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BEIJING TONG REN TANG CHINESE MEDICINE COMPANY LIMITED

北京同仁堂國藥有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8138)

**CONTINUING CONNECTED TRANSACTIONS
REGARDING RENEWAL OF
THE EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENTS**

RENEWAL OF THE EXISTING EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENTS

Reference is made to the announcement dated 28 October 2014 in relation to the entering of the Existing TRT Tech Exclusive Distributorship Framework Agreement and the Existing TRT Ltd. Exclusive Distributorship Framework Agreement by the Company with each of Tong Ren Tang Technologies and Tong Ren Tang Ltd., respectively.

As each of the Existing Exclusive Distributorship Framework Agreements will expire after 31 December 2017, the Company entered into the New TRT Tech Exclusive Distributorship Framework Agreement with Tong Ren Tang Technologies and the New TRT Ltd. Exclusive Distributorship Framework Agreement with Tong Ren Tang Ltd. to extend the respective Continuing Connected Transactions for a further term of three years on 8 November 2017.

GEM LISTING RULES IMPLICATIONS

Each of Tong Ren Tang Ltd. and Tong Ren Tang Technologies is a Controlling Shareholder of the Company, and is therefore a connected person of the Company under the GEM Listing Rules. Accordingly, the transactions contemplated under the New Exclusive Distributorship Framework Agreements constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) of the proposed new annual caps of the Continuing Connected Transactions exceed 5% and the new annual cap is more than HK\$10,000,000, the New Exclusive Distributorship Framework Agreements and the respective transactions contemplated thereunder are subject to reporting, announcement, annual review, as well as the independent shareholders' approval requirements under the GEM Listing Rules.

With the approval of the Independent Board Committee, Somerley Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions.

A circular containing, among others, further details of the transactions contemplated under the New Exclusive Distributorship Framework Agreements, the respective advice of the Independent Financial Adviser and the Independent Board Committee of the Company and the notice of the EGM, will be despatched to the Shareholders on or before 17 November 2017.

RENEWAL OF THE EXISTING EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENTS

Reference is made to the announcement dated 28 October 2014 in relation to the entering of the Existing TRT Tech Exclusive Distributorship Framework Agreement and the Existing TRT Ltd. Exclusive Distributorship Framework Agreement by the Company with each of Tong Ren Tang Technologies and Tong Ren Tang Ltd., respectively.

The Group is the primary overseas distribution platform of the Parent Group and is the only member of the Parent Group solely distributing PRC manufactured "Tong Ren Tang" branded Chinese medicine products outside PRC. The renewal of the Existing Exclusive Distributorship Framework Agreements is to ensure the continuity of the exclusive distributorship arrangement outside PRC, which is of utmost importance to the Parent Group as well as the Group.

As each of the Existing Exclusive Distributorship Framework Agreements will expire after 31 December 2017, the Company entered into the New TRT Tech Exclusive Distributorship Framework Agreement with Tong Ren Tang Technologies and the New TRT Ltd. Exclusive Distributorship Framework Agreement with Tong Ren Tang Ltd. to extend the respective Continuing Connected Transactions for a further term of three years.

(i) The New TRT Tech Exclusive Distributorship Framework Agreement

Date: 8 November 2017

Parties: (1) the Company
(2) Tong Ren Tang Technologies

Term: The New TRT Tech Exclusive Distributorship Framework Agreement shall be for a term of three years from 1 January 2018 to 31 December 2020 (both days inclusive) and shall be effective upon the approval of the Independent Shareholders at the EGM.

Major terms and conditions

- The Tong Ren Tang Technologies Group appoints TRT International Natural-Pharm, a wholly-owned subsidiary of the Company, as its sole overseas distributor for the distribution of the Relevant Products of the Tong Ren Tang Technologies Group in markets outside PRC.
- Within the term of the New TRT Tech Exclusive Distributorship Framework Agreement and for the purpose of the overseas distribution of the Relevant Products of the Tong Ren Tang Technologies Group, TRT International Natural-Pharm will procure from the Tong Ren Tang Technologies Group, and the Tong Ren Tang Technologies Group shall supply to TRT International Natural-Pharm, the Relevant Products as agreed by the parties.
- The Tong Ren Tang Technologies Group shall provide trainings on the Relevant Products of the Tong Ren Tang Technologies Group and the Company is responsible for the registration and promotion of Relevant Products in markets outside PRC.

- Individual distribution agreement will be signed by members of the Tong Ren Tang Technologies Group and TRT International Natural-Pharm during the term of the New TRT Tech Exclusive Distributorship Framework Agreement to set out details of the quantity, price, specifications, standards, delivery time and settlement of the Relevant Products supplied, save as such individual distribution agreement shall be entered into on normal commercial terms as well as in accordance with the provisions of the New TRT Tech Exclusive Distributorship Framework Agreement.
- Pricing policy:**
- The price of the Relevant Products supplied by the Tong Ren Tang Technologies Group to TRT International Natural-Pharm shall not be higher than the wholesale price of the Relevant Products sold by the Tong Ren Tang Technologies Group to the wholesale customers in the PRC.
 - Payment of the price will be specified in individual distribution agreement to be signed between members of the Tong Ren Tang Technologies Group and TRT International Natural-Pharm.
 - TRT International Natural-Pharm shall obtain an updated wholesale price list and payment terms of the Relevant Products which they have offered to independent third parties from members of the Tong Ren Tang Technologies Group on a quarterly basis so as to determine whether the price and terms offered to TRT International Natural-Pharm are fair and reasonable and comparable to those they offered to their unrelated wholesale customers in the PRC. Members of the Tong Ren Tang Technologies Group shall also notify TRT International Natural-Pharm in case there is any material update of the said wholesale price list and payment terms of the Relevant Products from time to time.

(ii) The New TRT Ltd. Exclusive Distributorship Framework Agreement

- Date:** 8 November 2017
- Parties:** (1) the Company
(2) Tong Ren Tang Ltd.
- Term:** The New TRT Ltd. Exclusive Distributorship Framework Agreement shall be for a term of three years from 1 January 2018 to 31 December 2020 (both days inclusive) and shall be effective upon the approval of the Independent Shareholders at the EGM.
- Major terms and conditions:**
- The Tong Ren Tang Ltd. Group appoints TRT International Natural-Pharm, as its sole overseas distributor for the distribution of the Relevant Products of the Tong Ren Tang Ltd. Group in markets outside PRC.
 - Within the term of the New TRT Ltd. Exclusive Distributorship Framework Agreement and for the purpose of the overseas distribution of the Relevant Products of the Tong Ren Tang Ltd. Group, TRT International Natural-Pharm will procure from the Tong Ren Tang Ltd. Group, and the Tong Ren Tang Ltd. Group shall supply to TRT International Natural-Pharm, the Relevant Products as agreed by the parties.

- The Tong Ren Tang Ltd. Group shall provide trainings on the Relevant Products of the Tong Ren Tang Ltd. Group and the Company is responsible for the registration and promotion of Relevant Products in markets outside PRC.
 - Individual distribution agreement will be signed by members of the Tong Ren Tang Ltd. Group and TRT International Natural-Pharm during the term of the New TRT Ltd. Exclusive Distributorship Framework Agreement to set out details of the quantity, price, specifications, standards, delivery time and settlement of the Relevant Products supplied, save as such individual distribution agreement shall be entered into on normal commercial terms as well as in accordance with the provisions of the New TRT Ltd. Exclusive Distributorship Framework Agreement.
- Pricing policy:**
- The price of the Relevant Products supplied by the Tong Ren Tang Ltd. Group to TRT International Natural-Pharm shall not be higher than the wholesale price of the Relevant Products sold by the Tong Ren Tang Ltd. Group to the wholesale customers in the PRC.
 - Payment of the price will be specified in individual distribution agreement to be signed between members of the Tong Ren Tang Ltd. Group and TRT International Natural-Pharm.
 - TRT International Natural-Pharm shall obtain an updated wholesale price list and payment terms of the Relevant Products which they have offered to independent third parties from members of the Tong Ren Tang Ltd. Group on a quarterly basis so as to determine whether the price and terms offered to TRT International Natural-Pharm are fair and reasonable and comparable to those they offered to their unrelated wholesale customers in the PRC. Members of the Tong Ren Tang Ltd. Group shall also notify TRT International Natural-Pharm in case there is any material update of the said wholesale price list and payment terms of the Relevant Products from time to time.

Historical figures and proposed annual caps

Set out below is the aggregate historical amounts paid/payable by the Group in respect of its purchase of the Relevant Products for its distribution in markets outside PRC for the three years ended 31 December 2016 and nine months ended 30 September 2017 as well as the previous annual caps:

	Year ended 31 December						Nine months ended 30 September 2017 (HK\$ million) (Unaudited)	Year ending 31 December 2017 (HK\$ million)
	2014 (HK\$ million) (Audited)		2015 (HK\$ million) (Audited)		2016 (HK\$ million) (Audited)			
	Actual amounts	Historical Cap	Actual amounts	Historical Cap	Actual amounts	Historical Cap	Actual amounts	Historical Cap
Amounts paid/payable under the Existing TRT Tech Exclusive Distributorship Framework Agreement	13.7		15.8		27.1		43.8	
Amounts paid/payable under the Existing TRT Ltd. Exclusive Distributorship Framework Agreement	33.3		38.4		45.3		56.6	
Total paid/payable amounts	47.0	69.0	54.2	90.3	72.4	106.4	100.4	125.2

The proposed annual caps (exclusive of value-added tax in the PRC) under the New Exclusive Distributorship Framework Agreements for each of the three years ending 31 December 2018, 2019 and 2020 are set out below:

	For the year ending 31 December		
	2018 (HK\$ million)	2019 (HK\$ million)	2020 (HK\$ million)
Proposed annual caps (exclusive of value-added tax in the PRC)			
New TRT Tech Exclusive Distributorship Framework Agreement	58.4	76.4	99.2
New TRT Ltd. Exclusive Distributorship Framework Agreement	87.6	114.6	148.8
Total proposed annual caps (exclusive of value-added tax in the PRC)	146.0	191.0	248.0

The proposed annual caps set out above are determined based on the following factors which are applicable to both of the New Exclusive Distributorship Framework Agreements:

- (a) the historical figures of the relevant transactions and the historical annual caps as disclosed above. It is expected that the annual cap for the year 2017 will nearly be fully utilized by the end of 2017;
- (b) approximately HK\$20 million of inventories from 2017 onwards will be maintained by the Group as a whole to ensure stable supply and timely delivery of products to its distributors;

- (c) the expected improving market conditions and the continuous increase in demand for the different types of the Relevant Products in markets outside PRC based on the continuous increase of the Group's sales of Chinese medicine products for the nine months ended 30 September 2017;
- (d) the continuous increase in scale and business operation of the Group as a result of the continuous expansion of its global sales network of Chinese medicine. As at 30 September 2017, the business of the Group has expanded to 19 countries and regions outside PRC. The number of retail outlets has increased from 56 in 2014 to 72 as at 30 September 2017, and will further gradually expand in the next three years;
- (e) the expected increase in supply prices for the Relevant Products over the next three years as a result of the continuous increase in manufacturing costs, in particular, continuous increase in costs in labour and raw materials;
- (f) the expected increase in transaction amounts between the Group with each of the Tong Ren Tang Technologies Group and the Tong Ren Tang Ltd. Group under the New Exclusive Distributorship Framework Agreements taking into account the above items (b), (c) and (d) which led to a possible increase in demand of the different types of the Relevant Products (increase in transaction volume) as well as the increase in supply prices as explained in item (e) above; and
- (g) a buffer of approximately 10% for the estimated amount of the distribution of the Relevant Products by the Group under the New Exclusive Distributorship Framework Agreements so as to accommodate any unexpected increase in the aforesaid transaction volume amount (as a result of any unexpected increase in market demand for the Relevant Products) or unexpected increase in the cost of supply or a change in exchange rate.

Such projection is assumed solely for determining the annual caps and shall not be regarded as any indication directly or indirectly as to the respective revenue, profitability or trading prospects of the Group and of the Tong Ren Tang Technologies Group or the Tong Ren Tang Ltd. Group.

Reasons for and Benefits of the Continuing Connected Transactions

The transactions contemplated under the New Exclusive Distributorship Framework Agreements are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Group.

The Directors consider that securing a long-term business relationship with the Tong Ren Tang Ltd. Group and the Tong Ren Tang Technologies Group who have reputable business associated with profound experience in the Chinese medicine industry in the PRC is beneficial to the Group. The increased co-operation would be expected to bring considerable and stable contribution to the Group's revenue and profitability in the long run. Accordingly, the entering into the New Exclusive Distributorship Framework Agreements is in the interests of the Company and the Shareholders as a whole.

The Directors (excluding the independent non-executive Directors who will provide their advice after having received the advice from the Independent Financial Adviser) are of the view that the New Exclusive Distributorship Framework Agreements (including the caps thereunder) (i) have been negotiated on an arm's length basis; (ii) have been conducted and will continue to be conducted on normal commercial terms, or on terms no less favourable than those available to or from independent third parties under prevailing local market conditions; (iii) are entered into in the ordinary and usual course of business of the Group; and (iv) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

MEASURES OF INTERNAL CONTROL

To ensure the Group's conformity with the above-mentioned pricing policies in relation to the Continuing Connected Transactions, the Group adopts the following internal control policies for its daily operation:

- (i) relevant business departments of the Group are responsible for specific implementation and supervision of the Continuing Connected Transactions, so as to ensure that such transactions are conducted in accordance with the terms of the New Exclusive Distributorship Framework Agreements;
- (ii) the financial department of the Company is responsible for collecting detailed information of the Continuing Connected Transactions (including but not limited to the payment arrangements and actual transaction amount under each of the specific implementation agreements) on a regular basis, so as to ensure that the amount of the transactions does not exceed the established annual cap. If there is any imminent or possible exceeding of the annual caps of the Continuing Connected Transactions, the relevant business departments shall report as soon as possible to the compliance department of the Company to determine the necessity to revise the annual caps on a timely basis. If the compliance department confirms the necessity to revise the annual caps, the relevant business departments shall propose the revised annual caps and reasons for adjustment, and relevant approval and disclosure procedures shall be implemented as soon as practicable. Prior to the compliance of all of the approval and disclosure procedures, the relevant business departments involved in the Continuing Connected Transactions shall closely monitor, and ensure that the transaction amounts do not exceed the annual caps;
- (iii) the Company shall regularly provide relevant business departments with trainings on requirements for continuing connected transactions under the GEM Listing Rules so as to ensure the adequacy of relevant staff's qualifications and experience;
- (iv) as mentioned above, TRT International Natural-Pharm shall procure an updated wholesale price list and payment terms of the Relevant Products which the Tong Ren Tang Technologies Group and the Tong Ren Tang Ltd. Group have offered to independent third parties from members of the Tong Ren Tang Technologies Group and the Tong Ren Tang Ltd. Group on a quarterly basis so as to determine whether that the price and terms offered to TRT International Natural-Pharm are fair and reasonable and comparable to those they offered to their unrelated wholesale customers in the PRC. Members of the Tong Ren Tang Technologies Group and the Tong Ren Tang Ltd. Group shall also notify TRT International Natural-Pharm in case there is any material update of the said wholesale price list and payment terms of the Relevant Products from time to time;
- (v) the independent non-executive Directors and the auditor of the Company will also on a regular basis be provided with the (i) the New Exclusive Distributorship Framework Agreements; (ii) sales contracts entered into between the Tong Ren Tang Technologies Group or the Tong Ren Tang Ltd. Group and independent third parties for the supply of the Relevant Products; (iii) individual distribution agreements entered into between the Group and the Tong Ren Tang Technologies Group or the Tong Ren Tang Ltd. Group (as the case may be); and (iv) the quarterly updated wholesale price lists and payment terms of the Relevant Products;

- (vi) the independent non-executive Directors have reviewed and will continue to review and compare the relevant payment terms, payment method and price payable under these agreements and sales contracts to ensure that the transactions contemplated under the New Exclusive Distributorship Framework Agreements are conducted on normal commercial terms, are fair and reasonable, are comparable to those entered into between the Tong Ren Tang Technologies Group or the Tong Ren Tang Ltd. Group and independent third parties and are carried out pursuant to the terms of such agreements; and
- (vii) the auditor of the Company has reviewed and will also continue to conduct annual review on the pricing and annual caps of Continuing Connected Transactions and confirm the transactions contemplated under the New Exclusive Distributorship Framework Agreements are conducted in accordance with the terms of the New Exclusive Distributorship Framework Agreements.

GEM LISTING RULES IMPLICATIONS

Each of Tong Ren Tang Ltd. and Tong Ren Tang Technologies is a Controlling Shareholder of the Company, and is therefore a connected person of the Company under the GEM Listing Rules. Accordingly, the transactions contemplated under each of the New Exclusive Distributorship Framework Agreements constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) of the proposed new annual caps of the Continuing Connected Transactions exceed 5% and the new annual cap is more than HK\$10,000,000, the New Exclusive Distributorship Framework Agreements and the respective transactions contemplated thereunder are subject to the reporting, announcement, annual review, as well as the independent shareholders' approval requirements under the GEM Listing Rules.

Mr. Mei Qun (who is the chairman of Tong Ren Tang Holdings) and Ms. Ding Yong Ling (who is the director and the Deputy General Manager of Tong Ren Tang Holdings and the vice chairman of Tong Ren Tang Ltd.) are considered to have material interests in the New Exclusive Distributorship Framework Agreements by virtue of their positions in the Parent Group and have abstained from voting on the relevant resolutions in the Board meeting to approve such agreements. Save as disclosed, there is no other Director who has a material interest in the transactions contemplated under the New Exclusive Distributorship Framework Agreements.

With the approval of the Independent Board Committee, Somerley Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions.

A circular containing, among others, further details of the transactions contemplated under the New Exclusive Distributorship Framework Agreements, the respective advice of the independent financial adviser and the Independent Board Committee of the Company and the notice of the EGM, will be despatched to the Shareholders on or before 17 November 2017.

GENERAL INFORMATION

The Company

The Company is principally engaged in manufacturing, retail and wholesale of Chinese medicine products and healthcare products and provision of Chinese medical consultation and treatment.

Tong Ren Tang Technologies

Tong Ren Tang Technologies is principally engaged in the manufacturing and sale of Chinese medicines.

Tong Ren Tang Ltd.

Tong Ren Tang Ltd. is principally engaged in the manufacturing and sale of Chinese medicines.

TRT International Natural-Pharm

TRT International Natural-Pharm is principally engaged in the sale and distribution of Chinese medicines and healthcare products.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the EGM, which is expected to be convened on or around Friday, 1 December 2017 for approving the New Exclusive Distributorship Framework Agreements and the new annual caps contemplated thereunder, the register of members of the Company will be closed from Tuesday, 28 November 2017 to Friday, 1 December 2017, both dates inclusive, during which period no transfer of the Shares will be registered.

In order to be eligible to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Monday, 27 November 2017. All persons who are registered holders of the Shares on 28 November 2017, the record date of the EGM, will be entitled to attend and vote at the EGM.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“associates”	has the meaning ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"Company"	Beijing Tong Ren Tang Chinese Medicine Company Limited, a company incorporated in Hong Kong with limited liability on 18 March 2004 and the Shares are listed on GEM board
"connected persons"	has the meaning ascribed thereto under the GEM Listing Rules
“Continuing Connected Transactions”	collectively, the TRT Tech Continuing Connected Transactions and the TRT Ltd. Continuing Connected Transactions
‘Controlling Shareholder’	has the meaning ascribed under the GEM Listing Rules

"Directors"	the directors of the Company
"EGM"	an extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the New Exclusive Distributorship Framework Agreements and the new annual caps contemplated thereunder
"Existing Exclusive Distributorship Framework Agreements"	collectively, the Existing TRT Ltd. Exclusive Distributorship Framework Agreement and the Existing TRT Tech Exclusive Distributorship Framework Agreement
"Existing TRT Ltd. Exclusive Distributorship Framework Agreement"	the exclusive distributorship framework agreement dated 28 October 2014 entered into between the Company and Tong Ren Tang Ltd. in relation to the distribution of the Relevant Products of the Tong Ren Tang Ltd. Group in markets outside PRC
"Existing TRT Tech Exclusive Distributorship Framework Agreement"	the exclusive distributorship framework agreement dated 28 October 2014 entered into between the Company and Tong Ren Tang Technologies in relation to the distribution of the Relevant Products of the Tong Ren Tang Technologies Group in markets outside PRC
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM (as amended from time to time)
"Group"	the Company, its subsidiaries (either directly owned or indirectly owned) and its associates
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HK\$"	Hong Kong dollar, the lawful currency of Hong Kong
"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors, namely Mr. Tsang Yok Sing, Jasper, Mr. Zhao Zhong Zhen and Mr. Chan Ngai Chi, formed for the purpose of advising the Independent Shareholders in respect of the New Exclusive Distributorship Framework Agreements (including the new annual caps)
"Independent Shareholders"	Shareholders other than the Parent Group
"Main Board"	the stock market operated by the Stock Exchange, which exclude, the option market and which continues to be operated by the Stock Exchange in parallel with GEM and which, for avoidance of doubt, excludes GEM
"New Exclusive Distributorship Framework Agreements"	collectively, the New TRT Tech Exclusive Distributorship Framework Agreement and the New TRT Ltd. Exclusive Distributorship Framework Agreement

"New TRT Ltd. Exclusive Distributorship Framework Agreement"	the exclusive distributorship framework agreement dated 8 November 2017 entered into between the Company and Tong Ren Tang Ltd. in relation to the distribution of the Relevant Products of the Tong Ren Tang Ltd. Group in markets outside PRC
"New TRT Tech Exclusive Distributorship Framework Agreement"	the exclusive distributorship framework agreement dated 8 November 2017 entered into between the Company and Tong Ren Tang Technologies in relation to the distribution of the Relevant Products of the Tong Ren Tang Technologies Group in markets outside PRC
"Parent Group"	Tong Ren Tang Holdings, Tong Ren Tang Ltd., Tong Ren Tang Technologies and their respective associates (excluding the Group)
"PRC"	the People's Republic of China and for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Relevant Products"	the relevant "Tong Ren Tang" branded products supplied by the Tong Ren Tang Ltd. Group or the Tong Ren Tang Technologies Group (as the case may be) to TRT International Natural-Pharm under the New Exclusive Distributorship Framework Agreements for the purpose of the distribution of such products in the markets outside PRC
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the shares of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"TRT Tech Continuing Connected Transactions"	the continuing connected transactions which have been and will continue to be entered into between the Group and the Tong Ren Tang Technologies Group, details of which are set out in the paragraph headed "Renewal of the Existing Exclusive Distributorship Framework Agreements – (i) The New TRT Tech Exclusive Distributorship Framework Agreement" of this announcement
"Tong Ren Tang Holdings"	China Beijing Tong Ren Tang Group Co., Ltd., a state-owned enterprise established in the PRC on 17 August 1992 and is the ultimate Controlling Shareholder of the Company
"Tong Ren Tang Ltd."	Beijing Tong Ren Tang Company Limited, a joint stock limited company established in the PRC on 18 June 1997, the shares of which have been listed on the Shanghai Stock Exchange since 1997, and is the intermediate holding company of the Company

"Tong Ren Tang Ltd. Group"	Tong Ren Tang Ltd., its subsidiaries (either directly owned or indirectly owned) and its associates (other than the Tong Ren Tang Technologies Group and the Group)
"Tong Ren Tang Technologies"	Tong Ren Tang Technologies Co. Ltd., a joint stock limited company established in the PRC on 22 March 2000, the H shares of which have been listed on GEM since 2000 and have been transferred to the Main Board since July 2010, and is the immediate holding company of the Company
"Tong Ren Tang Technologies Group"	Tong Ren Tang Technologies, its subsidiaries (either directly owned or indirectly owned) and its associates (other than the Group)
"TRT Ltd. Continuing Connected Transactions"	the continuing connected transactions which have been and will continue to be entered into between the Group and the Tong Ren Tang Ltd. Group, details of which are set out in the paragraph headed "Renewal of the Existing Exclusive Distributorship Framework Agreements – (ii) The New TRT Ltd. Exclusive Distributorship Framework Agreement" of this announcement
"TRT International Natural-Pharm"	Beijing Tong Ren Tang International Natural-Pharm Co., Ltd, a company incorporated in the PRC with limited liability on 6 March 2006 and a wholly-owned subsidiary of the Company

By order of the Board
Beijing Tong Ren Tang
Chinese Medicine Company Limited
Mei Qun
Chairman

Hong Kong, 8 November 2017

As at the date of this announcement, the Board comprises the non-executive director, namely Mr. Mei Qun; the executive directors, namely Ms. Ding Yong Ling, Mr. Zhang Huan Ping and Ms. Lin Man; and the independent non-executive directors, namely Mr. Tsang Yok Sing, Jasper, Mr. Zhao Zhong Zhen and Mr. Chan Ngai Chi.

This announcement, for which the Directors 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, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcement" page of the GEM website (www.hkgem.com) for at least seven days from the date of its posting and on the Company's website at www.tongrentangcm.com.