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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 company incorporated in the People's Republic of China with limited liability)

(Stock code: 8069)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 25 October 2007 as regards, among other things, the existing Distribution Agreements entered into between each of the Company and TRT with TRT HK respectively on 25 October 2007.

As the existing Distribution Agreements expired on 31 December 2009 and the transactions contemplated under the existing Distribution Agreements will continue to be entered into on a recurring basis. In compliance with Rule 20.35 of the Listing Rules, each of the Company and TRT has renewed the Distribution Agreements with TRT HK respectively on 2 March 2010.

The transactions contemplated under the Distribution Agreements constitute continuing connected transactions of the Company and these transactions and their annual caps are subject to the reporting and announcement requirements and are exempt from the independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 25 October 2007 as regards, among other things, the existing Distribution Agreements entered into between each of the Company and TRT with TRT HK on 25 October 2007.

As the existing Distribution Agreements expired on 31 December 2009 and the transactions contemplated under the existing Distribution Agreements will continue to be entered into on a recurring basis. In compliance with Rule 20.35 of the Listing Rules, each of the Company and TRT has renewed the Distribution Agreements with TRT HK respectively on 2 March 2010.

CONTINUING CONNECTED TRANSACTIONS

(i) Overseas Distribution Agreement

Date: 2 March 2010

Parties: (1) the Company; and
(2) TRT HK, a limited liability company established in Hong Kong owned as to 51% by the Company and 49% by TRT

Term: 1 January 2010 to 31 December 2012

Other terms

Pursuant to the Overseas Distribution Agreement, the Company appoints TRT HK as its non-exclusive agent for the distribution of its products outside the PRC (excluding Hong Kong, Macau and Taiwan). The agency fee is to be calculated at 8.5% of the total actual sales income (excluding all kinds of taxation expenses). TRT HK shall distribute the products at the price range set by the Company. The Company shall ensure that the prices distributed by TRT HK shall not be higher than the price of the same kinds of products sold to independent third party or distributed by the Company. The overseas distribution services provided by TRT HK to the Company shall be on terms no less favourable than those offered by independent third parties to the Company.

Historical Figures and Cap

For the year ended 31 December					
2007		2008		2009	
<i>RMB Million</i>		<i>RMB Million</i>		<i>RMB Million</i>	
<i>Cap</i>	<i>Actual</i>	<i>Cap</i>	<i>Actual</i>	<i>Cap</i>	<i>Actual</i>
3.0	2.3	3.8	2.4	4.5	2.6

The Directors propose that the annual cap for the overseas distribution services shall be RMB 4.5 million, RMB 4.8 million and RMB 5 million for each of the three financial years ending 31 December 2012.

The proposed annual cap is determined by reference principally to the historical figures and the cap as disclosed above, the current plans of the Company for export development and the anticipated increase in the demand for Chinese medicine in the overseas market. For the purposes of determining the proposed annual cap only, the Company has taken into account the projected growth in the volume of the overseas sale of the Company by TRT HK at a rate of about 5% per annum for the period up to 31 December 2012. Such projection is assumed solely for the purpose of determining the annual cap for the overseas distribution services under the Overseas Distribution Agreement and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group.

(ii) TRT Overseas Distribution Agreement

Date: 2 March 2010

Parties: (1) TRT; and
(2) TRT HK

Term: 1 January 2010 to 31 December 2012

Other terms

Pursuant to the TRT Overseas Distribution Agreement, TRT appoints TRT HK as its non-exclusive agent for the distribution of its products outside the PRC (excluding Hong Kong, Macau and Taiwan). The agency fee is to be calculated at 7.5% of the total actual sales income (excluding all kinds of taxation expenses). TRT HK shall distribute the products at the price range set by TRT. The prices distributed by TRT HK shall not be higher than the price of the same kinds of products sold to independent third party or distributed by TRT. TRT HK shall not provide the overseas distribution services to TRT at a fee lower than the costs incurred in the provision of such overseas distribution services and than those charged by independent third parties for similar services.

Historical Figures and Cap

For the year ended 31 December					
2007		2008		2009	
<i>RMB Million</i>		<i>RMB Million</i>		<i>RMB Million</i>	
<i>Cap</i>	<i>Actual</i>	<i>Cap</i>	<i>Actual</i>	<i>Cap</i>	<i>Actual</i>
11.0	8.0	13.5	9.3	16.0	10.4

The Directors propose that the annual cap for the TRT overseas distribution services by TRT HK shall be RMB 17 million, RMB 19 million and RMB 21 million for each of the three financial years ending 31 December 2012.

The proposed annual cap is determined by reference principally to the historical figures and the cap as disclosed above, the current plans of TRT for export development and the anticipated increase in the demand for Chinese medicine in the overseas market. For the purposes of determining the annual cap only, the Company has applied the projected growth rate of the volume of the overseas sale of TRT by TRT HK at a rate of about 10% per annum for the period up to 31 December 2012. Such projection is assumed solely for the purpose of determining the annual cap for the overseas distribution services under the TRT Overseas Distribution Agreement and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of TRT or the Group.

Reasons for the entering into the Distribution Agreements

With an increasing popularity of Chinese medicine in the overseas market, the consumption of natural Chinese medicine and natural health supplement has become an international trend. The Group seeks to further capitalise on such an increasing consumer interest in and demand for the Chinese medicine in the overseas market. TRT HK is a Hong Kong limited company jointly established by the Company and TRT, principally engaged in the development, manufacture and sale of Chinese medicine and health supplement products for the overseas market. TRT HK has been engaged in the production of various forms of Chinese medicine and health supplement products and is focusing on sales for overseas markets. As Hong Kong has always been the export or re-export base of the Company for its Chinese medicine products, pursuant to the new Distribution Agreements, TRT HK will continue to be responsible for both the sales of the Chinese medicine products of the Company and TRT.

The Directors are of the view that the continuous appointment of TRT HK as the non-exclusive agent of the Company and TRT to distribute products outside the PRC (excluding Hong Kong, Macau and Taiwan) could further flourish the sales and expand the market shares of the Group in the overseas market by taking advantage of the strong brand image of "Tongrentang".

The Company considers that the terms of the Distribution Agreements are made on an arm's length basis in the ordinary and usual course of business of the Group and are on normal commercial terms which are no less favourable than terms available to or from independent third parties. The Directors (including the independent non-executive Directors) are of the view that the terms of the Distribution Agreements and the corresponding annual caps thereof are fair and reasonable and in the interest of the Shareholders as a whole.

Connection between the parties

TRT HK is a non wholly-owned subsidiary of the Company, which is owned as to 51% by the Company and 49% by TRT, the controlling Shareholder. TRT HK is an associate of TRT and is thus a connected person of the Company under the GEM Listing Rules and the transactions contemplated under the Distribution Agreements constitute continuing connected transactions of the Company under the GEM Listing Rules.

GENERAL

Given that each of the applicable percentage ratio (other than the profit ratio) calculated in accordance with Chapter 19 of the GEM Listing Rules in respect of the above annual cap does not exceed 2.5% on an annual basis, the Continuing Connected Transactions are only subject to the reporting, announcement and annual review requirements and are exempt from independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules. Save as the Continuing Connected Transactions as disclosed above, the Group did not have any prior transactions with TRT HK and TRT which required to be aggregated with each of the Continuing Connected Transactions pursuant to Rule 20.25 of the GEM Listing Rules.

The Group is engaged in the manufacturing of Chinese medicines and currently sells its products to both independent third parties and connected persons.

TRT HK is principally engaged in the development, manufacturing, processing and sale of Chinese medicine and health supplement products in Hong Kong.

TRT is principally engaged in the manufacturing and sale of the Chinese medicine.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“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 Transaction(s)"	the transaction(s) being contemplated under any or all of the Distribution Agreements
“Directors”	directors of the Company
“Distribution Agreements”	collectively, the Overseas Distribution Agreement and the TRT Overseas Distribution Agreement
"GEM"	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on the GEM (as amended from time to time)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Overseas Distribution Agreement”	the distribution agreement entered into between the Company and TRT HK, pursuant to which TRT HK is appointed as a non-exclusive distributor of the Company’s products
“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
“TRT”	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 HK" Beijing Tong Ren Tang Chinese Medicine Company Limited (北京同仁堂國藥有限公司), a limited company established in Hong Kong owned as to 51% by the Company and 49% by TRT

"TRT Overseas Distribution Agreement" the distribution agreement entered into between TRT and TRT HK, pursuant to which TRT HK is appointed as a non-exclusive distributor of the products of TRT

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

Beijing, the PRC, 2 March 2010

As at the date of this announcement, the board of Directors comprises Mr. Mei Qun, Ms. Ding Yong Ling, Mr. Yin Shun Hai, Mr. Wang Yu Wei, Ms. Fang Jia Zhi and Mr. Zhang Huan Ping as executive Directors; Miss 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 the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. 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 and be posted at our Company website <http://www.tongrentangkj.com>.