

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Tong Ren Tang Technologies Co. Ltd.

北京同仁堂科技發展股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1666)

CONTINUING CONNECTED TRANSACTIONS UNDER THE EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENTS

The Board announces that on 29 October 2012, Tong Ren Tang Chinese Medicine, a non wholly-owned subsidiary of the Company, entered into an exclusive distributorship framework agreement with each of the Company and Tong Ren Tang Ltd., pursuant to which TRT International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine, is appointed as the sole overseas distributor of each of the Company and Tong Ren Tang Ltd., for the purpose of the distribution of the Relevant Products of each of the Group and Tong Ren Tang Ltd. Group outside the PRC.

The Company estimates that the annual caps for the total amount paid by TRT International Natural-Pharm to the Group for the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreement for the two months ending 31 December 2012 and the two years ending 31 December 2014 will amount to RMB1 million, RMB10 million, and RMB12 million, respectively; and the annual caps for the total amount paid by TRT International Natural-Pharm to Tong Ren Tang Ltd. Group for the continuing connected transactions contemplated under the TRT Exclusive Distributorship Framework Agreement for the two months ending 31 December 2012 and the two years ending 31 December 2014 will amount to RMB4 million, RMB40 million, and RMB45.5 million, respectively.

Tong Ren Tang Ltd. is the controlling shareholder and a connected person of the Company, which holds 51.02% equity interest in the Company. As at the date of this announcement, Tong Ren Tang Ltd. also directly holds 46.91% equity interest in Tong Ren Tang Chinese Medicine, a non wholly-owned subsidiary of the Company. According to Rule 14A.11(5)&(6) of the Hong Kong Listing Rules, both Tong Ren Tang Chinese Medicine and TRT International Natural-Pharm are also connected persons of the Company. Therefore, both the entering into of the Exclusive Distributorship Framework Agreement between the Company and Tong Ren Tang Chinese Medicine, and the entering into of the TRT Exclusive Distributorship Framework Agreement between Tong Ren Tang Chinese Medicine and Tong Ren Tang Ltd. constitute continuing connected transactions of the Company.

The Company has aggregated the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement with the respective Overseas Distribution Agreement signed by Tong Ren Tang Chinese Medicine and the Company and by Tong Ren Tang Chinese Medicine and Tong Ren Tang Ltd. on 2 March 2010. As it is expected that one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) calculated after such aggregation will exceed 0.1% but are all less than 5%, the entering into of the Exclusive Distributorship Framework Agreements as well as the annual caps for the continuing connected transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

I. BACKGROUND

On 29 October 2012, Tong Ren Tang Chinese Medicine, a non wholly-owned subsidiary of the Company, entered into an exclusive distributorship framework agreement with each of the Company and Tong Ren Tang Ltd., pursuant to which TRT International Natural-Pharm, a wholly-owned subsidiary of Tong Ren Tang Chinese Medicine Group, is appointed as the sole overseas distributor of each of the Company and Tong Ren Tang Ltd. for the purpose of the distribution of the Relevant Products of each of the Group and Tong Ren Tang Ltd. Group outside the PRC.

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

Date:	29 October 2012
Parties:	(1) the Company (2) Tong Ren Tang Chinese Medicine
Term of the Agreement:	The Exclusive Distributorship Framework Agreement shall be effective from 1 November 2012 to 31 December 2014.
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 PRC. • Within the term of the 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. • Individual distribution agreement or order form will be signed by members of the Group and TRT International Natural-Pharm during the term of the 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 or order form shall be entered into on normal commercial terms as well as in accordance with the provisions of the 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 not be higher than the wholesale price of the Relevant Products sold by the Group to the wholesale customers in the PRC and shall be determined with reference to the then prevailing market price. • Payment of the price will be specified in individual distribution agreement or order form to be signed between members of the Group and TRT International Natural-Pharm.

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

Date:	29 October 2012
Parties:	(1) Tong Ren Tang Chinese Medicine (2) Tong Ren Tang Ltd.
Term of the Agreement:	The TRT Exclusive Distributorship Framework Agreement will be effective from 1 November 2012 to 31 December 2014.
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 PRC. • Within the term of the 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. • Individual distribution agreement or order form will be signed by members of Tong Ren Tang Ltd. Group and TRT International Natural-Pharm during the term of the 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 individual distribution agreement or order form shall be entered into on normal commercial terms as well as in accordance with the provisions of the TRT Exclusive Distributorship Framework Agreement.
Pricing Policy:	<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 not be higher than the wholesale price of the Relevant Products sold by Tong Ren Tang Ltd. Group to the wholesale customers in the PRC and shall be determined with reference to the then prevailing market price. • Payment of the price will be specified in individual distribution agreement or order form to be signed between members of Tong Ren Tang Ltd. Group and TRT International Natural-Pharm.

IV. ANNUAL CAPS

1. *Estimation of the annual caps for the two months ending 31 December 2012 and the two years ending 31 December 2014*

Set out below are the estimated annual caps for the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreements for the two months ending 31 December 2012 and the two years ending 31 December 2014:

Annual Caps	Two months ending 31 December 2012 (RMB million)	Year ending 31 December 2013 (RMB million)	Year ending 31 December 2014 (RMB million)
Total amount payable by TRT International Natural-Pharm to the Group for the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreement	1	10	12
Total Amount payable by TRT International Natural-Pharm to Tong Ren Tang Ltd. Group for the continuing connected transactions contemplated under the TRT Exclusive Distributorship Framework Agreement	4	40	45.5

2. *Basis of Determination of the Annual Caps*

The above estimated annual caps for the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreements are determined based on the expected transaction amount between the Group and TRT International Natural-Pharm, and between TRT International Natural-Pharm and Tong Ren Tang Ltd. Group under the respective exclusive distributorship framework agreement. In addition, the Directors also considered the following factors:

- a. the development plan of Tong Ren Tang Chinese Medicine Group in overseas markets in the next two months and two years following the replacement of the agency arrangements with the Group and Tong Ren Tang Ltd. Group by the exclusive distributorship arrangements ; and
- b. the estimated demand for the Relevant Products by Tong Ren Tang Chinese Medicine Group in the next two months and two years based on the estimated demand from its overseas customers and after taking into account of the estimated expansion of its overseas distribution network and retail stores on an annual basis.

The Directors (including independent non-executive Directors) consider that the above annual caps for the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreements for the two months ending 31 December 2012 and the two years ending 31 December 2014 are fair and reasonable.

V. REASONS FOR AND BENEFIT OF ENTERING INTO THE EXCLUSIVE DISTRIBUTORSHIP FRAMEWORK AGREEMENTS

The Directors are of the view that the appointment of TRT International Natural-Pharm as the sole overseas distributor of each of the Group and Tong Ren Tang Ltd. Group to distribute the Relevant Products outside the PRC could further promote the culture of Chinese medicine in the overseas market, expand sales of products and enhance the value of the "Tong Ren Tang" brand.

VI. HONG KONG LISTING RULES IMPLICATIONS

Tong Ren Tang Ltd. is the controlling shareholder and a connected person of the Company, which holds 51.02% equity interest in the Company. As at the date of this announcement, Tong Ren Tang Ltd. also directly holds 46.91% equity interest in Tong Ren Tang Chinese Medicine, a non wholly-owned subsidiary of the Company. According to Rule 14A.11(5)&(6) of the Hong Kong Listing Rules, both Tong Ren Tang Chinese Medicine and TRT International Natural-Pharm are also connected persons of the Company. Therefore, both the entering into of the Exclusive Distributorship Framework Agreement between the Company and Tong Ren Tang Chinese Medicine, and the entering into of the TRT Exclusive Distributorship Framework Agreement between Tong Ren Tang Chinese Medicine and Tong Ren Tang Ltd. constitute continuing connected transactions of the Company.

The Company has aggregated the continuing connected transactions contemplated under the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement with the respective Overseas Distribution Agreement signed by Tong Ren Tang Chinese Medicine and the Company and by Tong Ren Tang Chinese Medicine and Tong Ren Tang Ltd on 2 March 2010. As it is expected that one or more of the applicable percentage ratios (as defined under Rule 14A.10 of the Hong Kong Listing Rules) calculated after such aggregation will exceed 0.1% but are all less than 5%, the entering into of the Exclusive Distributorship Framework Agreements as well as the annual caps for the continuing connected transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Hong Kong Listing Rules.

The Directors (including the independent non-executive Directors) are of the view that the Exclusive Distributorship Framework Agreements were entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable; and the entering into of the Exclusive Distributorship Framework Agreements 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.

Mr. Yin Shun Hai, who is a Director that also serves as a director of each of Tong Ren Tang Chinese Medicine and Tong Ren Tang Ltd., has abstained from voting on the resolutions in relation to the Exclusive Distributorship Framework Agreements as well as the annual caps for the continuing connected transactions contemplated thereunder at the Board meeting. Mr. Mei Qun, who is a Director that also serves as a director of Tong Ren Tang Ltd., has abstained from voting on the resolution in relation to the TRT Exclusive Distributorship Framework Agreement as well as the annual caps for the continuing connected transactions contemplated thereunder at the Board meeting. Save as mentioned above, none of the other Directors has a material interest in such transactions. .

VII. GENERAL INFORMATION OF THE PARTIES

The Group

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

Tong Ren Tang Chinese Medicine

Tong Ren Tang Chinese Medicine is principally engaged in the development, manufacturing and sale of Chinese medicines in Hong Kong and distribution of Chinese medicines and healthcare products outside the PRC.

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.

VIII. DEFINITIONS

"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 issued 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 29 October 2012 in relation to the distribution of the Relevant Products of the Group (for the purpose of the Exclusive Distributorship Framework Agreement, excluding Tong Ren Tang Chinese Medicine Group) outside the PRC
"Exclusive Distributorship Framework Agreements"	means the Exclusive Distributorship Framework Agreement and the TRT Exclusive Distributorship Framework Agreement, collectively
"Group"	means the Company and its subsidiaries and joint ventures and associates, which for the purpose of the Exclusive Distributorship Framework Agreement, 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
"PRC"	means the People's Republic of China, which for the purpose of the Exclusive Distributorship Framework Agreements and this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan Region
"Relevant Products"	means the relevant Tong Ren Tang branded products supplied by the Group or Tong Ren Tang Ltd. Group (as the case may be) to TRT International Natural-Pharm under the Exclusive Distributorship Framework Agreements for the purpose of the distribution of such products outside the PRC
"TRT Exclusive Distributorship Framework Agreement"	means the TRT Exclusive Distributorship Framework Agreement entered into between Tong Ren Tang Chinese Medicine and Tong Ren Tang Ltd. on 29 October 2012 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, excluding the Group) outside the PRC
"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
"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, which is held as to 46.91% and 53.09% by Tong Ren Tang Ltd. and the Company, respectively
"Tong Ren Tang Chinese Medicine Group"	means Tong Ren Tang Chinese Medicine and its subsidiaries and joint ventures and associates

"Tong Ren Tang Ltd."	means Beijing Tong Ren Tang 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
"Tong Ren Tang Ltd. Group"	means Tong Ren Tang Ltd. and its subsidiaries and joint ventures and associates, which for the purpose of the TRT Exclusive Distributorship Framework Agreement, excludes the Group and Tong Ren Tang Chinese Medicine Group

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

Beijing, the PRC
29 October 2012

As at the date of this announcement, the Board comprises Mr. Mei Qun, Mr. Xie Zhan Zhong, Mr. Yin Shun Hai, Mr. Wang Yu Wei and Ms. Fang Jia Zhi as executive Directors; Ms. Tam Wai Chu, Maria, Mr. Ting Leung Huel, Stephen and Mr. Jin Shi Yuan as independent non-executive Directors.

* for identification purpose only