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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: 1666)

**RENEWAL OF THE CONTINUING CONNECTED TRANSACTIONS UNDER
THE EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENT
AND
THE TRT EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 6 November 2020 in relation to the continuing connected transactions under the Exclusive Distributorship Framework Agreement entered into between the Company and Tong Ren Tang Chinese Medicine, as well as the TRT Exclusive Distributorship Framework Agreement entered into between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine.

The Board hereby announces that as the term of both of the above-mentioned framework agreements as well as the annual caps for the continuing connected transactions thereunder will expire on 31 December 2023, on 29 November 2023, (i) the Company and Tong Ren Tang Chinese Medicine renewed the Exclusive Distributorship Framework Agreement for a further term of three years from 1 January 2024 to 31 December 2026; and (ii) Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine renewed the TRT Exclusive Distributorship Agreement for a further term of three years from 1 January 2024 to 31 December 2026.

The Company estimates that the annual caps for the continuing connected transactions contemplated under the renewed Exclusive Distributorship Framework Agreement for the three years ending 31 December 2026 will amount to RMB44,981,000, RMB51,223,000 and RMB58,384,000, respectively; and the annual caps for the continuing connected transactions contemplated under the renewed TRT Exclusive Distributorship Framework Agreement for the three years ending 31 December 2026 will amount to RMB101,896,000, RMB110,158,000 and RMB119,337,000, respectively.

Tong Ren Tang Ltd. is the direct controlling shareholder and a connected person of the Company, which holds 46.85% equity interest in the Company. As at the date of this announcement, Tong Ren Tang Ltd. also directly holds 33.62% equity interest in Tong Ren Tang Chinese Medicine, a non wholly-owned subsidiary of the Company. Pursuant to Rule 14A.16 of the Hong Kong Listing Rules, Tong Ren Tang Chinese Medicine and any of its subsidiaries are connected subsidiaries of the Company. Therefore, both the transactions contemplated between the Company and Tong Ren Tang Chinese Medicine under the renewed Exclusive Distributorship Framework Agreement and the transactions contemplated between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine under the renewed TRT Exclusive Distributorship Framework Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the continuing connected transactions contemplated under each of the renewed Exclusive Distributorship Framework Agreement and the renewed TRT Exclusive Distributorship Framework Agreement exceed 0.1% but are all less than 5%, such continuing connected transactions are only subject to reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

I. BACKGROUND

Reference is made to the announcement of the Company dated 6 November 2020 in relation to the continuing connected transactions under the Exclusive Distributorship Framework Agreement entered into between the Company and Tong Ren Tang Chinese Medicine, as well as the TRT Exclusive Distributorship Framework Agreement entered into between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine.

As the term of both of the above-mentioned framework agreements as well as the annual caps for the continuing connected transactions thereunder will expire on 31 December 2023. On 29 November 2023, (i) the Company and Tong Ren Tang Chinese Medicine renewed the Exclusive Distributorship Framework Agreement for a further term of three years from 1 January 2024 to 31 December 2026; and (ii) Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine renewed the TRT Exclusive Distributorship Agreement for a further term of three years from 1 January 2024 to 31 December 2026.

II. RENEWAL OF THE EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENT BETWEEN THE COMPANY AND TONG REN TANG CHINESE MEDICINE

As the term of the existing Exclusive Distributorship Framework Agreement will expire on 31 December 2023, the Company and Tong Ren Tang Chinese Medicine renewed such agreement on the same terms and conditions on 29 November 2023 for a further term of three years from 1 January 2024 to 31 December 2026.

1. Renewed Exclusive Distributorship Framework Agreement

Details of the transactions and the arrangements contemplated under the renewed Exclusive Distributorship Framework Agreement are as follows:

Date:	29 November 2023
Parties:	(1) the Company (2) Tong Ren Tang Chinese Medicine
Term of the Agreement:	Subject to the approval by the independent shareholders of Tong Ren Tang Chinese Medicine, the renewed Exclusive Distributorship Framework Agreement shall be effective from 1 January 2024 to 31 December 2026.
Major Terms and Conditions:	<ul style="list-style-type: none">• The Group appoints TRT International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, as its sole overseas distributor for the distribution of the Relevant Products of the Group outside the Mainland China.• Within the term of the renewed Exclusive Distributorship Framework Agreement and for the purpose of the overseas distribution of the Relevant Products of the Group, TRT International Natural-Pharm will procure from the Group, and the Group shall supply to TRT International Natural-Pharm, the Relevant Products as agreed by the parties.• The Group shall provide trainings on the Relevant Products manufactured by it to Tong Ren Tang Chinese Medicine Group. Tong Ren Tang Chinese Medicine Group shall be responsible for the promotion of the Relevant Products manufactured by the Group in overseas markets.• Specific distribution agreement will be signed by members of the Group and TRT International Natural-Pharm during the term of the renewed 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 specific distribution agreement shall be entered into on normal commercial terms as well as in accordance with the provisions of the renewed Exclusive Distributorship Framework Agreement.
Pricing Policy:	<ul style="list-style-type: none">• The price of the Relevant Products supplied by the Group to TRT International Natural-Pharm shall be adjusted according to the actual situation (e.g. the prices of the Relevant Products may increase because of the increase of cost of the Relevant Products) and determined after arm's length negotiation, and under the same conditions, which shall not be higher than the wholesale price of the Relevant Products, which are identical or similar, sold by the Group to its wholesale customers in the Mainland China. Given that the Tong Ren Tang Chinese Medicine Group is the sole exclusive distributor of the Group overseas and that the Relevant Products are unique in nature and are not directly comparable to those available in the market, the Tong Ren Tang Chinese Medicine Group can only make reference to and compare the price of the Relevant Products sold in the Mainland China.

	<ul style="list-style-type: none"> TRT International Natural-Pharm shall obtain an updated wholesale price list and payment terms of the Relevant Products which the members of the Group have offered to independent third parties from members of the Group on a quarterly basis so as to determine whether the price and terms offered to TRT International Natural-Pharm are fair and reasonable when compared to the price and terms that members of the Group offered to their unrelated wholesale customers in the Mainland China. Members of the Group shall also notify TRT International Natural-Pharm in case there is any material update of the aforesaid wholesale price list and payment terms of the Relevant Products from time to time.
Payment Arrangement:	Payment arrangement will be specified in specific distribution agreement to be signed between members of the Group and TRT International Natural-Pharm.

2. Proposed Annual Caps for the Three Years Ending 31 December 2026

Historical transaction amount between the Group and Tong Ren Tang Chinese Medicine Group (total amount paid by TRT International Natural-Pharm to the Group) under the Exclusive Distributorship Framework Agreement is as follows:

	<i>Year ended 31 December 2021 (RMB)</i>	<i>Year ended 31 December 2022 (RMB)</i>	<i>Nine months ended 30 September 2023 (RMB) Unaudited</i>
Historical Transaction Amount	21,802,000	33,734,000	21,245,300

Due to the impact of the COVID-19 pandemic, logistics and export transportation in various regions have been restricted, resulting in a decrease in procurement amounts. Therefore, the utilization rates of historical annual caps for 2021 and 2022 were relatively low.

The annual caps for the transactions contemplated under the Exclusive Distribution Framework Agreement for the three years ending 31 December 2023 are set out below:

	<i>Year ended 31 December 2021 (RMB)</i>	<i>Year ended 31 December 2022 (RMB)</i>	<i>Year ending 31 December 2023 (RMB)</i>
Historical Annual Caps	47,000,000	54,100,000	62,200,000

The Directors have been monitoring the transaction amounts of the continuing connected transactions under the Exclusive Distribution Framework Agreement. As at the date of this announcement, the annual cap for the continuing connected transactions thereunder for the year ending 31 December 2023 has not been exceeded.

The Directors expect the annual caps for the continuing connected transactions contemplated under the renewed Exclusive Distributorship Framework Agreement for the three years ending 31 December 2026 as follows:

	<i>Year ending 31 December 2024 (RMB)</i>	<i>Year ending 31 December 2025 (RMB)</i>	<i>Year ending 31 December 2026 (RMB)</i>
Expected Annual Caps	44,981,000	51,223,000	58,384,000

Note: Based on the exchange rate of HK \$1 against RMB 0.9180 (the recent announcement of the central parity of RMB exchange rate published by the People's Bank of China), the proposed annual caps under the Exclusive Distributorship Framework Agreement for the three years ending 31 December 2026 are approximately HK\$49.0 million, HK\$55.8 million and HK\$63.6 million, respectively.

The above expected annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- i) the expected improving market conditions and the continuous increase in demand for the Relevant Products in markets outside the Mainland China based on the Tong Ren Tang Chinese Medicine Group's expected purchase amounts from the Group for the year ending 31 December 2023 (including the actual purchase amounts for the nine months ended 30 September 2023 and the expected purchase amounts for the period from 1 October 2023 to 31 December 2023);
- ii) the expected possible 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 labor and raw materials;
- iii) the expected increase in transaction amounts between the Group and Tong Ren Tang Chinese Medicine Group under the renewed Exclusive Distributorship Framework Agreements taking into account the above items (i) which led to a possible increase in demand of the Relevant Products (increase in transaction volume) as well as the increase in supply prices as explained in item (ii) above. For the three years ending 31 December 2026, the estimated annual growth rate of the Group's supply of the amount of the Relevant Products to Tong Ren Tang Chinese Medicine Group is approximately 14%; and
- iv) the inclusion of a buffer (approximately 13%) for the estimated amount of procurement of the Relevant Products by Tong Ren Tang Chinese Medicine Group from the Group for three years ending 31 December 2026 under the renewed Exclusive Distributorship Framework Agreement 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 as well as any possible appreciation in the RMB against HK\$ during the period of the renewed Exclusive Distributorship Framework Agreement.

The estimation above 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 the Tong Ren Tang Chinese Medicine Group.

3. Reasons for and Benefit of Renewal of the Exclusive Distributorship Framework Agreement

The Directors consider that the continuing appointment of TRT International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, as the sole overseas distributor of the Group to distribute the Relevant Products outside the Mainland China would further promote the culture of Chinese medicine in the overseas market, expand sales of products of the Group and enhance the value of the “Tong Ren Tang” brand, and hence is beneficial to the development of the Group.

The Directors (including the independent non-executive Directors) are of the view that the renewed Exclusive Distributorship Framework Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms and conditions therein as well as the annual caps for the continuing connected transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

III. RENEWAL OF THE TRT EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENT BETWEEN TONG REN TANG LTD. AND TONG REN TANG CHINESE MEDICINE

As the term of the existing TRT Exclusive Distributorship Framework Agreement will expire on 31 December 2023, Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine renewed such agreement on the same terms and conditions on 29 November 2023, for a further term of three years from 1 January 2024 to 31 December 2026.

1. Renewed TRT Exclusive Distributorship Framework Agreement

Details of the transactions and the arrangements contemplated under the renewed TRT Exclusive Distributorship Framework Agreement are as follows:

Date:	29 November 2023
Parties:	(1) Tong Ren Tang Ltd. (2) Tong Ren Tang Chinese Medicine
Term of the Agreement:	Subject to the approval by the independent shareholders of Tong Ren Tang Chinese Medicine, the renewed TRT Exclusive Distributorship Framework Agreement will be effective from 1 January 2024 to 31 December 2026.
Major Terms and Conditions:	<ul style="list-style-type: none">• Tong Ren Tang Ltd. Group appoints TRT International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, as its sole overseas distributor for the distribution of the Relevant Products of Tong Ren Tang Ltd. Group outside the Mainland China.• Within the term of the renewed TRT Exclusive Distributorship Framework Agreement and for the purpose of the overseas distribution of the Relevant Products of Tong Ren Tang Ltd. Group, TRT International Natural-Pharm will procure from Tong Ren Tang Ltd. Group, and Tong Ren Tang Ltd. Group shall supply to TRT International Natural-Pharm, the Relevant Products as agreed by the parties.

	<ul style="list-style-type: none"> • Tong Ren Tang Ltd. Group shall provide trainings on the Relevant Products manufactured by it to Tong Ren Tang Chinese Medicine Group. Tong Ren Tang Chinese Medicine Group shall be responsible for the promotion of the Relevant Products manufactured by Tong Ren Tang Ltd. Group in overseas markets. • Specific distribution agreement will be signed by members of Tong Ren Tang Ltd. Group and TRT International Natural-Pharm during the term of the renewed TRT 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 specific distribution agreement shall be entered into on normal commercial terms as well as in accordance with the provisions of the renewed TRT Exclusive Distributorship Framework Agreement.
<p>Pricing Policy:</p>	<ul style="list-style-type: none"> • The price of the Relevant Products supplied by Tong Ren Tang Ltd. Group to TRT International Natural-Pharm shall be adjusted according to the actual situation (e.g. the prices of the Relevant Products may increase because of the increase of cost of the Relevant Products) and determined after arm's length negotiation, and under the same conditions, which shall not be higher than the wholesale price of the Relevant Products, which are identical or similar, sold by the Tong Ren Tang Ltd. Group to the wholesale customers in the Mainland China. Given that the Tong Ren Tang Chinese Medicine Group is the sole exclusive distributor of Tong Ren Tang Ltd. Group overseas and that the Relevant Products are unique in nature and are not directly comparable to those available in the market, the Tong Ren Tang Chinese Medicine Group can only make reference to and compare the price of the Relevant Products sold in the Mainland China. • TRT International Natural-Pharm shall obtain updated wholesale prices and payment terms of the Relevant Products which members of the Tong Ren Tang Ltd. Group have offered to independent third parties on a quarterly basis so as to determine whether that the price and terms offered to TRT International Natural-Pharm are fair and reasonable when compared to the price and terms that members of the Tong Ren Tang Ltd. Group offered to their unrelated wholesale customers in the Mainland China. Members of the Tong Ren Tang Ltd. Group shall also notify TRT International Natural-Pharm in case there is any material update of the aforesaid wholesale prices and payment terms of the Relevant Products from time to time.
<p>Payment Arrangement:</p>	<p>Payment of the price will be specified in specific distribution agreement to be signed between members of Tong Ren Tang Ltd. Group and TRT International Natural-Pharm.</p>

2. Proposed Annual Caps for the Three Years Ending 31 December 2026

Historical transaction amount between Tong Ren Tang Chinese Medicine Group and Tong Ren Tang Ltd. Group (total amount paid by TRT International Natural-Pharm to Tong Ren Tang Ltd. Group) under the TRT Exclusive Distributorship Framework Agreement is as follows:

	<i>Year ended 31 December 2021 (RMB)</i>	<i>Year ended 31 December 2022 (RMB)</i>	<i>Nine months ended 30 September 2023 (RMB) Unaudited</i>
Historical Transaction Amount	11,858,000	17,266,000	14,463,329

Due to the impact of the COVID-19 pandemic, logistics and export transportation in various regions have been restricted, resulting in a decrease in procurement amounts. Therefore, the utilization rates of historical annual caps for 2021 and 2022 were relatively low.

The annual caps for the transactions contemplated under the TRT Exclusive Distribution Framework Agreement for the three years ending 31 December 2023 are set out below:

	<i>Year ended 31 December 2021 (RMB)</i>	<i>Year ended 31 December 2022 (RMB)</i>	<i>Year ending 31 December 2023 (RMB)</i>
Historical Annual Caps	75,600,000	86,900,000	100,000,000

The Directors have been monitoring the transaction amounts of the continuing connected transactions under the TRT Exclusive Distribution Framework Agreement. As at the date of this announcement, the annual cap for the continuing connected transactions thereunder for the year ending 31 December 2023 has not been exceeded.

The Directors expect the annual caps for the continuing connected transactions contemplated under the renewed TRT Exclusive Distributorship Framework Agreement for the three years ending 31 December 2026 as follows:

	<i>Year ending 31 December 2024 (RMB)</i>	<i>Year ending 31 December 2025 (RMB)</i>	<i>Year ending 31 December 2026 (RMB)</i>
Expected Annual Caps	101,896,000	110,158,000	119,337,000

Note: Based on the exchange rate of HK \$1 against RMB 0.9180 (the recent announcement of the central parity of RMB exchange rate published by the People's Bank of China), the proposed annual caps under the TRT Exclusive Distribution Framework Agreement for the three years ending 31 December 2026 are approximately HK\$111.0 million, HK\$120.0 million and HK\$130.0 million, respectively.

The above expected annual caps were determined with reference to the historical transaction figures as listed above and after taking into consideration the following factors:

- i) the expected improving market conditions and the continuous increase in demand for the Relevant Products in markets outside the Mainland China based on the Tong Ren Tang Chinese Medicine Group's expected purchase amounts from Tong Ren Tang Ltd. Group for the year ending 31 December 2023 (including the actual purchase amounts for the nine months ended 30 September 2023 and the expected purchase amounts for the period from 1 October 2023 to 31 December 2023);
- ii) the expected possible 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 labor and raw materials;
- iii) the expected increase in transaction amounts between Tong Ren Tang Ltd. Group and Tong Ren Tang Chinese Medicine Group under the renewed TRT Exclusive Distributorship Framework Agreement taking into account the above item (i), which led to a possible increase in demand of the Relevant Products (increase in transaction volume) as well as the increase in supply prices as explained in item (ii) above. For the three years ending 31 December 2026, the estimated annual growth rate of the supply of the amount of the Relevant Products from Tong Ren Tang Ltd. Group to Tong Ren Tang Chinese Medicine Group is approximately 8%; and
- iv) the inclusion of a buffer (approximately 13%) for the estimated amount of procurement of the Relevant Products by Tong Ren Tang Chinese Medicine Group from Tong Ren Tang Ltd. Group for three years ending 31 December 2026 under the renewed TRT Exclusive Distributorship Framework Agreement 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 as well as any possible appreciation in the RMB against HK\$ during the period of the renewed TRT Exclusive Distributorship Framework Agreement.

The estimation above 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 Tong Ren Tang Ltd. Group or Tong Ren Tang Chinese Medicine Group.

3. Reasons for and Benefit of Renewal of the TRT Exclusive Distributorship Framework Agreement

The Directors consider that Tong Ren Tang Chinese Medicine Group is the primary overseas distribution platform of the Group and is the member of Tong Ren Tang Ltd. Group solely distributing Mainland China manufactured “Tong Ren Tang” branded Chinese medicine products outside Mainland China. The renewal of the TRT Exclusive Distributorship Framework Agreement is to ensure the continuity of the exclusive distributorship arrangement outside Mainland China, which is of utmost importance to the Group, Tong Ren Tang Chinese Medicine Group as well as Tong Ren Tang Ltd. Group.

The Directors (including the independent non-executive Directors) are of the view that the renewed TRT Exclusive Distributorship Framework Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms and conditions therein as well as the annual caps for the continuing connected transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IV. MEASURES OF INTERNAL CONTROL

To ensure the Group’s conformity with the above-mentioned pricing policies in relation to the continuing connected transactions contemplated under both the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement, the Group will adopt the following internal control policies for its daily operation.

- (i) after entering into the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement contemplated thereunder shall be strictly in compliance with the approved terms and conditions of the continuing connected transactions. Distributorship agreements under the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement shall be performed in strict compliance with pricing policies set out in the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement. If revision of such terms and conditions is required due to change of actual situation, it is required to re-perform appropriate approval process;

- (ii) the sales department and other relevant business departments of the Company is responsible to continuously monitor the pricing terms and actual transaction amounts of each of the specific distribution agreements to the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement. The financial department of the Company is responsible to collect the total transaction amounts of the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement on a monthly basis and prepare summary report accordingly. If the above relevant departments discovers any imminent or possible exceeding of the annual caps of any continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement, it shall report as soon as possible to the financial department and the securities department of the Company. If the necessity to raise the annual caps is confirmed, the above relevant departments shall submit proposal to revise annual caps. After obtaining the approval of the person in charge, the application shall be submitted to the executive office of the Company for consideration, and the Board or the general meeting of Shareholders (as the case may be) shall ultimately decide whether to revise the annual caps for the continuing connected transactions and to perform the disclosure procedures accordingly. Before completion of all of the approval and disclosure procedures, the person in charge of the above relevant departments involved in the continuing connected transactions shall ensure that the transaction amounts do not exceed the annual caps;
- (iii) the independent non-executive Directors will review the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement to ensure all transactions contemplated thereunder are entered into on normal commercial terms or better, are fair and reasonable, the terms and conditions available to the Group are no less favourable than those available to independent third parties, and such transactions are carried out pursuant to the terms of the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement; and
- (iv) the auditors of the Company will also conduct an annual review on the pricing and annual caps of the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement.

Taking into account of that: (i) the above methods and procedures comprise necessary components of an internal control system with designated departments and responsible officers, clear approval process and monitoring system and detailed and explicit assessment criteria; and (ii) the above-mentioned review procedures against the detailed and explicit assessment criteria can ensure that the transactions will be executed in compliance with the pricing principles stipulated in the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement. The Directors (including the independent non-executive Directors) are of the view that the Company has implemented effective internal control measures, and such methods and procedures can ensure that the transactions contemplated under the continuing connected transactions under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement will be conducted on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

V. HONG KONG LISTING RULES IMPLICATIONS

Tong Ren Tang Ltd. is the direct controlling shareholder and a connected person of the Company, which holds 46.85% equity interest in the Company. As at the date of this announcement, Tong Ren Tang Ltd. also directly holds 33.62% equity interest in Tong Ren Tang Chinese Medicine, a non wholly-owned subsidiary of the Company. Pursuant to Rule 14A.16 of the Hong Kong Listing Rules, Tong Ren Tang Chinese Medicine and any of its subsidiaries are connected subsidiaries of the Company. Therefore, both the transactions contemplated between the Company and Tong Ren Tang Chinese Medicine under the renewed Exclusive Distributorship Framework Agreement and the transactions contemplated between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine under the renewed TRT Exclusive Distributorship Framework Agreement constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios in respect of the proposed annual caps for the continuing connected transactions contemplated under each of the renewed Exclusive Distributorship Framework Agreement and the renewed TRT Exclusive Distributorship Framework Agreement exceed 0.1% but are all less than 5%, such continuing connected transactions are only subject to reporting, annual review and announcement requirements, but exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

Since Mr. Gu Hai Ou (the executive Director, Chairman of the Board), Mr. Jin Tao (the non-executive Director) and Ms. Wang Chun Rui (the non-executive Director) hold positions in the Tong Ren Tang Holdings, and Ms. Feng Li, the non-executive Director, is also the director of Tong Ren Tang Chinese Medicine and hold positions in the Tong Ren Tang Ltd., they are deemed to have material interests in the above connected transactions, and therefore have abstained from voting on the relevant resolutions of the Board. Save for disclosed above, to the best of the Directors' knowledge, information and belief after all reasonable enquiry, no Directors have material interests in the renewed Exclusive Distributorship Framework Agreement and the renewed TRT Exclusive Distributorship Framework Agreement and as a result are required to abstain from voting on the relevant resolutions at the Board meeting.

VI. GENERAL INFORMATION OF THE PARTIES

The Company

The Company is principally engaged in the manufacturing and sale of Chinese medicines.

Tong Ren Tang Chinese Medicine

Tong Ren Tang Chinese Medicine is principally engaged in the manufacturing, retail and wholesale of Chinese medicine products and healthcare products, and provision of Chinese medical consultation and treatments.

TRT International Natural-Pharm

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

Tong Ren Tang Ltd.

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

Tong Ren Tang Holdings is the ultimate controlling shareholder of the Company, Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine. Beijing SASAC is the ultimate beneficial owner of Tong Ren Tang Holdings. Pursuant to the Program for the Reform of the Institutions of the People's Government of Beijing Municipality as approved by the Central Committee of the Communist Party of China and the State Council and the Circular of the People's Government of Beijing Municipality about the Establishment of Institutions, Beijing SASAC is established as a special institution directly under the Municipality Government and is authorized by the Municipality Government to represent the State to perform the duties of the state-owned assets contributor.

VII. DEFINITIONS

“associate”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Beijing SASAC”	The State-owned Assets Supervision and Administration Commission of the State Council of Beijing Municipality (北京市人民政府國有資產監督管理委員會)
“Board”	means the board of Directors
“Company”	means 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 PRC with limited liability and the H shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“controlling shareholder”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Director(s)”	means the director(s) of the Company
“Exclusive Distributorship Framework Agreement”	means the exclusive distributorship framework agreement entered into between the Company and Tong Ren Tang Chinese Medicine on 8 November 2017 and renewed by the parties on 6 November 2020 and 29 November 2023 in relation to the distribution of the Relevant Products of the Group (for the purpose of the Exclusive Distributorship Framework Agreement only, excluding Tong Ren Tang Chinese Medicine Group) outside the Mainland China
“Group”	means the Company and its subsidiaries, which for the purpose of the Exclusive Distributorship Framework Agreement only, excludes Tong Ren Tang Chinese Medicine Group
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC

“Hong Kong Listing Rules”	means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Mainland China”	means the PRC mainland, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan region
“PRC”	means the People’s Republic of China
“Relevant Products”	means the relevant “Tong Ren Tang” branded products supplied by the Group and Tong Ren Tang Ltd. Group to TRT International Natural-Pharm under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement, respectively for the purpose of the distribution of such products outside the Mainland China
“Tong Ren Tang Group”	means Tong Ren Tang Holdings and its subsidiaries (excluding the Group)
“TRT Exclusive Distributorship Framework Agreement”	means the exclusive distributorship framework agreement entered into between Tong Ren Tang Ltd. and Tong Ren Tang Chinese Medicine on 8 November 2017 and renewed by the parties on 6 November 2020 and 29 November 2023 in relation to the distribution of the Relevant Products of Tong Ren Tang Ltd. Group (for the purpose of the TRT Exclusive Distributorship Framework Agreement only, excluding the Group and the Tong Ren Tang Chinese Medicine Group) outside the Mainland China
“TRT International Natural-Pharm”	means Beijing Tong Ren Tang International Natural-Pharm Co., Ltd. (北京同仁堂國際藥業有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine
“RMB”	means Renminbi, the lawful currency of the PRC
“Shareholder(s)”	means the shareholder(s) of the Company
“Tong Ren Tang Chinese Medicine”	means Beijing Tong Ren Tang Chinese Medicine Company Limited (北京同仁堂國藥有限公司), a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of the Company, the issued shares of which are listed on the Main Board of the Hong Kong Stock Exchange

“Tong Ren Tang Chinese Medicine Group”	means Tong Ren Tang Chinese Medicine and its subsidiaries
“Tong Ren Tang Holdings”	means 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 and the ultimate controlling shareholder of the Company
“Tong Ren Tang Ltd.”	means Beijing Tong Ren Tang Company Limited (北京同仁堂股份有限公司, stock code: 600085.SH), 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 direct controlling Shareholder of the Company
“Tong Ren Tang Ltd. Group”	means Tong Ren Tang Ltd. and its subsidiaries, which for the purpose of the TRT Exclusive Distributorship Framework Agreement only, excludes the Group and Tong Ren Tang Chinese Medicine Group

By order of the board
Tong Ren Tang Technologies Co. Ltd.
Gu Hai Ou
Chairman of the Board

Beijing, the PRC
29 November 2023

As at the date of this announcement, the Board comprises Mr. Gu Hai Ou, Mr. Chen Jia Fu and Ms. Feng Zhi Mei as executive Directors, Mr. Jin Tao, Ms. Wang Chun Rui and Ms. Feng Li as non-executive Directors, Mr. Ting Leung Huel, Stephen, Ms. Chan Ching Har, Eliza and Mr. Zhan Yuan Jing as independent non-executive Directors.