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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)

CONNECTED TRANSACTION

ACQUISITION OF 28% EQUITY INTEREST IN TRT TONGKE

ACQUISITION

The Board announces that the Company, Niu BaoTun and TRT Tongke entered into the Equity Transfer Agreement on 26 April 2010, whereby the Company has agreed to acquire a 28% equity interest in TRT Tongke from Niu BaoTun for a cash consideration of RMB21,000,000. Upon the completion of the Acquisition, TRT Tongke will be owned as to 95% and 5% by the Company and Niu BaoTun, respectively.

GENERAL

Niu BaoTun is the substantial shareholder of TRT Tongke, a non wholly-owned subsidiary of the Company, and therefore Niu BaoTun is a connected person of the Company under the GEM Listing Rules. The Acquisition constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 20.10 of the GEM Listing Rules) in respect of the transaction value of the Acquisition exceed 0.1% but below 2.5%, the Acquisition is only subject to the reporting and announcement requirements but is exempted from the independent shareholders' approval requirement under the GEM Listing Rules.

EQUITY TRANSFER AGREEMENT

Date

26 April 2010

Parties

- (i) The Company
- (ii) Niu BaoTun
- (iii) TRT Tongke

Transaction

Pursuant to the Equity Transfer Agreement, the Company has agreed to acquire a 28% equity interest in TRT Tongke from Niu BaoTun for a cash consideration of RMB21,000,000. Upon completion of the Acquisition, TRT Tongke will be owned as to 95% and 5% by the Company and Niu BaoTun, respectively.

Consideration and method of payment

The consideration for the Acquisition will be satisfied in cash by internal resources of the Company in one lump-sum fee of RMB21,000,000 on or before 31 December 2010. Completion of the Acquisition will take place upon the full payment of the consideration for the Acquisition.

The consideration of RMB21,000,000 was determined by the Company and Niu BaoTun after arm's length negotiations by reference to (i) the audited net asset value of TRT Tongke in the amount of RMB71,936,207.8 as at 31 December 2009 prepared in accordance with PRC GAAP; and (ii) the business prospects of TRT Tongke.

FINANCIAL INFORMATION

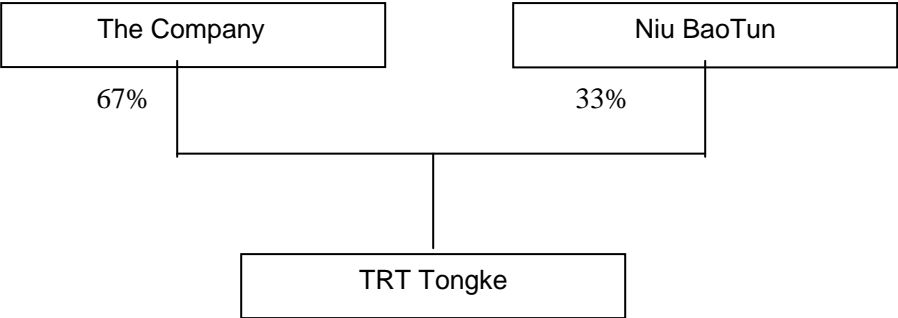
For the two years ended 31 December 2008 and 2009, the audited net profit before and after taxation and extraordinary items of TRT Tongke prepared in accordance with the PRC GAAP were as follows:

	For the year ended 31 December	
	2008	2009
	RMB	RMB
Audited net profit before taxation and extraordinary items	3,717.66	9,122.00
Audited net profit after taxation and extraordinary items	3,717.66	9,122.00

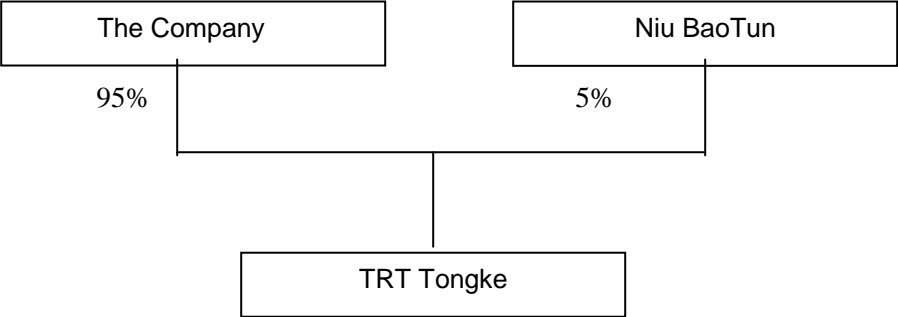
SHAREHOLDING STRUCTURE OF TRT TONGKE

The shareholding structures of TRT Tongke before and upon the completion of the Equity Transfer Agreement are set out below:

Before Completion



Upon Completion



REASONS FOR THE ACQUISITION

The Company is of the view that the Acquisition (i) will further enhance the Group's control on as well as its management efficiencies in TRT Tongke in order to ensure the technical quality for the pre-working procedure for Chinese medicine production; and (ii) will effectively help the Company to arrange its consolidated production in order to improve the Company's management efficiency and to generate higher returns to the Group in future.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

Niu BaoTun, is the substantial shareholder of TRT Tongke, a non wholly-owned subsidiary of the Company, and therefore Niu BaoTun is a connected person of the Company and the Acquisition constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 20.10 of the GEM Listing Rules) in respect of the transaction value of the Acquisition exceed 0.1% but below 2.5%, the Acquisition is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Company confirms that there is no other transaction entered into between any member of the Group and Niu BaoTun or its associates (as defined under the GEM Listing Rules) within a 12-month period to the date of this announcement or otherwise related, which would be, together with the Acquisition, regarded as a series of transactions and treated as if they are one transaction under Rule 20.25 of the GEM Listing Rules.

GENERAL INFORMATION ON THE PARTIES TO THE ACQUISITION

The Company

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

Niu BaoTun

Niu BaoTun is principally engaged in the processing of medicines and transportation services.

TRT Tongke

TRT Tongke is principally engaged in production of ointment, medical research and development.

DEFINITIONS

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

“Acquisition”	the acquisition of the 28% equity interests in TRT Tongke from Niu BaoTun by the Company contemplated under the Equity Transfer Agreement
“Board”	the board of directors of the Company
“Company”	Tong Ren Tang Technologies Co., Ltd. (北京同仁堂科技发展股份有限公司), a joint stock company incorporated in the PRC with limited liability and the issued shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
"Equity Transfer Agreement"	the Equity Transfer Agreement entered into between the Company, Niu BaoTun and TRT Tongke on 26 April 2010
"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 and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
"Niu BaoTun"	Beijing Niu BaoTun Medicine Processing Factory (北京市通州牛堡屯藥材加工廠), a collective-owned enterprise and a substantial shareholder of TRT Tongke
"PRC"	the People’s Republic of China and, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	generally accepted accounting principles in the PRC
"RMB"	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
"TRT Tongke"	Beijing Tong Ren Tang Tongke Pharmaceutical Company Limited (北京同仁堂通科藥業有限責任公司), incorporated on 4 November 2003 under the laws of the PRC and a non wholly-owned subsidiary of the Company

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

Beijing, 26 April 2010

As at the date of this announcement, the board of Directors comprises Mr. Mei Qun, Mr. Yin Shun Hai, Mr. Wang Yu Wei and Ms. Fang Jia Zhi as executive Directors; Ms. Ding Yong Ling as non-executive Director; 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 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>.