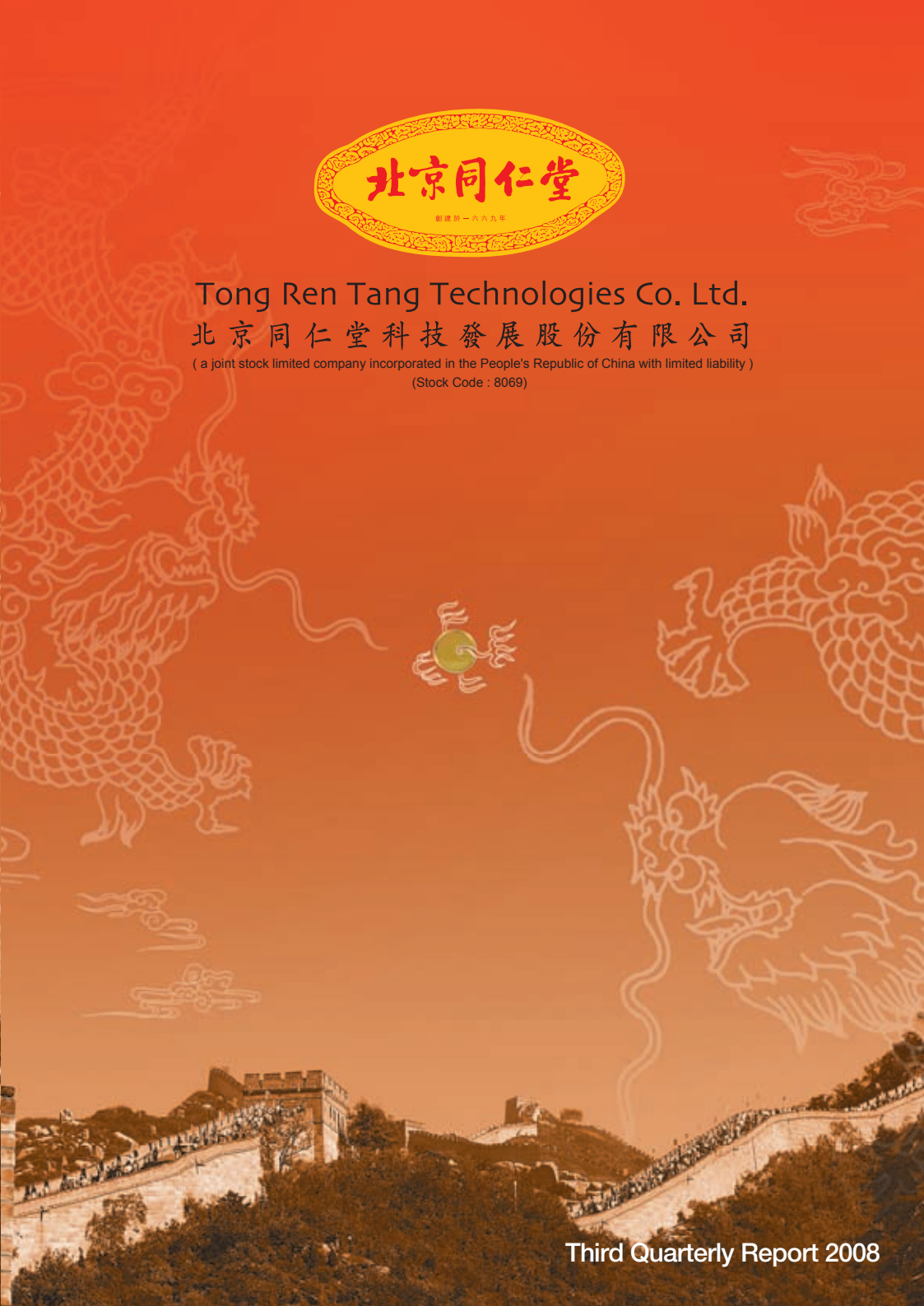


Tong Ren Tang Technologies Co. Ltd.

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)



Third Quarterly Report 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, 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 report 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 report misleading; and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



HIGHLIGHTS

- Revenue amounted to RMB 913,142,000 for the nine months ended 30 September 2008, representing an increase of 6.47% as compared with that for the corresponding period in 2007.
- Net profit attributable to equity shareholders of the Company amounted to RMB 123,677,000 for the nine months ended 30 September 2008, representing a decrease of 18.13% as compared with that for the corresponding period in 2007.
- Earnings per share for profit attributable to equity shareholders of the Company amounted to RMB 0.631 for the nine months ended 30 September 2008.

QUARTERLY 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 (hereafter collectively referred to as the “Group”) and its joint ventures for the nine months ended 30 September 2008 together with the unaudited comparative figures for the corresponding period in 2007, as follows:

	Notes	For the nine months ended 30 September 2008		For the three months ended 30 September 2008	
		2007 RMB'000	2008 RMB'000	2007 RMB'000	2008 RMB'000
Revenue	3	857,674	913,142	240,051	240,051
Cost of sales		(484,468)	(506,509)	(96,816)	(127,175)
Gross Profit		373,206	406,633	96,807	112,876
Other gains	4	3,162	2,961	1,490	920
Distribution costs		(115,672)	(143,656)	(37,426)	(43,995)
Administrative expenses		(81,325)	(93,581)	(29,679)	(29,934)
Profit from operations		179,371	172,357	31,192	39,867
Financial costs	5	(3,936)	(5,351)	(469)	(235)
Profit before income tax	6	175,435	167,006	30,723	39,632
Income tax expense	7	(27,125)	(40,003)	(5,091)	(8,397)
Profit for the period		148,310	127,003	25,632	31,235
Attributable to:					
Equity holders of the Company		151,056	123,677	26,922	28,397
Minority interests		(2,746)	3,326	(1,290)	2,838
		148,310	127,003	25,632	31,235
Earnings per share for profit attributable to equity shareholders of the Company	8	RMB0.802	RMB0.631	RMB0.137	RMB0.145



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 upon the placing of its H shares, was listed on the GEM on 31 October 2000. Its ultimate holding company is China Beijing Tong Ren Tang Group Co. Ltd. ("Tongrentang Holdings"), incorporated in Beijing, the PRC.

2. PRINCIPAL ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements are prepared in accordance with the International Financial Reporting Standards as published by the International Accounting Standards Board. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007.

3. REVENUE

	For the nine months ended 30 September		For the three months ended 30 September	
	2008	2007	2008	2007
	RMB'000	RMB'000	RMB'000	RMB'000
Sales of medicine:				
– Domestic	866,736	831,743	219,030	189,586
– Overseas	39,950	25,931	17,534	4,037
Agency fee for Distribution services	6,456	–	3,487	–
	<u>913,142</u>	<u>857,674</u>	<u>240,051</u>	<u>193,623</u>

4. OTHER GAINS

	For the nine months ended 30 September		For the three months ended 30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest income	<u>2,961</u>	<u>3,162</u>	<u>920</u>	<u>1,490</u>

5. FINANCE COSTS

	For the nine months ended 30 September		For the three months ended 30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses	<u>819</u>	<u>3,271</u>	<u>344</u>	<u>1,044</u>
Exchange loss/(gain)	<u>4,532</u>	<u>665</u>	<u>(109)</u>	<u>(575)</u>
	<u>5,351</u>	<u>3,936</u>	<u>235</u>	<u>469</u>

6. PROFIT BEFORE INCOME TAX

Profit before income tax was arrived at after charging the following:

	For the nine months ended 30 September		For the three months ended 30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of property, plant and equipment	<u>34,159</u>	<u>32,044</u>	<u>11,097</u>	<u>11,140</u>



7. INCOME TAX EXPENSE

The Law of the People's Republic of China on Enterprise Income Taxes ("New Income Tax Law") was adopted at the National People's Congress on 16 March 2007 and effective as of 1 January 2008. Under Article 4 of the New Income Tax Law, the rate of enterprise income tax is 25%.

Under the New Income Tax Law, high-technology enterprises approved by relevant government departments and tax authorities are entitled to tax concessions. Those high-technology enterprises already approved under the former tax regime are required to be re-approved according to the requirements of under the new tax regime. Those high-technology enterprises approved by relevant government departments and tax authorities are permitted to pay at a concession rate of 15% under the New Income Tax Law, while other enterprises are required to pay taxes at the standard tax rate of 25%.

In July 2006, the Company renewed its High-technology enterprise certificate with the Beijing Municipal Science & Technology Commission. Pursuant to Guo Shui Fa Notice No. 17 [2008] published by the State Administration of Taxation on 30 January 2008, high-technology enterprises approved prior to 1 January 2008 are required to prepay enterprise income taxes at a tax rate of 25% on a provisional basis before they are re-approved pursuant to the New Income Tax Law. As a result, the Company prepaid the income tax at a rate of 25% on a provisional basis for the nine months ended 30 September 2008. A tax rate of 15% applied to the Company for the corresponding period of 2007.

The Company is currently making preparations for applying for re-approval as a high-technology enterprise pursuant to relevant regulations of China. Upon grant of such re-approval, the company will continue to pay income tax at a rate of 15%.

The profits taxes of the overseas enterprises are calculated on the basis of the estimated assessable profits for the current period at the prevailing tax rates of the countries in which these enterprises are operating.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	For the nine months ended 30 September		For the three months ended 30 September	
	2008	2007	2008	2007
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Profit attributable to equity holders of the Company	<u>123,677</u>	<u>151,056</u>	<u>28,397</u>	<u>26,922</u>
	Number of shares	Number of shares	Number of shares	Number of shares
Weighted average number of shares issued during the period	<u>196,000,000</u>	<u>188,360,440</u>	<u>196,000,000</u>	<u>196,000,000</u>
Basic earnings per share	<u>RMB0.631</u>	<u>RMB0.802</u>	<u>RMB0.145</u>	<u>RMB0.137</u>

The Company had no potential dilutive shares for the nine months ended 30 September 2008 (2007: Nil).



INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2008 (2007: Nil).

RESERVES

There was no movement of reserves for the relevant periods in 2008 and 2007 except those disclosed as below:

	Retained profits	
	For the nine months ended 30 September	
	2008	2007
	RMB'000	RMB'000
Balance as of 1 January	463,874	395,295
Final dividend declared	(78,400)	(73,120)
	385,474	322,175
Net profit for the three months ended 31 March	50,588	56,240
Appropriation to reserve	-	-
Balance as of 31 March	436,062	378,415
Net profit for the three months ended 30 June	44,692	67,894
Appropriation to reserve	-	-
Balance as of 30 June	480,754	446,309
Net profit for the three months ended 30 September	28,397	26,922
Appropriation to reserve	-	-
Balance as of 30 September	509,151	473,231

BUSINESS REVIEW

In line with the requirements in the “Development, Mechanisms and Culture Innovation” strategy and the work plan for “Brand, Talents and Development” strategy designated by the Board, the company focused on brand protection and consisted on sustainable development, for improving the quality of the business operation and assets. For the first three quarters of year 2008, the production and operation of the company was in good position, all aspects of the work has shown a sound development trend, and the market competitiveness of products and profitability of the company has improved steadily. The company smoothly achieved the objectives assigned for the revenue and net profit of the first three quarters of year 2008. As at 30 September 2008, the Company’s revenue amounted to RMB 913,142,000, representing an increase of 6.47% over the corresponding period last year. Profit attributable to the equity shareholders of the Company amounted to RMB 123,677,000, representing a decrease of 18.13% over the corresponding period last year.

During the reporting period, the company continued to focus on market cultivation of products through the main line – “New liuweii, New start” (新六味、新起點). By making use of competitiveness over the Tong Ren Tang brand, the company stepped up publicity and promotion efforts, expanded network channels and strengthened the end-user network building, in order to improve the rate of “on the shelves” in retailers, to ensure stable development of mainstream product portfolios, quick access to the market of medical-market product portfolios and new product portfolios, and to improve the market share of products. In face of ever-changing market, the company also responded positively and adjusted in a timely manner, adhered to the profit-centered strategy, concerned about the trend of market demand, concerned about the performance of the market price of the product, monitoring the sales volume and flow of products, to make the market prices stable, improve profitability of products and improve the quality of the company’s operating quality.



The company continued to reinforce the build-up of its product portfolios. Sales promotion of products with significant sales potential has been further increased. Various forms of marketing activities have been carried out according to the characteristics of the products. In the first three quarters of 2008, in mainstream products, total sales of LiuWei DiHuang Pills series (六味地黄丸) decreased by 1.52% over the corresponding period last year, NiuHuang JieDu Tablets series (牛黄解毒片) increased by 5.82% and GanMao QingRe Granule series (感冒清热颗粒) also decreased over the corresponding period last year. Benefiting in product portfolios strategy, sales of some other products series including JinKui ShenQi Pills series (金匱腎氣丸), QiJu DiHuang Pills series (杞菊地黄丸), E Jiao series (阿膠) and JiaWei XiaoYao Pills series (加味逍遙丸) increased.

As to the traffic restrictions during the 2008 Olympic Game in Beijing, the company had successfully accomplished the production plan for this period and reduced the adverse effects in the production, sales and distribution as far as possible, by making emergency plans ahead of time, reserving in advance raw materials for production and redesigning transport routes during that time.

The company carried out cleaner production plan, through the use of clean energy and raw materials, the use of advanced technology and equipments, improvement of technology design and production management, comprehensive utilization and other measures, to reduce energy consumption and improve the efficiency of resource use, improve the economic and social benefits.

PROSPECTS

The sales revenue and profit of the first nine months in 2008 was basically the same level as the corresponding period last year. In the next quarter, in line with the requirements of the strategy, the company will continue to maintain a trusted brand, respond swiftly to the market improve the core competitiveness and further improve and enhance the quality of operation. Also, in the fourth quarter, the company will further improve sales network and promotion aimed at the products, seize sales of the seasonal products and increase cash inflows to complete the year's business target, plan production and business programs as well as financial positions of year 2009 to achieve sustainable development.

CORPORATE GOVERNANCE

For the nine months ended 30 September 2008, the Company complied with the provisions set out in Appendix 15 of the Code on Corporate Governance Practices of the GEM Listing Rules.

Audit Committee

Pursuant to the Rules 5.28 of the GEM Listing Rules, the Company has set up an audit committee according to "A Guide For The Formation of An Audit Committee" compiled by the Hong Kong Society of Accountants. In compliance with the Rules of 5.29 of the GEM Listing Rules, the authority and responsibility of the audit committee has been properly written out. The primary duties of the audit committee are to review and monitor the Company's financial reporting process and internal control system. The committee comprises Miss Tam Wai Chu, Maria, Mr. Ting Leung Huel, Stephen and Mr. Jin Shi Yuan, who are independent non-executive directors of the Company. Mr. Ting Leung Huel, Stephen, the Chairman of the Committee, possesses appropriate professional qualification and financial experience.



Up to the date of this report, the audit committee has conducted two meetings in the year. The first meeting was held on 27 February 2008 to review and discuss the operating results, statements of affairs, major accounting policies with respect to the audited financial statements of the Company for the year ended 31 December 2007 and internal audit matters and to listen to the advice provided by auditors. The Committee concluded the meeting with agreement to the contents of the annual report.

The second meeting was held on 31 July 2008 to review and discuss the operating results, statements of affairs and major accounting policies with respect to the unaudited interim report of the Company for the six months ended 30 June 2008 and internal audit matters. The Committee concluded the meeting with agreement to the contents of the interim report.

The audit committee has reviewed the third quarterly report of 2008.

OTHER INFORMATION

Directors' and Chief Executives' Interests in Shares

As at 30 September 2008, the interests and short positions of the Directors and chief executives of the Company 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 (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules"), were as follows:

Long positions in shares

The Company

Names	Type of interests	Capacity	Number of shares <i>(Note)</i>	Percentage of domestic shares	Percentage of total registered share capital
Mr. Yin Shun Hai	Personal	Beneficial Owner	500,000	0.460%	0.255%
Mr. Mei Qun	Personal	Beneficial Owner	500,000	0.460%	0.255%

Note: All represented domestic shares.

Beijing Tongrentang Company Limited (“Tongrentang Ltd.”)

Names	Type of interests	Capacity	Number of shares <i>(Note)</i>	Percentage of total registered share capital
Mr. Yin Shun Hai	Personal	Beneficial Owner	46,620	0.009%
Mr. Mei Qun	Personal	Beneficial Owner	37,297	0.007%
Mr. Kuang Gui Shen	Personal	Beneficial Owner	27,240	0.005%

Note: All represented A shares.

**Beijing Tong Ren Tang International Co., Limited**

Names	Type of interests	Capacity	Number of shares	Percentage of total registered share capital
Mr. Yin Shun Hai	Personal	Beneficial Owner	39,000	0.125%
Mr. Mei Qun	Personal	Beneficial Owner	78,000	0.250%
Ms. Ding Yong Ling	Personal	Beneficial Owner	39,000	0.125%

Beijing Tong Ren Tang Nature-Pharm Co. Ltd.

Names	Type of interests	Capacity	Number of shares	Percentage of total registered share capital
Mr. Wang Quan	Personal	Beneficial Owner	200,000	0.400%

Save as disclosed above, as at 30 September 2008, none of the Directors and chief executives of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the standards of dealing by directors as referred to in Rule 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2008, the following persons (other than the Directors and chief executives of the Company) 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:

Long positions in shares

Name of shareholder	Capacity	Number of shares	Percentage of domestic shares	Percentage of H shares	Percentage of total registered share capital
Tongrentang Ltd.	Beneficial owner	100,000,000	92.013%	-	51.020%
Tongrentang Holdings (Note 2)	Interest of a controlled corporation	100,000,000	92.013%	-	51.020%
	Beneficial owner	1,580,000	1.454%	-	0.806%
Hamon Asset Management Limited (Note 3)	Investment manager	1,197,000(L)	-	1.371%	0.611%
Hamon U.S. Investment Advisors Limited (Note 3)	Investment Manager	2,852,000(L)	-	3.266%	1.455%
Hamon Investment Management Limited (Note 3)	Investment Manager	1,000,000(L)	-	1.145%	0.510%
The Hamon Investment Group Pte Limited (Note 3)	Interest of a controlled corporation	5,049,000(L)	-	5.782%	2.576%
Atlantis Investment Management Ltd	Investment Manager	7,041,000(L)	-	8.063%	3.592%
Templeton Asset Management Ltd.	Investment Manager	5,224,000(L)	-	5.983%	2.665%
JPMorgan Chase & Co.	Investment Manager	5,386,000(L) 5,386,000(P)	- -	6.168% 6.168%	2.748% 2.748%



Notes:

- (1) (L) – Long position, (S) – Short position, (P) – Lending pool
- (2) Such shares were held through Tongrentang Ltd.. As at 30 September 2008, Tongrentang Ltd. was owned as to 55.24% by Tongrentang Holdings. According to Part XV of the SFO, Tongrentang Holdings is deemed to be interested in the 100,000,000 shares held by Tongrentang Ltd..
- (3) The Hamon Investment Group Pte Limited owns 100% interest in Hamon Asset Management Limited, Hamon U.S. Investment Advisors Limited and Hamon Investment Management Limited.

Accordingly, the Hamon Investment Group Pte Limited is deemed under Part XV of the SFO to be interested in 1,197,000 shares held by Hamon Asset Management Limited, 2,852,000 shares held by Hamon U.S. Investment Advisors Limited and 1,000,000 shares held by Hamon Investment Management Limited

Save as disclosed above, as at 30 September 2008, the Directors were not aware of any other person (other than the Directors and chief executives 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.

COMPETING INTERESTS

Direct competition with Tong Ren Tang Ltd. and Tong Ren Tang Holdings

Traditional Chinese medicines produce a broad range of curative effects as they can be used to treat the external symptoms of a disease and regulate other functions of the body that directly or indirectly give rise to such disease. To find the specific ways to treat a disease, it is necessary to consider a number of variables such as the state of illness, gender, age and constitution of a patient, the weather and the curative effects on the implicit problems of the patients. As such, any single type of traditional Chinese medicine usually has several curative effects, some of which may be similar to those of other products with different names or types. Given this nature of traditional Chinese medicine, there may be a direct competition between the products of the Company and those of Tong Ren Tang Holdings and Tong Ren Tang Ltd.

The Company, Tong Ren Tang Ltd. and Tong Ren Tang Holdings are all engaged in the manufacturing of Chinese Patent Medicines. Their businesses are classified by the forms of medicine they produce. Tong Ren Tang Ltd. mainly produces Chinese Patent Medicines in traditional forms such as pill, powder, ointment and medicinal wine. It also has some minor production lines for the production of granules and pills. On the other hand, the Company focuses on manufacturing products in forms of granules, pills, tablets and soft capsules. Tong Ren Tang Ltd.'s main products include Angong Niu Huang Pills (安宮牛黃丸), Tongren Wuji Baifeng Pills (同仁烏雞白鳳丸), Tongren Dahuoluo Pills (同仁大活絡丸) and Guogong Wine (國公酒).



To ensure that the business classification between the Company, Tong Ren Tang Holdings and Tong Ren Tang Ltd. are properly documented and established, Tong Ren Tang Holdings and Tong Ren Tang Ltd. Undertake, pursuant to an undertaking dated 19 October 2000 committed by Tong Ren Tang Holdings and Tong Ren Tang Ltd. in favor of the Company (“October Undertaking”), that other than Angong Niu Huang 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 forms as those pharmaceutical products of the Company. Only one of the products – Angong Niu Huang Pills (安宮牛黃丸) – are manufactured by both the Company and Tong Ren Tang Ltd.. The directors consider that other than Angong Niu Huang Pills (安宮牛黃丸) produced by the Company and Tong Ren Tang Ltd., There is no any other direct competing business among the Company, Tong Ren Tang Ltd. and Tong Ren Tang Holdings.

The Directors consider that as Angong Niu Huang Pills (安宮牛黃丸) only represents a small percentage of the Company’s turnover and is not one of the major forms of medicine for development after the listing of the Company, the Company will continue to manufacture and sell Angong Niu Huang Pills (安宮牛黃丸). Save as mentioned herein, the directors confirm that none of the products of the Company is in competition with Tong Ren Tang Ltd. or Tong Ren Tang Holdings.

RIGHT OF FIRST REFUSAL

Although the Company, Tong Ren Tang Ltd. and Tong Ren Tang Holdings are all engaged in the production, manufacturing and sale of traditional Chinese medicine, the principal products of each of these companies are different. The Company focuses on new forms of products, which are more competitive against western pharmaceutical products, while Tong Ren Tang Ltd. and Tong Ren Tang Holdings continue to focus on development of existing forms of traditional Chinese Medicines. To procure that the Company focuses on development of the four major forms of products (namely granules, 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 is one of the four main forms of the Company. Upon 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 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 undertaking 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.



To procure that Company conducts an independent review of the research and development of new products and the development capability, the Company confirms that among the independent nonexecutive Directors, a reputable person in the traditional Chinese medicine sector will determine whether to exercise the right of first refusal granted by Tong Ren Tang Holdings or Tong Ren Tang Ltd. to develop any proposed new products which is one of the major forms (namely, granules, pills, tablets and soft capsules) of the Company. In the event that the Company refuses the right of first refusal offered by Tong Ren Tang Ltd. and/or Tong Ren Tang Holdings, terms of the option to be offered to independent third party should not be more favorable than that 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 undertaking would no longer be valid in the event that the direct or indirect aggregate shareholdings of Tong Ren Tang Holdings or Tong Ren Tang Ltd. in the Company falls below 30%.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the period ended 30 September 2008, the Company has not purchased, sold or redeemed any of the Company's listed shares.

By the Order of the Board
Tong Ren Tang Technologies Co. Ltd.
MEI QUN
Chairman

Beijing, the PRC, 27 October 2008

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